

GOVERNMENT OF KERALA

Abstract

Deduction of Life Insurance Premia from the Salaries of Policy holders who are Government servants-orders-issued

FINANCE DEPARTMENT

G.O.MS.No.243/62/Fin.

Dated, Trivandrum, 14-6-1962

- Read: 1) G.O.Rt.No.627/58/Fin.dated 10-5-1958
2) Letter No.Cy.951/129 (6)-61/62 dated 14th August 1962 from the Reserve Bank of India, Central office Bombay.
3) Letter No. P.H.S./K.G.S.S dated 12-10-'61 from the Divl. Manager, L.I.C. of India, Trivandrum.
4) Letter, No.PD/890/LIC/DTT dated 23-6-1960 from the Treasury Deputy Collector, Trivandrum

ORDER

In the G.O.read above Government ordered that the premier due to the Policies held by Government servants in the erstwhile Public Branch of the State Life Insurance and also those taken by the Government Servants in the Life Insurance Corporation of India after 1-9-1956 be collected by recovery from their pay bills. The Procedure to be followed in effecting the payments of premia to the Life Insurance Corporation was also prescribed therein. A commission of 1/8% (one eighth percent) on the premia collected by Government will be paid to Government by the Life Insurance Corporation by way of remuneration, in addition to the postal charges etc., for effecting the payment of premia to the Life Insurance Corporation. But the procedure adopted by Government in effecting the payment of Premia has been objected to by the Reserve Bank of India on the grounds that the Bank drafts issued by treasuries for local payments is objectionable as per para 1 of the Reserve Bank of India, Remittance facilities Scheme Booklet (ie. The Trivandrum District Treasury cannot issue a draft on itself in favour of the Life Insurance Corporation of India) and that the Bank drafts issued by treasuries for affecting payments to the Life Insurance Corporation have to be drawn at a premium and not at par.

The Life Insurance Corporation of India in their letter read as third paper above have informed Government that they have established the practice of transferring the collections in the P.D.Account in the name of the Life Insurance Corporation of India with the Trivandrum District Treasury by forwarding a simple receipt duly signed by them and authorising their bankers to collect the amount from the treasury on their behalf and credit it to their account. The Life Insurance Corporation of India, however requested the Government to allow the existing practice in case of the other treasuries.

Government have considered the question in detail and are pleased to order that the existing arrangement for the payment of Premia due to the Life Insurance Corporation will continue in the Treasuries other than the District Treasury, Trivandrum, the transfers of the amount to the Life Insurance Corporation being affected by Bank drafts. The Bank charges on Bank drafts will be met by Government out of the 1/8 th% commission paid by the Life Insurance Corporation of India.

The expenditure on account of the Bank charges (g) Miscellaneous debited to the head of account " 71 – Miscellaneous (g) Miscellaneous and unforeseen charges (iv) Bank Commission and Contingencies " .

The Treasury officers concerned are requested to follow the above procedure hereafter.

P.K.Syed Mohamed
Deputy Secretary

Endt. on.F.Dis.21356/62 dated 12-7-1962

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For chief conservator of Forests.