

▪ Introduction

Rural Postal Life Insurance (RPLI) came into being as a sequel to the recommendations of the Official Committee for Reforms in the Insurance Sector (Malhotra Committee). The Committee had observed in 1993 that only 22% of the insurable population in this country had been insured; life insurance funds accounted for only 10% of the gross household savings. The Committee had observed:

“The Committee understands that Rural Branch Postmasters who enjoy a position of trust in the community have the capacity to canvass life insurance business within their respective areas.....”

The Government accepted the recommendations of **Malhotra Committee and allowed Postal Life Insurance to extend its coverage to the rural areas to transact life insurance business** with effect from 24.3.1995, mainly because of the vast network of Post Offices in the rural areas and low cost of operations. The prime objective of the scheme is to provide insurance cover to the rural public in general and to benefit weaker sections and women workers of rural areas in particular and also to spread insurance awareness among the rural population. As on 31.03.2017, we have more than 146 Lacs policies.

▪ Eligibility

The scheme shall cover all persons , male or female , who permanently reside in rural areas and are ordinarily residents in India to the exclusion of foreigners and non resident Indians provided they have attained majority.

▪ Insurance Plans in RPLI

Rural Postal Life Insurance (RPLI) scheme was introduced in 1995 for the benefit of rural populace to extend insurance cover to people living in rural areas with special emphasis on weaker sections and women workers as a result of the recommendation of the Official Committee for Reforms in the Insurance Sector (Malhotra Committee).

RPLI offers the following six types of policies:

- Whole Life Assurance (Gram Suraksha)
- Endowment Assurance (Gram Santosh)
- Convertible Whole Life Assurance (Gram Suvridha)
- Anticipated Endowment Assurance (Gram Sumangal)
- 10 Year RPLI (Gram Priya)
- Children Policy (Bal Jeevan Bima)

Salient Features of Rural PLI policies

1. Whole Life Assurance (Gram 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 ₹ 10,000; Maximum ₹ 10 lac
- Loan facility after 4 years
- Surrender after 3 years
- Last declared Bonus- ₹ 65/- per ₹ 1000 sum assured per year

2. Endowment Assurance (Gram 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 ₹ 10,000; Maximum ₹ 10 lac
- Loan facility after 3 years
- Surrender after 3 years
- Last declared Bonus- ₹ 50/- per ₹ 1000 sum assured per year

3. Convertible Whole Life Assurance (Gram Suvidha)

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: 19-45 years
- Minimum sum assured ₹ 10,000; Maximum ₹ 10 lac
- Loan facility after 4 years
- Surrender after 3 years
- Last declared Bonus- ₹ 65/- per ₹ 1000 per year (for WLA policy if not converted to Endowment Assurance)

4. Anticipated Endowment Assurance (Gram Sumangal)

It is a Money Back Policy with maximum sum assured of ₹ 10 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 or 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- ₹ 47/- per ₹ 1000 sum assured per year

5. 10 Years Rural PLI (Gram Priya)

It is a short term money back scheme for Rural populace only

- Insurant is given life cover to the extent of Sum Assured for 10 years.
- Survival benefits are paid after 4 years- 20% after 7 years- 20%, and after 10 years – 60% with accrued bonus
- Minimum & maximum age at entry 20 – 45 years
- Minimum sum assured ₹ 10,000, maximum 10 lacs
- No interest is charged upto one year as arrears of premia in case of natural calamities like flood, drought, earthquake, cyclone etc.
- Last declared bonus ₹ 47/- 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 ₹ 1 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
- No medical examination of child necessary. However, child should be healthy and risk shall start from day of acceptance of proposal
- Attract the rate of bonus applicable for Endowment policy (Gram Santosh) i.e. last bonus rate is ₹ 50/- per ₹ 1000 sum assured per year.