

From: Financial Inclusion Dept (HO)

Sent: Thursday, May 12, 2016 6:42 PM

To: DZMs Group; Financial Inclusion Dept (Pune); SLBC Jharkhand; National Banking Group; Agricultural Finance Department (Agra); Agricultural Finance Department (Ahmedabad); Agricultural Finance Department (Amritsar); Agricultural Finance Department (Bhagalpur); Agricultural Finance Department (Bhopal); Agricultural Finance Department (Bhubaneswar); Agricultural Finance Department (Bokaro); Agricultural Finance Department (Chandigarh); Agricultural Finance Department (Chennai); Agricultural Finance Department (Coimbatore); Agricultural Finance Department (Dehradun); Agricultural Finance Department (Dhanbad); Agricultural Finance Department (Gandhinagar); Agricultural Finance Department (Ghaziabad); Agricultural Finance Department (Guwahati); Agricultural Finance Department (Hazariabagh); Agricultural Finance Department (Howrah); Agricultural Finance Department (Indore); Agricultural Finance Department (Jaipur); Agricultural Finance Department (Jamshedpur); Agricultural Finance Department (Kanpur); Agricultural Finance Department (Keonjhar); Agricultural Finance Department (Kerala); Agricultural Finance Department (Khandwa); Agricultural Finance Department (Kolhapur); Agricultural Finance Department (Kolkata); Agricultural Finance Department (Lucknow); Agricultural Finance Department (Ludhiana); Agricultural Finance Department (Mumbainorthzone); Agricultural Finance Department (Mumbaisouthzone); Agricultural Finance Department (Muzaffarpur); Agricultural Finance Department (Nagpur1); Agricultural Finance Department (Nagpur2); Agricultural Finance Department (Navi Mumbai); Agricultural Finance Department (NewDelhi); Agricultural Finance Department (Patna); Agricultural Finance Department (Pune); Agricultural Finance Department (Raigad); Agricultural Finance Department (Raipur); Agricultural Finance Department (Rajkot); Agricultural Finance Department (Ranchi); Agricultural Finance Department (Ratnagiri); Agricultural Finance Department (Siliguri); Agricultural Finance Department (Solapur); Agricultural Finance Department (Ujjain); Agricultural Finance Department (Vadodara); Agricultural Finance Department (Varanasi); Agricultural Finance Department AndhraPradesh; Agricultural Finance Department Bengaluru; Agricultural Finance Department Telangana; Agricultural Finance Department-Jodhpur; Agriculture Finance Department (Goa); Bardhaman Agriculture Finance Dept; C&IC department (Kerala); C&IC department (NewDelhi); C&IC department (Siliguri); Financial Inclusion Dept (Kolhapur); Guwahati Marketing; LDMO Mumbaiicity; Lead Bank Division (Dhanbad); Lead Bank Division (Solapur); Lead District Manager Unnao; Lead District Manager's Office MNZ; Planning - Howrah; PSCD Indore; Rajkot CPC (Rural); Ratnagiri CPC (Rural); Agra Zonal Office; Ahmedabad Zonal Office; Amritsar Zonal Office; Andhra Pradesh Zonal Office; Bardhaman Zonal Office; Bengaluru Zonal Office; Bhagalpur Zonal Office; Bhopal Zonal Office; Bhubaneswar Zonal Office; Bokaro Zonal Office; Chandigarh Zonal Office; Chennai Zonal Office; Coimbatore Zonal Office; Dehradun Zonal Office; Dhanbad Zonal Office; Gandhinagar Zonal Office; Ghaziabad Zonal Office; Goa Zonal Office; Guwahati Zonal Office; Hazariabagh Zonal Office; Howrah Zonal Office; HubballiDharwad Zonal Office; Indore Zonal Office; Jaipur Zonal Office; Jamshedpur Zonal Office; Jodhpur Zonal Office; Kanpur Zonal Office; Keonjhar Zonal Office; Kerala Zonal Office; Khandwa Zonal Office; Kolhapur Zonal Office; Kolkata Zonal Office; Lucknow Zonal Office; Ludhiana Zonal Office; Mumbai North Zonal Office; Mumbai South Zonal Office; Muzaffarpur Zonal Office; Nagpur Zonal Office; Navi Mumbai Zonal Office; NewDelhi Zonal Office; Patna Zonal Office; Pune Zonal Office; Raigad Zonal Office; Raipur Zonal Office; Rajkot Zonal Office; Ranchi Zonal Office; Ratnagiri Zonal Office; Siliguri Zonal Office; Solapur Zonal Office; Telangana Zonal Office; Ujjain Zonal Office; Vadodara Zonal Office; Varanasi Zonal Office; Vidarbha Zonal Office
Cc: ZMs Group; Anil Kumar Verma; Ankur.Bhatia@sudlife.in

Subject: CIRCULAR - Amendment in rules for implementation of PMJJBY.

**The ZM / DZM /
FI Nodal Officer
All Zones in BOI**

**The DGM,
All NBGs in BOI**

The GM, SLBC-Jharkhand

Sir / Madam,

Amendment in rules for implementation of PMJJBY

Please find the trail IBA email/attachments advising all Banks on the subject Circular – “Amendment in rules for implementation of PMJJBY” as issued vide

communication dated May 02, 2016, reference F.No.H-12011/2/2015-Ins.II from the Department of Financial Services, Ministry of Finance, towards bank’s effective implementation, as reiterated below :

Quote:

“In this connection, it has been decided by the competent authority to incorporate a lien clause in the rules of PMJJBY with effect from 1st June, 2016,

whereby claims for deaths which occur during the first 45 days from the date of enrollment will not be paid,

effectively meaning that the risk cover will commence only after the completion of 45 days from the date of enrollment into the scheme by the member.

However deaths due to accidents will be exempt from the Lien Clause." - Unquote

Kindly refer 2 attachments for detail guidelines, as issued by the DFS, MoF / IBA on the subject.

Please be guided accordingly and advise all your branches/staff members towards branch authority ensuring its effective implementation.

With regards,

S. Palanivel
General Manager
BOI, FI & RRB,
Head Office
022-66684684 / 85

----- original message -----

From: Nanda Puthran [<mailto:nanda@iba.org.in>]

Sent: 06 May 2016 17:04

To: Public Sector Banks; Private Sector Banks; Co-operative Banks; Regional Rural Banks

Cc: soins2-dfs@nic.in; tanksale@iba.org.in; unni@iba.org.in; H N Vishweshwar; agautam@iba.org.in; multi@iba.org.in; mary@iba.org.in; sunita@iba.org.in

Subject: CIRCULAR - Amendment in rules for implementation of PMJJBY.



Indian Banks' Association

No. RB/CIR/Insurance/224

May 06, 2016

The Chief Executives of Member Banks

Dear Sir/Madam,

Amendment in rules for implementation of PMJJBY

We have received a communication dated May 02, 2016, reference F.No.H-12011/2/2015-Ins.II from the Department of Financial Services, Ministry of Finance, on Amendment in rules for implementation of PMJJBY.. (Copy attached).

In this connection, it has been decided by the competent authority to incorporate a lien clause in the rules of PMJJBY with effect from 1st June, 2016, whereby claims for deaths which occur during the first 45 days from the date of enrollment will not be paid, effectively meaning that the risk cover will commence only after the completion of 45 days from the date of enrollment into the scheme by the member. However deaths due to accidents will be exempt from the Lien Clause.

All participating Banks and Insurance companies are requested to initiate necessary action in order to implement the above mentioned amendment.

This is for your kind information and necessary action.

Yours faithfully,

K Unnikrishnan
Deputy Chief Executive

Begin forwarded message:

From: "SO(Insurance-II) DFS, MOF" <soins2-dfs@nic.in>

Date: 3 May 2016 at 11:18:41 AM IST

To: Chairman all Banks; RBI ; Nabard

Cc: irda chairman <chairman@irda.gov.in>, co Liaison LIC
<co_liaison@licindia.com>

Subject: Amendment in rules for implementation of PMJJBY.

F.No.H-12011/2/2015-Ins.II
Government of India
Ministry of Finance
Department of Financial Services

2nd Floor, Jeevan Deep Building,
10, Parliament Street, New Delhi,
Dated: 2nd May, 2016

To
Deputy Governor, RBI,
Chairman, NABARD,
Chairman, IBA,
Chairman, LIC of India,
Secretary General, Life Insurance Council,
Chairmen / CEOs of Banks and Insurance Companies

Sub: Amendment in rules for implementation of PMJJBY.

Please refer to the meeting held with representatives of Banks and Insurers under the Chairmanship of Joint Secretary (Insurance) on 17.02.2016 in DFS to finalise an action plan for ensuring renewal of insurance under PMSBY and PMJJBY for all the enrolled subscribers, wherein it was highlighted that the incidence of early claims in PMJJBY has gone up significantly and that it is higher in case of subscribers who enrolled in the later months as compared to those who enrolled in the first three months.

2. Two options were suggested by the insurance companies:

i) As per the original scheme, a declaration of good health(DGH) may be obtained from fresh enrollees from the coming enrollment cycle i.e. 1st June, 2016; OR

ii) A 45 days lien clause may be imposed in the PMJJBY Scheme whereby the claim cases during the first 45 days from the date of enrollment will not be paid. However, deaths due to accident would be exempted from the lien clause.

3. When a very early claim occurs for a member who is enrolled based on submission of a DGH, it will be upon the Insurer to prove the existence of adverse health, after due investigation. This will further add to the cost of operations, which needs to be kept minimal in these schemes so as to keep the premiums low and affordable. Further, the Lien Clause, applied as suggested above will weed out the very early claims that adversely affect the claims ratio.

4. Based on analysis of data furnished by participating life insurers in support of the above, it has been decided by the competent authority to incorporate a lien clause in the rules of PMJJBY with effect from 1st June, 2016; whereby claims for deaths which occur during the first 45 days from the date of enrollment will not be paid, effectively meaning that the risk cover will commence only after the

completion of 45 days from the date of enrollment into the scheme by the member. However deaths due to accidents will be exempt from the Lien Clause.

5. All participating Banks and Insurance companies are requested to initiate necessary action in order to implement the above mentioned amendment.

6. IBA and Life Insurance Council may kindly inform all their respective members. NABARD and RBI may kindly inform all rural and urban Cooperative Banks, respectively.

Yours faithfully,

Sd/-
(N. Srinivasa Rao)
Director
Tel. 011-23365808

Copy to Chairman, IRDAI for information.

F.No.H-12011/2/2015-Ins.II
Government of India
Ministry of Finance
Department of Financial Services

2nd Floor, Jeevan Deep Building,
10, Parliament Street, New Delhi,
Dated: 2nd May, 2016

To
Deputy Governor, RBI,
Chairman, NABARD,
Chairman, IBA,
Chairman, LIC of India,
Secretary General, Life Insurance Council,
Chairmen / CEOs of Banks and Insurance Companies

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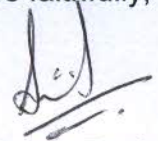
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