Providing Personal Accident Cover to the Savings Bank Account Holders of the Bank

Banks now-a-days have been offering several add-on facilities to catch the attention of more and more people for opening accounts with them and also providing value addition to the existing account holders. With a view to effectively meet the challenges posed by competing Banks and also to aggressively expand low-cost deposit base, the Bank has decided to provide personal accident death cover to all the existing as well as new Savings Bank account holders of the Bank.

The United India Insurance Co. Ltd., Divisional Office, Kadapa, with whom, the Bank has Corporate Agency under Non-Life Insurance has provided a scheme, wherein they have informed that the premium for one year would be Rs.10/- for coverage of accidental death with an insurance cover of Rs.1 lakh and the terms of policy are as follows:

1. All individual Savings Bank account holders who attained the age of 10 years and have not completed the age of 70 years are eligible to be covered under the policy, provided a balance of Rs.10/- over and above the requisite minimum balance is available in the account.
2. The premium chargeable is @Rs.10/- per account holder per annum for a sum insured of Rs.1 lakh.
3. The risk covered is death due to accident only.
4. Multiple accounts of an account holder will be covered up to a maximum sum of Rs.2.50 lakh under the proposed policy.
5. The Bank will execute a Master Policy and the premium is payable in advance for all the account holders.
6. Addition of new account holders during the currency of the policy is subject to payment of full premium.
7. In respect of joint accounts, insurance cover would be available to joint account holders in proportion to the sum assured depending up on the number of account holders.

The salient features and operational procedure of the scheme called as “Personal Accidental Insurance Cover” are as under:

**Purpose of the Scheme:** To provide accidental death cover of Rs.1 lakh to all individual/joint Savings Bank account holders under the age group, between 10 & 70 years, by obtaining Master Policy of UIICo.

**Extent of Cover:** The plan covers only accidental death for a sum assured of Rs. 1 lakh with a maximum sum assured of Rs. 2.50 lakh for multiple accounts. The cover would be extended from the date of issue of Master Policy by UIICo., or debit of premium to the account, whichever is later. The cover would be renewed every year from a common date i.e., expiry date of Master Policy.
Eligibility: All Individual/joint Savings Bank account holders, who have attained the age of 10 years and have not completed the age of 70 years excluding NRE & NRO account holders, are eligible to be covered under the scheme, provided a balance of Rs.10/- over and above the requisite minimum balance is available in the account. All Staff members, ex-staff members are also covered. The savings bank accounts opened by other than individuals i.e., Trusts/Charitable Institutions, Government Departments in the name of Heads, Self Help Groups, partnership firms, companies, NGOs etc., are not eligible for Insurance cover under this scheme. The individuals opened joint saving bank accounts are eligible for coverage under this scheme.

Premium payment: Premium will be credited to the account of UIICo., at Kadapa by debiting all Individual/joint SB accounts @Rs.10/- per account per year at branch level. Initially, the premium would be debited to all the existing SB accounts on a common date i.e., on or after 24.03.2009 but before 26.03.2009. The premium so debited should be remitted to Kagitalapenta branch, Kadapa towards credit of UIICo account before 31.03.2009 for executing the Master Policy w.e.f. 01.04.2009.

Newly Opened Accounts: Accounts opened after issuance of Master Policy or after first debit of premium at branch shall be subsequently covered at monthly intervals. The accounts which could not be covered earlier for want of balance would be covered from the date of future debits if balance would be available subsequently. The premium would be debited by branches at regular intervals on a monthly basis, preferably on second Saturday of each month for the SB accounts opened/revived in the previous month. However, the premium rate of Rs.10 shall be on per capita basis and remains unaltered through out the year and shall not be calculated on prorata basis. The branches shall remit the premium so debited on second Saturday of every month to Kagitalapenta branch, Kadapa immediately along with a list of account holders as per the proforma furnished under operational procedures at branches and Head Office in the Circular.

Period of Insurance: One year from the date of debit of premium or till the date of expiry of the Master Policy, whichever is earlier.

Risks covered: The Insurance cover is available only on the death of the depositor due to accident. The risk covers death due to accident in Road, Rail, Air, Fire, Bomb blast, House collapse, Electrocution, Earthquake, Biting of insects etc. In the event of death due to accident, UIICO will pay a sum of Rs.1.00 lakh to the nominee of the deceased. In case of injury due to accidental cause, the risk would be covered, if death happens within six months from the date of accident, provided sole and direct cause of death is related to the accident. However, normal death due to sickness or any other normal cause will not be covered.

Joint Accounts: Insurance cover would be available to joint account holders in proportion to the Sum Assured depending up on the number of account holders.

Multiple Accounts: Claim will be settled up to a maximum amount of Rs.2.50 lakh only on certification by the Branch Manager subject to payment of required premium in all the accounts.

Minor Accounts: Minors above Ten years of age will be covered as individual account holders.
Claim Procedure: Intimation of claim shall be submitted to the Insurance Company within 30 days from the date of death. However, claim documents shall be submitted through the respective branch with details of nomination within a reasonable period but not exceeding 45 days.

Claim Documents Required:
1. Claim form (as per Annexure-I) duly filled and signed by the claimant.
2. Death Certificate in original
3. Attested copy of post mortem report
4. Attested copy of FIR
5. Attested copy of Charge sheet/Final Report
6. Legal heir certificate from the Revenue Authorities
7. Certificate of Branch Manager certifying the Name of the account holder covered, account number, type of account, premium amount, date of debit of premium and nominee details.

Further, the claim shall not be admissible, if death happens after SIX months of accident involving prolonged treatment. In addition, the company has laid down the following exclusions.

a) Death claims against intentional self-injury, suicide or attempted suicide, whilst under the influence of intoxicating liquor or drugs, whilst racing on wheels, hunting Big Game shooting, Mountaineering or whilst engaged in winter sports, skiing and Ice Hockey directly or indirectly cause by insanity and committing any breach of the law with criminal intent

b) Death claim arises from or traceable to war, invasion, act of foreign enemy, hostilities (whether war is declared or not) civil war, rebellion, insurrection, mutiny, military or usurped powers, seizer, capture, arrests, of all people.

c) Death claim arises from or traceable to ionizing radiation or contamination by radioactivity from any source, whatsoever or from nuclear weapons material.

Renewal of Policy on a common expiry date: A common renewal date, i.e., expiry date of Master Policy shall be kept for all existing as well as new account holders, who are covered under this group insurance scheme. It is decided to execute the Master Policy w.e.f. 01.04.2009 for a period of one year and the same will be renewed on or before 31st March of every year, provided the Bank satisfies with the services extended by UIICo.

Operational Procedures at Branches and Head Office:

All the Branches shall invariably display in the Notice Board of the branch, a notice informing the gist of the scheme, as per the Proforma furnished in the Annexure-2. All Officers and staff members shall understand the scheme in detail in order to enable them to apprise the customers in case of enquiry about the debit of premium.

The Branches/ECs would debit a flat premium of Rs.10/- from all eligible SB accounts on or after 24.03.2009 but before 26.03.2009 as a first step and would credit the proceeds to a current account to be opened in the name of United India Insurance co. Ltd., at Kagitalapenta branch at Kadapa.

The branches shall send the premium amount debited to the SB accounts of the customers through Cr IBA along with the following details to reach HO: PDD on or before 28.03.2009.
Circular No.44-2009-BC-PDD, Date: 04.03.2009

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<table>
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<tr>
<th>Date of Debit</th>
<th>BIC of the Branch</th>
<th>Name and SB Account Number of the customer</th>
<th>Amount</th>
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Head Office would collect the eligible commission (presently 15% of net premium) from UIICO towards remittance of premium against the scheme, which shall be accounted at HO level.

If any one of the customers objects the cover and expresses his/her unwillingness in writing, the Branch Manager should convince the customer about the accidental risk coverage of Rupees one lakh at a very nominal premium of Rs.10/- per annum. If the customer still persists with his demand, the Branch may inform Head Office through respective Regional Offices and after obtaining the permission from HO, re-credit an amount of Rs.10/- to the account of the customer by raising Debit IBA, mentioning the following particulars, on HO. The Branches are also advised to follow the same procedure mentioned above, in case the premium amount of Rs.10/- is debited, inadvertently to any customer’s account having age group of below 10 years or attained the age of 70 years.

The Debit IBA should contain the following particulars:

a) BIC of the branch
b) Date of debit of Premium
c) Name and SB Account number of the customer.

The Dr.IBA shall be forwarded to Head Office for claiming the premium remitted to UIICO, from the Insurance Company.

The Branches shall also receive and forward the claims if any, submitted by the nominee/legal heirs of the account holders to Head Office for onward transmission to UIICO.

Taking into account the very nominal premium amount involved in the scheme, Social security angle to the Customers and high volume of expected business, the branches are advised to take interest in the scheme and act accordingly. The branches are also advised to give wide publicity to the scheme for the benefit of the customers.

Clarifications, if any, in this regard may be had from Planning & Development Department, Head Office, Kadapa through their respective Regional Offices.

(M. JAI PRAKASH)
CHAIRMAN
ANNEXURE-I

FORM OF APPLICATION FOR INTIMATION OF CLAIM

TO BE FILLED IN CASE OF DEATH ONLY

I, We ......................................................... Son/ of / Daughter of / Widow of
Shri ........................................ resided at ........................................
hereby apply as legal representative(s) for the grant of Insurance on account of death of Shri /
Smt / Kumari ............................................... Son of / Daughter of / Widow of Shri
......................................................... who died in an accident on ......................... at
..................................................

Particulars of the accident and other information are enclosed.

Date:  .................................... Signature of Claimant(s)
Place:  ....................................