



**DEPARTMENT: HUMAN RESOURCES DEPT.
[STAFF WELFARE SECTION]**

Re: STAFF LOANS — Renewal of Master Life Insurance Policy - Housing Loans and Vehicle Loans for the year 2019-2020 - Remittance of Premium.

We are having Master Life Insurance Policies with LIC of India to cover the lives of the employees to the extent of liabilities outstanding in Housing Loan and Vehicle Loan accounts. We have been remitting the annual premium on the liabilities outstanding as on 31st March of every year. The said policies are due for renewal on 01.04.2019 for the insurance year 2019-2020.

In view of the recent upward revision of staff housing loan limits and extending repayment period after superannuation, we have negotiated with LIC of India for coverage of the enhanced liabilities and **extending the liability insurance coverage beyond superannuation till the attaining of 75 years or due date of the loan whichever is earlier** subject to review of insurance premium on year to year basis .

The salient features of both Housing Loan and Vehicle Loan policies are furnished hereunder:

SALIENT FEATURES OF THE POLICY:

	Housing loan Insurance	Vehicle loan Insurance
Coverage	Actual liability outstanding in Housing loan A/cs I & II and Additional housing loan accounts as on 31.03.2019 subject to a maximum of Rs. 102.80 lacs	Actual liability outstanding in the loan account as on 31.03.2019 subject to a maximum of Rs.7,00,000/- in case of four wheeler loans and Rs.1,00,000/- in case two wheeler loans.
Age Criteria	Extended the facility up to 61 years of age accordingly the HL liability of staff who have retired on superannuation from 01.04.2018 to till date also will be covered for the year 2019-2020	Upto Superannuation



Rate of premium	Rs. 3.60 ps per thousand + GST @18% on the outstanding liability.	Rs. 3.35 ps per thousand plus GST @18% on the outstanding liability.
Mode of premium payment	Premium will be auto debited to the loan accounts of the employees and the same should be recovered in equal monthly instalments from the salary of the employees during the financial year 2019-20 and credited back to the respective loan accounts.	Premium will be auto debited to the loan accounts of the employees.
Deduction of premium	1) As on 31.03.2019 on the outstanding liability. 2) Proportionate premium on the date when fresh sanctions are made.	1) As on 31.03.2019 on the outstanding liability. 2) Proportionate premium on the date when fresh sanctions are made.

We furnish hereunder the procedure to be followed at the branch/Zonal Office:

IMPORTANT POINTS TO BE NOTED AND FOLLOWED BY BRANCHES :

1. System will debit insurance premium for all the staff housing/vehicle loan accounts outstanding as on 31.03.2019. Branch user / account holder has to check whether the premium is debited as per the above rates.
2. Premium so debited is to be recovered in the same financial year i.e., 2019-20 in equal monthly installments from the salary payable to the employee duly incorporating in Salary Change forms and credited back to the respective housing loan accounts.
3. Branches have to **ensure that STAFF CODE MUST** be available under ACI Menu for Staff Loan accounts.
4. Customer **ID must be the same** for all the loans of an employee.
5. All staff loans with **Zero balance must be closed** under the following Scheme codes.
Housing Loans: a) STHLN, b) STHLO & c) STHLR
Additional Housing Loans: a) STAHN, b) STAHO
Vehicle Loans: a) VL2WH, b) VL4WH
6. Where the employee has two housing loan accounts and additional housing loan , premium will be debited to one housing loan account clubbing the entire liability under all loan accounts.



7. All Staff Housing loan accounts must be maintained in the same branch.
8. Branches should ensure that premium is debited to all the staff Housing & Vehicle loans. It is also the personal responsibility of the employee to ensure that premium is debited to his/her loan accounts.

Branches and Zonal Offices can generate the following reports available in the System:

ABREP -> ADVANCES->STAFFHL / STAFFVL (Staff Housing loan and Staff Vehicle Loan)

The reports so generated can be checked for correctness in all aspects and confirmation to be submitted to the Zonal Offices.

Relevant data file can be generated by Branches through the following option:

ABREP->ADVANCES->STAFFHLF / STAFFVLF (Staff Housing Loan flat file and staff Vehicle Loan flat file)

It may be noted that payment of insurance premium on staff housing and vehicle loans is mandatory and not an option.

By Zonal Offices:

Zonal Offices should generate the data of Staff Housing / Vehicle Loans (in text file) in the CBS node and ensure that all the accounts under staff category are debited with insurance premium correctly.

The Contents of this circular may be brought to the notice of all the employees.

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[M NAGARAJU]
GENERAL MANAGER [HR]

