

▪ Introduction

Postal Life Insurance (PLI) was introduced on 1st February 1884 with the express approval of the Secretary of State (for India) to Her Majesty, the Queen Empress of India. It was essentially a scheme of State Insurance mooted by the then Director General of Post Offices, Mr. F.R. Hogg in 1881 as a welfare scheme for the benefit of Postal employees and later extended to the employees of Telegraph department in 1888. In 1894, PLI extended insurance cover to female employees of P & T Department at a time when no other insurance company covered female lives. It is the oldest Life insurer in this country.

In the beginning, the upper limit of life insurance was only ₹ 4000/- which has now increased to ₹ 50 lacs (Rupees Fifty Lacs) and it will be effective as and when notified through a Gazette notification for all schemes combined - Endowment Assurance and Whole Life Assurance. Over the years, PLI has grown substantially from a few hundred policies in 1884 to more than 46 Lacs policies as on 31.03.2017. It now covers employees of Central and State Governments, Central and State Public Sector Undertakings, Universities, Government aided Educational institutions, Nationalized Banks, Local bodies, autonomous bodies, joint ventures having a minimum of 10% Govt./PSU stake, credit co-operative societies etc. PLI also extends the facility of insurance to the officers and staff of the Defence services and Para-Military forces. Apart from single insurance policies, Postal Life Insurance also manages a Group Insurance scheme for the Extra Departmental Employees (Gramin Dak Sevaks) of the Department of Posts.

PLI is an exempted insurer under Section 118 (c) of the Insurance Act of 1938. It is also exempted under Section 44 (d) of LIC Act, 1956.

▪ Eligibility

Employees of the following Organizations are eligible.

- Central Government
- Defence Services
- Para Military forces
- State Government
- Local Bodies
- Government-aided Educational Institutions
- Reserve Bank of India
- Public Sector Undertakings
- Financial Institutions
- Nationalized Banks
- Autonomous Bodies
- Extra Departmental Agents in Department of Posts
- Employees Engaged/ Appointed on Contract basis by central/ State Government where the contract is extendable

- Employees of all scheduled Commercial Banks
- Employees of Credit Co-operative Societies and other Co-operative Societies registered with Government under the Co-operative Societies Act and partly or fully funded from the Central/ State Government/RBI/ SBI/ Nationalized Banks/ NABARD and other such institutions notified by Government
- Employees of deemed Universities and educational institutes accredited by recognized bodies such as National Assessment and Accreditation Council, All India Council of Technical Education, Medical Council of India etc.
- Employees (teaching/non-teaching staff) of all private educational institutions/schools/colleges etc. affiliated to recognized Boards (recognized by Centre/State Government) of Secondary/Senior Secondary education i.e. CBSE, ICSE, State Boards, Open School, etc.
- Professionals such as Doctors (including Doctors pursuing Post Graduate degree courses through any Govt/Private Hospitals, Residents Doctors employed on contract/permanent basis in any Govt/Private Hospitals etc), Engineers (including Engineers pursuing Master's/Post Graduate degree after having passed GATE entrance test), Management Consultants, Chartered Accountants registered with Institute of Chartered Accountants of India, Architects, Lawyers registered with Bar Council of India/States, Bankers working in Nationalised Banks and its Associate Banks, Foreign Banks, Regional Rural Banks, Scheduled Commercial Banks including Private Sector Banks etc.
- Employees of listed companies of NSE (National Stock Exchange) and Bombay Stock Exchange (BSE) in IT, Banking & Finance, Healthcare/Pharma, Energy/Power, Telecom, Infrastructure Sector etc, where employees are covered for Provident Fund/Gratuity and/or their leave records are maintained by the establishment.

■ Insurance Plans in PLI

PLI offers the following six types of policies:

- Whole Life Assurance (Suraksha)
- Endowment Assurance (Santosh)
- Convertible Whole Life Assurance (Suvidha)
- Anticipated Endowment Assurance (Sumangal)
- Joint Life Assurance (Yugal Suraksha)
- Children Policy (Bal Jeevan Bima)

Salient Features of PLI policies

1. Whole Life Assurance (Suraksha)

This is a scheme where the assured amount with accrued bonus is payable to the insured either on attaining the age of 80 years, or to his/her legal representatives or assignees on death of the insured, whichever occurs earlier, provided the policy is in force on the date of claim.

- Minimum & Maximum age at entry: 19-55 years
- Minimum Sum Assured ₹ 20,000; Maximum ₹ 50 lac
- Loan facility after 4 years
- Surrender after 3 years
- Last declared Bonus- ₹ 85/- per ₹ 1000 sum assured per year

2. Endowment Assurance (Santosh)

Under this scheme the proponent is given an assurance to the extent of the sum assured and accrued bonus till he/she attains the pre- determined age of maturity i.e 35,40,45,50,55,58 & 60 years of age.

In case of death of insurant, assignee, nominee or legal heir is paid full amount of sum assured with accrued bonus

- Minimum & maximum age at entry: 19-55 years
- Minimum sum assured ₹ 20,000; Maximum ₹ 50 lac
- Loan facility after 3 years
- Surrender after 3 years
- Last declared Bonus – ₹ 58/- per ₹ 1000 sum assured per year

3.Convertible Whole Life Assurance (Suvidha)

This is a Whole Life Assurance Policy with the added feature of an option to convert to Endowment Assurance Policy at the end of five years of taking policy.

- Assurance to the extent of sum assured with accrued bonus till attainment of maturity age
- In case of death, assignee, nominee or legal heir paid full amount of sum assured with accrued bonus
- Minimum age & Maximum age at entry: 19-50 years

- Minimum sum assured ₹ 20,000; Maximum ₹ 50 lac
- Loan facility after 4 years
- Surrender after 3 years
- Last declared Bonus- ₹ 85/- per ₹ 1000 per year (for WLA policy if not converted to Endowment Assurance)

4. Anticipated Endowment Assurance (Sumangal)

It is a Money Back Policy with maximum sum assured of ₹ 50 lacs, best suited to those who need periodical returns. Survival benefits are paid to the insurant periodically. Such payments will not be taken into consideration in the event of unexpected death of the insurant. In such cases, full sum assured with accrued bonus is payable to the assignee, nominee of legal heir.

- Policy term: 15 years and 20 years
- Minimum age 19 years; maximum age at entry 40 years for 20 years' term policy & 45 years for 15 years' term policy
- Survival benefits paid periodically as under: -
- 15 years Policy- 20% each on completion of 6 years, 9 years & 12 years and 40% with accrued bonus on maturity
- 20 years Policy- 20% each on completion of 8 years, 12 years & 16 years and 40% with accrued bonus on maturity
- Last declared bonus - ₹ 53/- per ₹ 1000 sum assured per year

5. Joint Life Assurance (Yugal Suraksha)

It is a Joint Life Endowment Assurance in which one of the spouses should be eligible for PLI policies.

- Life cover to both spouses to the extent of sum assured with accrued bonus.
- Minimum sum assured ₹ 20,000; Maximum ₹ 50 lac
- Minimum age & Maximum age at entry of spouses: 21-45 years
- Maximum Age of the elder policy holder should not be more than 45 years & the couple should be between 21 years to 45 years.
- Loan facility after 3 years
- Loan after 3 years
- Death benefits are paid to either of the survivors in the event of death of spouse or main policy holder
- Last declared Bonus- ₹ 58/- per ₹ 1000 sum assured per year

6. Children Policy (Bal Jeevan Bima)

The salient features of this scheme are as under:

- The scheme provides life insurance cover to children of policy holders.
- Maximum two children of policy holder (parent) are eligible
- Children between 5- 20 years of age are eligible
- Maximum sum assured ₹ 3 lac or equal to the sum assured of the parent, whichever is less

- Policy holder(parent) should not be over 45 years of age.
- No premium to be paid on the Children Policy, on the death of policy holder (parent). Full sum assured and bonus accrued shall be paid on completion of term
- Policy holder (parent) shall be responsible for payment of Children policy
- Attract the rate of bonus applicable for Endowment policy (Santosh) i.e. last bonus rate is ₹ 58/- per ₹ 1000 sum assured per year.

▪ Benefits

PLI is the only insurer in the Indian Life Insurance market today which gives the higher return (bonus) with the low premium charged for any product in the market.

A PLI/RPLI policy holder may also get following facilities: -

- Change of nomination.
- The insurant can take loan by pledging his/her policy to Heads of the Circle on behalf of President of India, provided the policy has completed 3 years in case of Endowment Assurance and 4 years in case of Whole Life Assurance. The facility of assignment is also available.
- Assignment of Policy to any Financial Institution for taking loan.
- Revival of his/her lapsed policy. Policy lapses after 6 unpaid premia if it remained in force for less than 3 years and after 12 unpaid premia if it remained in force for more than 3 years.
- Issue of Duplicate Policy Bond in case the original Policy Bond is lost, burnt or torn/mutilated.
- Conversion from Whole Life Assurance -Gram Suraksha to Endowment -Gram Santosh Assurance and from Endowment Assurance -Gram Santosh to other Endowment Assurance-Gram Santosh with reduced sum assured or reduced term as per rules.
