



Ref: HRD : GSLI : 664 : 2013-14

October 29, 2013

CIRCULAR

Re: Group Savings Linked Insurance (GSLI) Scheme

We are pleased to inform that LIC has agreed to increase the Sum Insured under GSLI Scheme. The increase in cover as also the sharing of premium towards life cover and savings portion on the basis of revised sum insured is as follows:

Basic Pay Range	Category	Revised Terms			
		Life Cover (Rs.)	Monthly Contribution by Employees towards		
			Risk Premium for Life Cover	Savings	Total
49,411 & above	I	10,50,000/-	280.00	595.00	875.00
35,661 - 49,410	II	8,40,000/-	224.00	476.00	700.00
25,451 - 35,660	III	6,30,000/-	168.00	357.00	525.00
13,691 - 25,450	IV	4,20,000/-	112.00	238.00	350.00
7,391 - 13,690	V	3,00,000/-	80.00	170.00	250.00
Up to 7,390	VI	1,70,000/-	45.00	97.00	142.00

From the above table it may be noted that the sum assured is increased by approximately 50% for each category which is at par with the revision effected for the employees for LIC for various categories. It may be noted that there is an increase in the Risk Premium from 0.234 to 0.266 per Sum assured of Rs.1000/-(approximately). LIC informed us that the Life Cover Risk Premium has been marginally increased on account of unfavorable claims experience. LIC has informed us that :

1. The Life Cover premium is further subject to a loading of applicable Service Tax w.e.f. the next renewal date i.e. 20th November, 2013; presently Service Tax is payable @ 12.36% on life cover premium;
2. As per the recent IRDA guidelines, GSLI product stands withdrawn for new members; hence, no new members shall be included in the Scheme w.e.f. the next Annual Renewal Date (ARD) i.e. 20th November, 2013; it is understood that LIC may come out with a new Product for such new employees joining the organization in future.

The increase in cover will be effective from the renewal date i.e. 20th November, 2013. The revised premium is therefore, required to be deducted from the salary of the employees for the month of October, 2013 & onwards based on their Category as per the Basic Pay Range.

All other terms and conditions of the Scheme remain unchanged.

A.K. Agarwal
Deputy General Manager