

SCHEMES

GROUP INSURANCE SCHEME

KERALA STATE LIFE INSURANCE SCHEME

GROUP INSURANCE SCHEME

Objective:

The Kerala State Employees' Group Insurance Scheme, is intended to provide for the State employees,

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
- 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 sch
- Employees of Local Self Government Institutions appointed in accordance with the rules of recruitr
- Employees of Universities, Public Sector Undertakings and other semi Government bodies
- Employees, other than those mentioned at (i) to (v) above, to whom the "Scheme: may be extended
- ***the scheme is optional to the employees belonging to Religious order***

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
- re-employed defence personnel covered by the extended insurance scheme under the schemes a

Membership

1. Membership of the 'scheme' shall be optional for all those 'employees' who are in service as on 1st September 1984
2. Those 'employees' who are in service as on 1st September 1984 continue to subscribe or cease to
3. All 'employees' who enter service in a month other than September shall be enrolled in the scheme immediately
4. Every "employee" enrolled as member of the 'Scheme' shall be informed by the head of office con

Subscription of members

Government of Kerala have (E.O. No. 156/2023/Fin. Dated 26/01/2023) and revised the rate of Subscription

(The subscription for the Scheme shall continue to be in units of ₹ 10/-)

In the event of regular promotion/appointment of a member from one Group to another, his subscription

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

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 monthl
2. The positive or negative balance under the Insurance Fund shall be credited or debited, as the ca

Recovery of subscription.

1. The subscription of a member for a month shall fall due at the commencement of the normal work
2. The subscription as a premium for the insurance cover on joining Government service shall initially
3. The subscription for a month shall be recovered by deduction from salary/wage of the member/em
4. The subscription shall be recovered every month including the month in which the member/employ
5. The Drawing and Disbursing Officer shall recover the subscription from the members/employees i
6. No interest shall be levied on arrears of subscriptions if the non-recovery is due to delayed payme
7. If an 'employee' or a member is on leave without allowances and there is no payment of his salary
8. If an 'employee' or a member proceeds on deputation or on foreign service, the borrowing authorit

Payment from Insurance Fund/Savings Fund

1. If a member retires on attaining the age of superannuation or otherwise ceases to be in State Gov
 2. If an 'employee' or a member dies while in service and his Service Book discloses that he was giv
 3. The amount payable to the nominee(s)/heir(s) of an 'employee' who has the benefit of an insuranc
 4. The amount payable to the nominee(s)/heir(s) of a member of the 'scheme' who dies while in serv
- 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 lower
 - the amount or amounts due to him for the additional units by which his subscription was raised on

Register of Members

The Head of Office shall ensure that Group-wise register of members is maintained in Form No.8 and Pa

Nomination

1. The Head of Office shall obtain from every 'employee' a nomination conferring on one or more per
2. If any 'employee' or member of the 'scheme' has a family at the time of his making the nomination
3. If any 'employees' or member nominates more than one person under rule 17 he shall specify in th
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 notic
6. The nomination received from the 'employees'/members shall be countersigned by the Head of O

Procedure for Enrolment, Payment etc.

Enrolment of Self Drawing Officers (S.D.Os), Gazetted Officers and those who draw pay and allowances

Enrolment of members other than Self Drawing Officers of members were issued in Government C

Forwarding the List of Members to the Director of Insurance cashment of the bill in which the first dec

Register of Members in Form No GIS-8 (Vide Para 16 of the Scheme) received from the Director of Insu

The group and rate of subscription should also be noted against each employee/member in the Register

Recovery of Subscriptions without default member is enrolled, the subscription shall be recovered ev

Recovery of subscription by deduction from Pay Bills Insurance Scheme should be entered in a separa

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
2. Officers drawing salary on countersigned salary bills (vide exception below Rule 169 (b) of K.T.C.

These officers should give their applications in Form GIS-D to the relevant Treasury/cheque issuing/cou

The Treasury/cheque issuing/countersigning Officers should issue the certificates as prescribed in Form

“The countersigning officers should ensure that T.R.72 certificate is issued on request to all officers, who

Transfer of Members and L.P.C. Employee/member is transferred from one Department/Office to another D

The Heads of Offices/Drawing and Disbursing Officers/Treasury Officers/Cheque issuing Officers/Count

The Finance Department will take steps to modify the form of L.P.C.(vide Rule 182 of K.T.C., Vol. I) to a

Change of group on promotion of the Scheme refers to regular promotions and consequent changes o

In such cases, the employee should be informed of the change of group and the revised rate of subscrip

When a group is changed by a member, an entry thereof should be made in the Index Register against I

Once a person has been admitted to a higher group, the rate of his subscription will continue at the sam

Payment from the Insurance Fund and the Savings Fund Payment from the Insurance Fund/Savings F

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 th

Recovery of subscription from Employees on leave without pay, Deputation, Foreign Service, etc.

In cases, where subscriptions for a continuous period of 6 months are in default, the membership will automatically be terminated.

KERALA STATE LIFE INSURANCE SCHEME

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.
2. The age of the proposer shall be taken to be the age at his last birthday or next birthday which ever is nearer.
3. Document proof in support of age of the proposer will be the certificate to that effect furnished in the form.

II. Premium

Insured shall have to pay a minimum monthly premium fixed by Government from time to time. The existing premium shall continue to be payable till the end of the year.

Pay range	Rate of monthly premium(Rs.)
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Basic pay up to Rs. 9189/50	
Basic pay from Rs. 9190 to Rs. 18739	Rs. 18739
Basic pay from Rs. 18740 to Rs. 29179	Rs. 29179
Basic pay Rs.29180/- and above	Rs. 4500

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

is earlier.

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 safe custody with upto 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.

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