DIRECTORATE OF EDUCATION: GNCT OF DELHI
COORDINATION BRANCH: LUCKNOW ROAD: DELHI
(Ph No. 23811388)
No.30-3(17)(8)/Misc./Coord/2012/ Q048 – 8127
Dated: – 19/11/12

CIRCULAR

Sub: - Welfare measures about the Postal Life Insurance (PLI) Schemes.

Please find enclosed herewith a copy of D.O. letter No. 50-01/2012-L.I (Pt) dated 30/10/12 received from Postal Life Insurance Directorate, Department of Posts, M/o Communications & IT Chanakyapuri, New Delhi for information.

Encl: As above.

(Shashi Kaushal)
Spl. Director of Education (Coord.)

No.30-3(17)(8)/Misc./Coord/2012/ Q048 – 8127
Dated: – 19/11/12

Copy to:-
1. PS to Pr. Secretary (Education), GNCT of Delhi, Old Secretariat, Delhi.
2. PS to Director (Education), Directorate of Education, GNCT of Delhi.
3. PS to Spl. Director of Education (Admin.), Directorate of Education, Delhi
4. PS to Addl. Director of Education (School), Directorate of Education, Delhi
5. All RDEs/DDEs of Districts Directorate of Education, Delhi (through website).
6. All HOS and Branch Incharges of Head Quarter of Education Department, GNCT of Delhi (through website).
7. OS (IT) with the request to upload the Circular on the website.

(Shashi Kaushal)
Spl. Director of Education (Coord.)
Dear Sir,

This is regarding apprising the staff of Govt schools under your Directorate as a welfare measures about the Postal Life Insurance (PLI) schemes being offered by the Department of Posts under the Ministry of Communications.

2. As you are aware Life Insurance benefits give ones a sense of protection, mental peace and takes care of ones need in various contingencies of Life. Postal Life Insurance (PLI) started in 1884 is the oldest life insurer in the country and provides insurance cover only to Central & State Government employees, employees of Public Sector Undertakings, Bank, Universities etc.

3. Policies of PLI have the advantage of low premium, and have till date given the highest bonus as compared to any other insurers in the field. The policy also provides loan facility. Premium can be paid anywhere in the country, by cash or cheque at any Post Office, salary deduction as well as online. There are six types of plans under PLI and sum assured limit is Rs 20,000/- to Rs 20 lacs. Minimum and maximum age limit is 19 yrs and 55 yrs.

4. The schemes are designed specifically to provide savings and insurance component, safe investment, Income tax benefits and good return on the investment.

5. The salient features of PLI and other useful information relates to PLI are attached as Appx "A" to this letter.

6. When we compare the premium of PLI with Endowment Assurance Plans of other insurers, the premiums for both the policies are found nearly the same. However, there is huge difference in the bonus amount which makes the maturity value offered by PLI much higher and insurer gets handsome return of his/her hard earned money. Below is an illustration of what amount a person gets if he enters at the age of 30 for a term of 20 years and a sum assured of Rs. 5 lakhs under PLI in comparison to other insurance products.

<table>
<thead>
<tr>
<th>Description</th>
<th>Postal Life Insurance</th>
<th>Other Insurers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sum assured (in Rs.)</td>
<td>5,00,000</td>
<td>5,00,000</td>
</tr>
<tr>
<td>Policy Tenure</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Premium per month (in Rs.)*</td>
<td>2,000</td>
<td>2,170</td>
</tr>
<tr>
<td>Bonus rate per thousand</td>
<td>60</td>
<td>42</td>
</tr>
<tr>
<td>Accumulated Bonus (in Rs.)</td>
<td>6,00,000</td>
<td>4,20,000</td>
</tr>
<tr>
<td>Total premium paid</td>
<td>4,80,000</td>
<td>5,20,800</td>
</tr>
<tr>
<td>Maturity Value (in Rs.)</td>
<td>11,00,000</td>
<td>9,20,000</td>
</tr>
<tr>
<td>Return on investment</td>
<td>7.31%</td>
<td>5.50%</td>
</tr>
</tbody>
</table>

* Inclusive of Service tax

Adilbhai Moolbhai Contractor
Diary No. 13675
Date: 5/11/12

Telephone No. 24107072, Fax: 26882838, E-mail: agmplidte@gmail.com
7. There are currently more than 58.05 lakh policy holders in the country. I would like to mention here that a number of renowned financial publications such as Economic Times; Indian Express; Moneycontrol.com, way2insurance and India infoline have considered PLI as having greater benefits than even LIC.

8. It is, therefore, requested to kindly permit team of this Directorate, formed exclusively for general awareness of eligible Govt employees as welfare measures to visit your school in order to give a presentation/ briefing so that they may get optimum benefit from the schemes. Though, the above presentation/briefing is planned to give general awareness on PLI products, simultaneously it will provide an opportunity to redress the postal grievances of user, if any, on the spot.

9. It is pertinent to mention here that if permission for the above purpose is accorded generously by your good office, utmost care will be taken to this aspect that under no way the educational interests of pupils are jeopardized and it will be ensured that presentation is confined to spare time with the consent of the Principal of respective school.

With regards,

Yours sincerely,

(Amitabh Singh)

Shri Amit Singla
Director of Education
Old Secretariat
Civil Lines
Delhi-110054
What is PLI?

Postal life insurance (PLI) is similar to insurance plans offered by other insurance companies such as LIC (Life Insurance Corporation of India). PLI is a contract entered into by the government to pay a given sum of money on the death of an insured to his nominee or himself, if he survives that period. PLI is a good option for people, who are ‘eligible’ for it, as it charges lower premiums and offers higher returns than comparable policies of life insurers.

Who can buy PLI?

2. PLI are offered only to employees of all central and state government departments, nationalised banks, public sector undertakings, semi-government organisations, local bodies like municipalities and zilla parishads, educational institutions aided by the government, etc. PLI also extends the facility of insurance to the officers and staff of the defence services and para-military forces. That is why the policy bond is sent to the office address of the insured.

Types of policies

3. The postal department offers six plain vanilla plans: Suraksha (whole life assurance), Santosh (endowment assurance), Suvadha (convertible whole life insurance), Sumangal (anticipated endowment assurance), Yugal Suraksha (joint endowment) and Children’s Policy. PLI does not offer unit-linked insurance plans (ULIPs) and pension plans.

Age limit & maximum sum assured

5. In all policies the age limit is 19-55 years. PLI offers policies up to a maximum sum assured of Rs. 20 lakh.

Premium payment

6. The mode of premium payment can be monthly, half-yearly and annually. Policyholders can pay the premium on any working day of the month before or on the premium due date. Premiums can be paid at any of the post office across the country. Some selected government departments have the facility of recovering premium from salary.

PLI benefits

7. PLI offers bonus rates higher than all types of policies compared to that of other insurance companies.

8. Attractive bonus. The bonuses offered by PLI policies are quite attractive.

9. Lower premium payouts. The actual premium rates turn out to be lower as you are entitled to rebates (depending on the mode of premium payment and the sum assured). The amount of rebate also varies from one plan to another. For instance, Yugal Suraksha Policy offers rebate in monthly premium at the rate of Re 1 for sum assured up to Rs 40,000, and further rebate of Re 1 for every Rs 10,000 sum assured (in excess of Rs 40,000).
10. **Safe.** According to Vishal Dhawan, a Mumbai-based financial planner, "Postal Life Insurance is backed by the Government of India and falls under the Ministry of Communication. So, it gives the insured added mental relief of being protected."

11. Apart from the above, following benefits are also made available for the insurer:

- These policies can be easily transferred to any place in India free of cost.
- The policy provides nomination facility.
- Making timely payment of maturity values to the insurer
- Easy settlement of death cases
- Rebate @ 1% for payment of six months premium in advance.
- Rebate @ 2% for payment of 12 months premium in advance.
- PLI offers conversion from whole life assurance to endowment assurance and from endowment assurance to other endowment assurance, according to the rules.
- Loan facilities
- If Govt. servant after retiring from the service or relinquished his position before retirement may be kept his policy in his name and takes all the benefits made available to the insurer.
- Issue of duplicate policy bond in case of the original policy bond is lost or damaged.
- A quality "After Sale Service" for which a dedicated helpline has been provided to address the queries of esteem customer

11. **If one forgets to pay one’s premium in a month, one can pay the premium in the subsequent month, by paying a minimum fine of Re. 1 per hundred of sum assured.**

- Revival of lapsed policy: Policy lapses after six unpaid premiums if it remained in force for less than three years and after 12 unpaid premiums if it remained in force for more than three years.
- Loan can be taken from endowment assurance policy after completion of three years and for whole life after completion of four years.

**Tax treatment**

12. Investment in PLI gets all tax benefits any life policy is entitled for. The returns are tax-free and premium payment is subject to tax exemption under section 80C.

**Can one continue the policy if one quits the government service?**

13. One can continue by making payment at any one of the post offices throughout the country, even after quitting service.

**Can one surrender the policy prematurely?**

- Endowment assurance policy can be surrendered after 36 months.
- Whole life assurance policy can be surrendered after 48 months.
- Children policy can be surrendered after 60 months.
- No surrender for anticipated endowment assurance policy.