GROUP INSURANCE SCHEME

Objective

The Kerala State Employees' Group Insurance Scheme, is intended to provide for the State employees, at a low cost and on a wholly contributory and self-financing basis the twin benefits of an insurance cover to help their nominees in the event of death while in service and a lumpsum payment to augment their resource on retirement.

Application

1. The ‘Scheme’ shall apply to -

- all State Government employees appointed in accordance with the rules of recruitment,
- State Government employees borne on work-charged establishment on time scales of pay
Schemes

- State Government employees borne on contingent establishment on time scales of pay,
- Full time teaching and non-teaching staff of private schools and colleges under direct payment scheme and
- Employees, other than those mentioned at (i) to (iv) above, to whom the “Scheme: may be extended under orders of Government.

2. The ‘Scheme’ shall not apply to-

- persons in casual employment,
- persons subject to discharge from service on less than one month’s notice, and
- persons for whose appointment and other matters provisions are made by or under any law for the time being in force or in any contract in regard to matters covered by such law or such contract.

Membership

1. Membership of the ‘scheme’ shall be optional for all those ‘employees’ who are in service as on 1st September 1984 and compulsory to those in service on or after 1st September 1984.

2. Those ‘employees’ who are in service as on 1st September 1984 continue to subscribe or cease to subscribe to the Kerala State Employees’ Family Benefit Scheme with effect from 1st September 1984. Those who cease subscribe to Family Benefit Scheme should get themselves enrolled as members of the scheme with effect from the said date.

3. All ‘employees’ who enter service in a month other than September after the ‘scheme’ has come into force, shall be enrolled as members of the ‘Scheme’ on the next anniversary of the ‘Scheme’. Those joining in September will be enrolled immediately.

4. Every “employee” enrolled as member of the ‘Scheme’ shall be informed by the head of office concerned the date of his enrolment and the subscription to be deducted from his salary/wages in Form I. This will also be entered in the Service Books of the employees.

Subscription of members

Grouping of employees is as follows:-

<table>
<thead>
<tr>
<th>Scale of pay</th>
<th>Group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>
Rate of subscription (Rs.)

<table>
<thead>
<tr>
<th>Rate Range</th>
<th>Subscription</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs. 55350 - 101400 and above</td>
<td>Rs. 600</td>
</tr>
<tr>
<td>Rs. 35700 - 75600 and above but below Rs. 55350</td>
<td>Rs. 500</td>
</tr>
<tr>
<td>Rs. 17000 - 37500 and above but below Rs. 35700</td>
<td>Rs. 400</td>
</tr>
<tr>
<td>Rs. 16500 - 35700 and above but below Rs. 17000</td>
<td>Rs. 300</td>
</tr>
</tbody>
</table>

(The subscription for the Scheme shall continue to be in units of Rs.10 per mensom)

In the event of regular promotion/appointment of a member from one Group to another, his subscription shall be revised, from the next anniversary of the ‘scheme’ to the level appropriate to the Group to which he is promoted or appointed. Until the date of the next anniversary of the ‘scheme’ he shall continue to be covered for insurance for the same amount for which he was eligible before such promotion/appointment.

Premium and insurance cover for ‘employees’ other than members.

An ‘employee’ entering service in a month other than September falling after September, 1984 shall be given the benefit of insurance cover applicable to the Group to which he belongs from the date of joining Government service to the date of his becoming member of the ‘scheme’ on payment of subscription of Rs.3/- per month as a premium for every Rs.10,000/- of the insurance cover.

Insurance Fund and insurance cover for members

1. In order to provide an insurance cover to each member of the ‘scheme’ such portion of the monthly subscription as may be specified from time to time under orders of Government and for the present an amount of Rs.3.125 for each unit of subscription shall be credited to an Insurance Fund to be held in the Public Account of the State Government. The amount of insurance cover shall be Rs.10,000 for each unit of subscription. It shall be paid to the nominee/nominees of the member who dies due to any cause, while in service.

2. The positive or negative balance under the Insurance Fund shall be credited or debited, as the case may be, with the amount of interest calculated at the prevailing rate of interest of 6% or as fixed by Government from time to time.

Recovery of subscription.

1. The subscription of a member for a month shall fall due at the commencement of the normal working hours on the first day of the succeeding month.

2. The subscription as a premium for the insurance cover on joining Government service
shall initially fall due on the commencement of first day of the subsequent month.

3. The subscription for a month shall be recovered by deduction from salary/wage of the member/employee for the preceding month, irrespective of the date of actual payment of the salary/wages.

4. The subscription shall be recovered every month including the month in which the member/employee ceases to be in employment on account of retirement, death, resignation, removal from service etc., and entered in the pass book prescribed in Form 9 and attested by the Drawing and Disbursing Officers concerned in the case of non-gazetted officers. Self drawing officers may enter the details and sign themselves.

5. The Drawing and Disbursing Officer shall recover the subscription from the members/employees irrespective of their being on duty, leave or suspension.

6. No interest shall be levied on arrears of subscriptions if the non-recovery is due to delayed payments of salary/wages.

7. If an ‘employee’ or a member is on leave without allowances and there is no payment of his salary/wages for the period, his subscriptions for such period shall be recovered with interest admissible under the ‘scheme’ on the accretions to the Savings Fund in not more than three instalments commencing from his salary/wage for the month including the month in which he resumes duty after leave. If an ‘employee’ or a member dies while on leave without allowances, the subscriptions due from him shall be recovered with interest admissible under the ‘scheme’ on the accretions to the Savings Fund from the payments admissible to his family.

8. If an ‘employee’ or a member proceeds on deputation or on foreign service, the borrowing authority/foreign employer shall be requested to effect the recovery of the subscription and credit the same to the relevant heads of account. It shall be ensured that necessary clause to this effect is included in the terms of deputation/Foreign Service in future. The recovery of this amount shall be watched in the manner specified in the accounting procedure prescribed by Government. If at any time the recovery of subscription falls in arrears, the same shall be recovered with interest admissible under the ‘scheme’ on the accretions to the Savings Fund in not more than three instalments.

**Payment from Insurance Fund/Savings Fund**

1. If a member retires on attaining the age of superannuation or otherwise ceases to be in State Government Service and his Service book discloses that he has been a member of the ‘scheme’ the Director of Insurance shall issue a sanction for the payment of the member’s accumulation in the Savings Fund after obtaining a simple application in Form No.3.

2. If an ‘employee’ or a member dies while in service and his Service Book discloses that he was given the benefit of insurance cover or was a member of the ‘Scheme’ the Head of Office shall address the nominee(s)/heir(s) of the ‘employee’ concerned in Form No.4 to submit an application in Form No.5 and on receipt thereof shall forward it to the Director of Insurance who shall issue a sanction for the payment of the amount of insurance or/and the accumulation in the Savings Fund to him (them).

3. The amount payable to the nominee(s)/heir(s) of an ‘employee’ who has the benefit of an insurance cover only shall be the amount of insurance appropriate to his group.
4. The amount payable to the nominee(s)/heir(s) of a member of the ‘scheme’ who dies while in service shall be-

- the amount of appropriate insurance to which he was entitled at the time of his death; plus
- the amount due to him out of the Savings Fund for the entire period of his membership in the lowest Group; and
- the amount or amounts due to him for the additional units by which his subscription was raised on each occasion due to appointment/promotion to higher group for the period from which the rate of subscription was raised to the date of his death.

Register of Members

The Head of Office shall ensure that Group-wise register of members is maintained in Form No.8 and Pass Book kept up-to-date. The Drawing and Disbursing Officer concerned shall inspect these registers once in a year and Disbursing Officer concerned shall inspect these registers once in a year to verify whether appropriate subscriptions are being recovered from all employees who have joined the Insurance Fund or both the insurance Fund and the Savings Fund under the ‘scheme’ and record a certificate to this effect.

Nomination

1. The Head of Office shall obtain from every ‘employee’ a nomination conferring on one or more persons of the family the right to receive the amount that may become payable under this Scheme’s in the event of his death before attaining the age of superannuation. In the case of employees’ who are in State Government Service as on 1st September, 1984, such nomination shall be obtained immediately and in any case within two months and in the case of employees’ who join State Government Service on or after 1st September, 1984, such ‘nomination’ shall be obtained along with the joining report.

2. If any ‘employee’ or member of the ‘scheme’ has a family at the time of his making the nomination he shall make such nomination only in favour of a member or members of his family. In the case of married employee/member, family for this purpose will include only the wife/husband as defined above at the time of nomination. He may nominate any person coming under ‘family’ as defined in Rule 71, Part III, Kerala Service Rules. However, such nomination will become invalid in the event of his acquiring a family as defined above. On acquiring the family, he shall make a fresh nomination in favour of the family.

3. If any ‘employees’ or member nominates more than one person under rule 17 he shall specify in the nomination the amount of share payable to each of the nominees in such a manner as to cover the whole of the amount payable under the ‘scheme’, failing which the
amount payable under the ‘scheme’ shall be equally distributed among the nominees.

4. The nomination shall be made in Form No. 6 or Form No. 7 appropriate in the circumstances.

5. Any ‘employee’ or member of the ‘scheme’ may at any time cancel nomination by sending a notice to the Head of Office along with a fresh nomination made in accordance with the above provision.

6. The nomination received from the ‘employees’/members shall be countersigned by the Head of Office and pasted on their Service Books. The Head of Office shall also make an entry in the service book that the nomination has been duly received.

Procedure for Enrolment, Payment etc.

Enrolment of Self Drawing Officers viz, Gazetted Officers and those who draw pay and allowances on countersigned salary bills - In G.O.(P) 655/84/Fin. Dated 13.11.1984, Government have ordered that the application in Form GIS-A in respect of self drawing officers should be given to the Head of Office and that of the Head of Office to the next higher authority and that the nominations of these officers are to be kept by the Heads of Departments concerned. For ensuring prompt deduction of subscriptions towards Group Insurance Scheme and to facilitate a better control in keeping the nominations, collection of subscriptions and forwarding of claims, the Heads of the Department will discharge the duties of the head of office as per the Scheme, in respect of Gazetted Officers, drawing salary based on Pay Slips as per Rule 164 of K.T.C, Volume I. For Officers who draw salary on countersigned salary bills as per exception below Rule 169(b) of K.T.C., Volume I, the Officers who countersign the Salary Bills will discharge the duties of the Head of Office. The nominations obtained from such officers should be pasted in their Service Books.

Enrolment of members other than Self Drawing Officers- Instructions relating to the enrolment of members were issued in Government Circular No.71/84/Fin. Dated 8.10.1984. An employee who wishes to join the scheme should submit an application in Form GIS-A to the Head of the Office along with his nomination in Form No.GIS-6 or Form No.GIS-7. The Head of Office will issue the Memorandum in Form No.GIS-I enrolling him/her as a member and enter the name of the employee in the Register of Members in Form No.GIS-8. He will also enter in red ink on the top of page one of the Service Book, the group, the rate of subscription and the date of encashment of the bill in which the first deduction is made.

Forwarding the List of Members to the Director of Insurance- At the end of each anniversary, after encashment of the bill in which the first deduction is made, every Head of Office/D.D.O. should forward to the Director of Insurance in Form GIS-C a list of members who have joined the Scheme, since the last anniversary. The Director of Insurance will assign Account Nos. (Revenue District-wise) and forward the Pass Books in Form No.GIS-9 to the Head of Office, from whom the list has been received.

Register of Members in Form No.GIS-8 (Vide Para 16 of the Scheme) – The Group
Insurance Account numbers when received from the Director of Insurance should be noted against each name in the Register of members maintained in each Office. While noting the Account Nos. if one member is seen assigned more than one Account Number the fact should be intimated to the Director of Insurance immediately. One pass book with the Account Number may be retained and the remaining Pass Books should be returned to the Director of Insurance so as to avoid duplication of claims in future.

The group and rate of subscription should also be noted against each employee/member in the Register of Members, if only a single register is maintained for different groups. However, if separate registers are maintained for each group, the rate of subscription alone need be noted at the top of the Register on each page. Every Drawing and Disbursing Officer should record a certificate (referred to in Para 16 of the Scheme) in the following form in the Register of Members in the first week of October at the end of that year’s anniversary. “Certified that (i) subscriptions at the appropriate rates have been recovered from all the members during the year; and (ii) all members who have been subscribing to the insurance fund only have been enrolled as full members, subscribing at the rate of Rs.10 per unit per mensem from this September onwards”.

Recovery of Subscriptions without default – Once an employee/member is enrolled, the subscription shall be recovered every month including the month in which the employee/member ceases to be in employment (vide Para 9 of the Scheme). The recovery of subscription without default, should be ensured through the Register of Members in Form No.GIS-8, the L.P.C and the register maintained in Form GIS-E to watch the recovery of subscriptions from employees/members on leave without allowances, suspension, deputation/foreign service etc.

Recovery of subscription by deduction from Pay Bills – The deduction towards Group Insurance Scheme should be entered in a separate column in the Pay Bills as in the case of General Provident Fund deductions. In the portion of the Pay Bill on the facing sheet pertaining to classification, it must be written separately “Group Insurance Scheme Savings Fund” and the total subscription recovered from the employees shown against it. A deduction statement in Form GIS-B1 indicating only the total amount of credit under the Group Insurance Scheme should be attached to the Pay Bill. For example, if the total deduction in one Establishment Bill for November 1984 towards Group Insurance Scheme is Rs.500 the deduction statement need show only the total ie., Rs.500(in words and figures). Self Drawing Officers should furnish the deduction statements in Form GIS-B.

T.R.72 Certificate in respect of Self Drawing Officers – There are two categories of Self Drawing Officers:

1. Gazetted Officers drawing salary based on Pay Slips issued by the Accountant General (vide Rule 164 of K.T.C. Vol. I)
2. Officers drawing salary on countersigned salary bills (vide exception below Rule 169 (b) of K.T.C. Vol. I)
These officers should give their applications in Form GIS-D to the relevant Treasury/cheque issuing/countersigning officers for T.R.72 Certificates after they join the Group Insurance Scheme or when the group is changed. This certificate should be obtained by a member before the next anniversary of the scheme (i.e.) before the next September. When the Pass Book is received from the Director of Insurance, the certificate in original should be pasted in it.

The Treasury/cheque issuing/countersigning Officers should issue the certificates as prescribed in Form GIS-D Gazetted Officers drawing salary on Pay Slips should forward self attested copies of the T.R.72 certificates to their Heads of Departments who will make necessary entries in the Register of Members in Form No.GIS-8. The Heads of Departments should see that copies of such certificates are received by them before the commencement of the next anniversary by making a note in the Register of Members.

“The countersigning officers should ensure that T.R.72 certificate is issued on request to all officers, whose salary bills are countersigned by them. The fact of having issued the certificate should be noted on page 1 of the Service Books of these Officers”.

Transfer of Members and L.P.C – If an employee/member is transferred from one Department/Office to another Department/Office, the L.P.C. issued as per Rule 182 of K.T.C., Vol. I should clearly indicate the group to which he belongs and the year and month of commencement of his continuous membership in each group. These details will be available on page one of the Service Book (vide Rule 5)

The Heads of Offices/Drawing and Disbursing Officers/Treasury Officers/Cheque issuing Officers/Countersigning Officers will be responsible for ensuring that the above details are entered in the L.P.Cs. The Drawing and Disbursing Officer/Heads of Office to which he is transferred will enter the rate of deduction to be made and other details in the Register of Members in Form No.GIS-8. In respect of self drawing Officers, the Treasury/Cheque issuing/countersigning Officers will enter the details in T.R.72 (combined Register of L.P.Cs and pay slips) or corresponding registers. The recovery of subscriptions towards Group Insurance from the individuals concerned will be effected beyond the month up to which such subscription has been recovered earlier.

The Finance Department will take steps to modify the form of L.P.C.(vide Rule 182 of K.T.C., Vol. I) to add the words Group, Rate of Recovery, Date of encashment of the bill in which first deduction was made under each Group on Page-2 below “Details of Recoveries”.

Change of group on promotion – Para 5.2 of the Scheme refers to regular promotions and consequent changes of groups. It is clarified that unless the promotion has been made for a specified or short period and if it is not expected that the employee would revert to a post in the lower group at the end of that period, he should be deemed to have been promoted, for the purpose of this scheme, on a regular basis and his subscription should be recovered from him accordingly. The question whether the employee would revert to a post in the lower group may be decided by the administrative authority according to his discretion, taking into consideration
the circumstances of each case.

In such cases, the employee should be informed of the change of group and the revised rate of subscription in form No.GIS-2 and the fact should be reported, after the first deduction at the higher rate is effected, to the Director of Insurance in Form GIS-C with suitable modifications. The Director of Insurance will note the change of group against the Account Number of the employee. The change in group should invariably be indicated in the Last Pay Certificate also, wherever necessary.

When a group is changed by a member, an entry thereof should be made in the Index Register against his Account Number in the Directorate of Insurance.

Once a person has been admitted to a higher group, the rate of his subscription will continue at the same level even if he reverts to a past in the lower group later on.

**Payment from the Insurance Fund and the Savings Fund** – Para 10 of the Scheme deals with payment from the Insurance Fund/Savings Fund. The Head of Office will forward to the Director of Insurance, at the earliest, an application in Form No.GIS-3 along with Pass Book in the case of retirement. In respect of employees who die while in service, the application should be forwarded in Form No.GIS-5 along with the Pass Book, nomination and death certificate in original. Claims in respect of Self Drawing Officers should be forwarded by the Head of the Office to which he was attached. T.R.72 certificate referred to in Rule 12 also should be forwarded. The Head of office while forwarding the claim shall report, without fail, the period of default and the amount of arrears of subscription, if any, (Please also see Rule 21 below).

**Settlement of claim** – Action in the Directorate of Insurance
The Director of Insurance will verify the claim, when received from the head of office, with reference to the original entry in the Index Register and other records. If the claim is in order, he will issue separate sanctions for payment from the Insurance Fund and the Savings Fund in Form GIS-F as per paras 10.1 or 10.2 of the scheme as the case may be.

**Recovery of subscription from Employees on leave without allowances, Deputation, Foreign Service or under suspension** – For watching the recovery of subscriptions from employees on leave without allowances, deputation, foreign service or under suspension, the head of the parent office should maintain a register in form GIS-E. The recovery of the amounts of subscription should be watched in the same manner as in the case of leave salary and pension contribution.

In cases, where subscriptions for a continuous period of 6 months are in default, the membership will automatically cease and in such cases, the members will also lose their entitlements under the Insurance Fund, in the event of their death. The accumulations in their Savings Fund with interest upto the dates of termination of their membership will be repaid to them ONLY at the time of retirement/death, whichever is earlier.
I. Eligibility to become a policy holder under State Life Insurance Scheme

1. All State Government employees holding permanent or officiating appointments under the Government of Kerala and who are below the age of 50 years on the date of 1st remittance of premium.
2. The age of the proposer shall be taken to be the age at his last birthday or next birthday which ever is nearer to the date on which the 1st premium is paid, if equidistant, it shall be taken to be his age at his last birthday.
3. Document proof in support of age of the proposer will be the certificate to that effect furnished in the proposal form by the head of office/institution.

II. Premium

Insured shall have to pay a minimum monthly premium fixed by Government from time to time. The existing rates effective from 1.4.2012 are the following. Vide G.O (P) No. 104/2012/Fin dated 09/02/2012

<table>
<thead>
<tr>
<th>Pay range</th>
<th>Rate of monthly premium(Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic pay up to Rs. 9189/-</td>
<td>150</td>
</tr>
<tr>
<td>Basic pay from Rs. 9190 to Rs. 18739</td>
<td>230</td>
</tr>
<tr>
<td>Basic pay from Rs. 18740 to Rs. 29179</td>
<td>380</td>
</tr>
<tr>
<td>Basic pay Rs.29180/- and above</td>
<td>450</td>
</tr>
</tbody>
</table>

Insured will have to take additional policies when they cross from one pay range to the next pay range.

When an employee crosses one pay range to the next higher range, he should take additional policy within 2 years of his coming to the higher pay range. But this condition will not apply to an employee who has attained 50 years of age at the time of crossing over to the next pay slab.

The premium shall be payable monthly in advance and shall be recovered by deduction from the pay of the insured or by other prescribed method of payment every month till the insured completes 55 years of age.

III. Payment from Insurance Fund

1. The sum assured under the policy plus eligible bonus declared by Government from time to time shall be payable to the insured on his completing 55 years of age or at his death whichever
2. When an insured ceases to be in the Service of Government of Kerala before completing the age of 55 years he may elect within 12 months from the date he cease to be in service any of the following courses:

- Continue to pay the premium due on his policy till it becomes mature or
- To take up paid up policy for a reduced sum assured bearing the same proportion to the original sum assured as the total premia paid under the policy bears to the total premia payable if the original policy is continued in force until the insured attains the age of 55.
- Surrender the policy and receive as “Surrender Value” forty per cent of the sum total of the premia paid by him upto the date of the surrender of the policy and bonus if any due to him

- In the case of an Officer who retired from service before attaining the age of 55 years and finds it difficult to continue to pay the premia due on an endowment policy till the date of maturity, to treat the premia due on the policy from the date of retirement to the date on which the policy is mature as a debt on the policy due to the fund carrying interest at 9 per cent per annum which shall be recovered from the amount of the sum assured and bonus, if any, payable on the date of maturity of the policy.

3. An insured person whose communication intimating election of one of the four alternatives of Rule 4 does not reach the Director of Insurance/District Insurance Officer within one year from the date with effect from which he ceases to be in service, will be held to be entitled only to the third alternative of Rule 4 and the surrender value will be paid to him or his heirs on demand, according to rules, if applied for at any time within a period of ten years from the date of discontinuance of payment of premium.

4. If the insured, who has not taken a policy as a compulsory measure wishes to withdraw from insurance after the policy had been in force for not less than two years, he may surrender his policy and apply for the surrender value of the sum assured thereby, which will be 40% of the sum total of all the premia paid by him upto the date of such surrender along with bonus if any due to him. No surrender value will be allowed for policies of less than two years duration

IV. Procedure for applying for Insurance

1. An employee proposing to insure his/her life under these rules shall submit proposal in Form No.1 written in his/her own hand wherever possible and shall sign it in the presence of the head of office. The latter will in turn sign the certificate to the effect that he has read and explained the form to the proposer whose signature was affixed in his presence and that the entries made
therein are correct and send it along with the original chalan receipt towards the payment of 1st premium to the District Insurance Officer of the District in which the employee is employed.

2. When an insured wishes to effect further insurance by taking an additional policy on his life, he shall submit a proposal in form No.1 along with the chalan for the remittance of 1st instalment of premium for the additional policy. The procedure prescribed for taking a fresh policy shall be applicable for taking additional policy also.

V. Procedure for sanction of loan against policies.

1. Loan carrying 9% interest per annum may be sanctioned on unencumbered policies by the Director of Insurance/District Insurance Officer up to a maximum of 90% of the surrender value of the policy, the policy being assigned in favour of the Director of Insurance/District Insurance Officer in consideration as security for the loan.

2. Loan granted under the rules shall be repaid in monthly instalments not exceeding 36 along with premium.

3. Repayment of such loan may either be separately shown in the pay or salary bill of the officer concerned or remitted into the treasury under separate chalans to the credit of the State Life Insurance Fund. Interest due upto the date shown be cleared before setting aside against the principal of the loan. The loan shall be a primary charge on the policy and any payment outstanding shall be deducted from the surrender value if the policy is surrendered or from the sum assured if policy becomes a claim by death or maturity.

VI. Payment of claims

1. Subject always to the production of the policy and the establishment of the claimants’ title, the sum assured by a policy (including bonus, if any) less the amount (if any) due to the fund on account of arrears of premia, loan etc., will be paid to the insured.

2. In the case of endowment policies maturing for payment on attaining fifty-five years of age, to the insured.

3. In all other cases, to the surviving nominee or nominees of the insured on the insured's death and if there is no surviving nominee, to such person or persons as certified to be the legal heirs as per the heirship certificate issued by the Tahsildar. If the sum assured exceeds Rs.50,000/- the amount due shall be paid to the legal heirs declared as such by a competent civil court having jurisdiction.

4. If the policy holder so desires he can get the discounted value of the sum assured within eleven months before the date of maturity of the policy. The table showing the value of Re.1 payable at the end of the months is given in the appendix.
5. The nomination shall be made in the prescribed form appended. Such nomination completed and signed by the insured in the presence of two witnesses shall be sent to the Director of Insurance/District Insurance Officer along with Form No.1 who shall register it in the books. If the insured has a family at the time of his making the nomination he/she shall make such nomination only in favour of his/her family. In the case of married insured the family for this purpose will include only the wife/husband and children of the insured. In case he/she does not have a family at the time of making the nomination he/she may nominate any person. However such nomination will become invalid in the event of his acquiring a family and he shall make a fresh nomination in favour of the family.

6. When the person nominated dies before the insured the nomination becomes ipso facto void and the heirs of the nominee will have no claim.

7. If the insured nominates more than one person, he shall specify the amount of share payable to each of the nominees, failing which the amount payable shall be equally distributed among the nominees by the Director of Insurance.

8. The insured may at any time cancel nomination by sending a notice to the Director of Insurance/District Insurance Officer along with a fresh nomination made in accordance with rules thereto.

9. When a nominee predeceases the insured, the nomination becomes ipso facto void and it shall be competent for the Director of Insurance/District Insurance Officer to require the claimant(s) to produce satisfactory evidence of title on the claim amount under the policy.

10. The following documents will be accepted as satisfactory evidence of title unless the Director of Insurance/District Insurance Officer considers the production of further evidence necessary:

   - If the amount payable does not exceed Rs.50,000/- a heirship certificate issued by the Tahsildar.
   - in all other cases a succession certificate under the Indian Succession Act 39 of 1925.
   - Certificate of heirship, probate or letter of administration granted by any Court of Law in India, although such certificate probate or letter of Administration does not expressly mention the sum due under the State Life Insurance Policy.

11. Where the deceased has, by a registered will, bequeathed the sum assured to any particular individual, a probate of the will granted by a competent Civil Court.

12. In case where there are more than one claimant the sum assured by the policy will be paid to the person who seem to the Director of Insurance/District Insurance Officer to have the best claim on his giving a good and tangible security to indemnify the Government against any loss that may accrue in the event of the Government being compelled by a decree of a Court to pay
the sum assured over again to another claimant.

13. The Director of Insurance may consult the Secretary to Government, Law Department, Secretariat, Thiruvananthapuram on any legal points connected with the settlement of claims.

**VII. Manner of realising premia**

1. i) The first premium on each policy may be paid either in any treasury under the head of account to be specified from time to time.

   - As demand draft in favour of the Director of Insurance/District Insurance Officer.
   - In cash in the offices of the District Insurance Officer.

2. Subsequent premia will be payable in advance and be recovered monthly by deduction from the pay of the insured. The insured person is responsible to see that the amount of the premium which is due on the 1st day of each month is deducted from his/her pay for the preceding month. If the premium due for any month is omitted to be deducted from the salary bill of the insured person, or from the establishment bill of the office in which his pay is drawn (by oversight or otherwise) whether such omission was on the part of the insured or on the part of the officer whose duty it is to draw and disburse his pay, the insured should pay the premium in cash into the nearest treasury within the period of grace period of one month from the date of receipt of pay without deduction of premium. A deduction statement in the schedule appended to these rules, indicating therein particulars of individual deduction, may be attached to the salary bill. These schedules should reach the Director of Insurance, after their correctness is checked by the Accountant General (A&E), with reference to the gross and net amounts of the bills.

3. In case of employees on deputation in the service of Panchayats, Municipalities and Corporations or on deputation to foreign service such as Boards, Corporations and similar autonomous bodies, already insured under these rules, the premium shall be recovered monthly and remitted by chalan in the treasury under the proper head of account relating to State Life Insurance by the respective drawing and disbursing officers. The original chalan receipts thereof together with recovery schedule shall be sent to the Director of Insurance. He is also permitted to remit the premium recovered as above by way of Demand Drafts drawn in favour of the Director of Insurance payable at Thiruvananthapuram.

4. In the case of employees, on leave without allowances or under suspension etc., already insured under these rules, it is to be ensured that the monthly premium is paid in time either by way of chalan in the treasury or as Demand Draft or in cash in the office of the District Insurance Officer.
Exemption:

1. In the case of employees, on leave without allowance on Medical Ground the recovery of premium shall commence only with effect from the month in which he resumes duty after leave. However arrears of premia for such period shall be treated as a debt on the policy carrying interest at 9% per annum and shall be recovered from his future pay in not more than ten instalments, commencing from the month in which he resumes duty after such leave. If the insured dies while on leave without allowances on Medical Ground the arrears of premia due from him shall be recovered with interest at 9% per annum from the payments admissible under his policy.

2. In every other case of non recovery or non payment of premium for a period of 6 months, the policy shall lapse as from the due date of defaulted premium and all claims to the policy moneys thereunder forfeited subject to the relevant Rules.

3. A lapsed policy on which at least three years premia have been duly paid before the date of lapse, shall automatically secure a fully paid up assurance for a reduced sum which will bear the same proportion to the original sum assured as the total amount of premium paid bears to the amount payable if the original policy continued in force until the assured attained his fifty fifth year of age. A claim arising within six months from the date of lapse of such policy, will however be treated as good and will be paid in full subject to the deduction of ordinary revival charges specified in rule 21.1.

4. A lapsed policy on which three years premia have not been paid before the date of lapse shall be void and no claim on it will be recognised.

VIII. How a lapsed policy revived.

A lapsed policy may be revived on payment of all arrears of premia with compound interest calculated from the 1st due date to the date of payment at 9% per annum. Such revival should be done within a period of five years from the date of the lapse of policy.

IX. Miscellaneous

1. When an insured who has ceased to be in the service of Government has elected to pay such premia, he may be allowed by the Director of Insurance/District Insurance Officer to pay such premia in advance, monthly, quarterly, half yearly or yearly into any Government Treasury. A grace period of one month shall however be allowed. If the insured fails to pay the premium within the days of grace he shall be deemed to have withdrawn under Rule 4.5(c) and he shall be paid back the surrender value of the sum assured, which will be 40% of the sum total of all the premium paid by him upto date along with bonus, if any.

2. Every insured shall be supplied with a premium receipt book in which payment of each premium shall be acknowledged by the officer realising the same and keep the book under his
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safe custody with up to date entries. In the case of Gazetted Officers the premium may be noted in the Premium Receipt Book and duly attested by the officer himself. Final payment in their case will be made subject to test checking of the remittance of few months with the Treasury Records.

3. If an insured should apply for the issue of a duplicate premium receipt book on the ground that the original is lost or damaged the same shall be issued to him by the Director of Insurance/District Insurance Officer on his paying a fee of Rs. 10/-

4. If an insured should apply for the issue of duplicate of the policy because the original is damaged or lost the same shall be issued to him by executing an indemnity bond in a stamp paper worth Rs. 500/-

5. False or incorrect information furnished by any insured or production by him of any false evidence in connection with the Insurance of his life shall render his policy null and void and the premium paid by him shall be forfeited to Government.

KERALA STATE LIFE INSURANCE SCHEME