

GROUP SAVINGS-LINKED-INSURANCE SCHEME

INTRODUCED BY

THE ROYAL INSURANCE CORPORATION OF BHUTAN LIMITED

SALIENT FEATURES

AND

**GUIDELINES OF THE SCHEME FORMING PART OF THE MASTER
POLICY AND MEMORANDUM OF UNDERSTANDING**

INSURER

ROYAL INSURANCE CORPORATION OF BHUTAN LIMITED

ARTICLE I-OBJECTIVE

The Scheme is applicable to all Private employees. It is a low cost and wholly contributory and self-financing scheme giving twin benefits; (i) an insurance cover to help their families in the event of death or permanent total disablement while in service and (ii) a lump sum payment of the accumulated savings with interest to the employee or to their families on cessation of employment on account of retirement, resignation, death or permanent total disablement.

ARTICLE II- DATE OF EFFECT

The Royal Insurance Corporation of Bhutan Limited Employees Group Savings –Linked-Insurance Scheme hereafter referred as the “Scheme” has come into effect from 1st January 1991.

ARTICLE III-APPLICATION

The Scheme shall compulsorily apply to all regular and contract employees of all Private bodies between the age 18 to 70 years, but shall not apply to the following categories of personnel;

- a. Personnel recruited after completing age 65 years.
- b. Employees on deputation from other Government or Agencies
- c. Experts, Consultants and Volunteers from UN and other international organizations
- d. Work charged and employees on temporary basis
- e. Employees on special contract basis
- f. Pre-service trainees on receipt of stipends
- g** The risk will be limited to the employees aged between **18 to 70**
- h. Pre-existing conditions, in case of physically challenged employees.

ARTICLE IV-MEMBERSHIP

The Scheme shall be compulsory to all those employees who are already in the service and to those who will join the service after the Scheme has been introduced.

Clause A: The Scheme shall be compulsory for all those employees who are already in the service and to those who will join the service after the Scheme has been introduced.

Clause B: The employer shall submit the service data of the new member alongwith his/her subscription to Royal Insurance Corporation of Bhutan Limited.

Clause C: Grouping of members shall be as reflected below.

GSLI rate table where the Grades not compatible with Civil Servant

Groups	Salary Scale	Insurance Amount (Sum Assured Nu.)	Insurance Premium (Nu.)	Savings (Nu.)	Monthly Subscription (Nu.)
A	60,000 & above	5,00,000	150	350	500
B	30,000 to 59,999	4,00,000	120	280	400
C	16,000 to 29,999	3,00,000	90	210	300
D	15,999 and below	2,00,000	60	140	200

ARTICLE V-RECOVERY OF THE SUBSCRIPTION

Clause A: The Subscription of a member shall be deducted from his/her salary and remitted to RICBL **within the fifteenth of the following month.**

Clause B: The subscription shall be recovered every month including the month in which the employee ceases to be in employment on account of death or total permanent disability, retirement, resignation or termination from service if he/she has worked for part of the month.

Clause C: No part payment (on pro rata basis) of the monthly from a member will be recovered and remitted. Though a member may have joined the Scheme in the middle of a month, for administrative convenience, the subscription shall be remitted for the full month.

Clause D : Before expiry of the three months continuous discontinuance of the subscription, if the live member so wishes to continue the membership, he/she/Disbursing Officer shall remit the subscription in arrears.

ARTICLE VI- REMITTANCE OF SUBSCRIPTION

Clause A: The disbursing officer shall remit the monthly subscriptions supported by recovery schedule to the Royal Insurance Corporation of Bhutan Limited by the fifteenth of the following month.

The drawing and disbursing officer and the finance personnel concerned will be held fully responsible and accountable for recovery of GSLI subscription and timely remittance of the recovery with the RICBL. These officials shall scrutinize and make recovery and shall ensure the recovery is remitted to RICBL within the stipulated time, In the event of non-remittance and/ or late remittance of the recovery, the drawing and disbursing officers and finance personnel shall be held responsible

besides also being liable to make good the losses incurred by the civil servants concerned.

Clause B: While an employee is on long leave without pay (study, medical, extraordinary leave etc) the employee has to make his or her/own arrangements to remit the subscriptions. This could enable the continuity of the membership.

ARTICLE VII- COMMENCEMENT OF RISK

Clause A: The risk on the life of the fresh employee shall commence from the date the first subscription is actually received by Royal Insurance Corporation of Bhutan Limited.

Clause B: The Scheme shall automatically cease to cover the risk from the day the employee(s) is/are relieved from employment or the insurance cover is deemed invalid if there is a break of three subsequent months in payment of subscription.

ARTICLE VIII-PROMOTION

In the event of promotion and change in the grouping, the subscription shall be of the new group from the date of promotion. However, the risk on the promoted member shall commence from the date of receipt of the subscription at the rate applicable to the next higher group.

ARTICLE IX- TRANSFER

In case of transfer, it is mandatory that the disabusing office shall provide a copy of the last pay certificate/transfer order to Royal Insurance Corporation of Bhutan Limited. When a member's subscription is added for the first time in the schedule due to transfer, the disbursing office shall indicate the GSLI account number and his /her previous department in the remarks column.

ARTICLE X- INSURANCE FUND

In order to provide an insurance cover to each member of the Scheme a portion of the subscription shall be credited to the insurance fund subject to revision by RGOB and RICBL from time to time.

ARTICLE XI- SAVINGS FUND

The balance portion of subscription shall be credited to a savings fund. The RICBL shall maintain this savings fund in individual member account. The savings fund is subject to revision from time to time by RGOB and RICBL on mutual consent.

XII- INTEREST ON SAVINGS

On the Savings Fund, the Royal Insurance Corporation of Bhutan Limited shall maintain an

individual account for each member and pay interest subject to revision from time to time. The present rate of interest is 8% per annum.

ARTICLE XIII-NOMINATION

- a. The employer shall obtain nomination from each member and forward it to the Royal Insurance Corporation of Bhutan Limited for registration.
- b. In the case of a minor nominee the member must appoint one guardian in Nomination Form to received payment in case of the member's premature death while in service. The signature of the guardian should be attested by the member duly countersigned by the employer and forward it to RICBL for registration.
- c. The member shall have the right to change/cancel the nominee/guardian notice in writing to the RICBL and affect nominee(s)/guardian.
- d. If the nomination is in favour of more than one person, the member shall specify the percentage of share for each nominee.
- e. All nomination and guardianship documents shall be countersigned by the Head of department before submitting to the RICBL for record.
- f. If nomination had not been effected during the life time of the member and should a claim be lodged, the claimants will have to produce a legal heirship certificate from the Head of department/Ministry or from the Royal Court of Justice confirming the legal recipient of the compensation.

ARTICLE XIV-PAYMENT FROM SAVINGS FUND

If a member retires on attaining the age of superannuation or otherwise ceases to be in service (an employee of the Royal Government of Bhutan or autonomous and corporation), the Head of the Department/Organization shall issue Application Form along with the Last Pay Certificate and the sanction for payment of the member's accumulation in the savings with interest. The member shall submit Discharge Voucher duly signed by him/her over revenue stamp and witnessed by someone know to the member.

If an employee attains the age of **70 years** as per the records submitted to RICBL, but the employee continues to be in service, the membership shall stand terminated without insurance coverage and the savings fund with interest will be refunded.

ARTICLE XV-PAYMENT OF DEATH CLAIM

If a member dies while in service the Head of the Agency or the Employer shall inform the RICBL in writing **within one month** of the incidence. RICBL in turn will process the claim for payment to the nominee(s)/legal heir(s): The claim amount payable is:

- (a) The appropriate amount of insurance coverage to which he/she was entitled at the time of his service.

Plus

- (b) An amount due to him out of the accumulated savings fund for the entire period of his membership with interest.

Plus

- (c) The excess amount received out of the actual subscription from the disbursing office after having verified from Last Pay Certificate.

ARTICLE XVI-MISSING EMPLOYEE

If an employee is found/ reported missing during the active service, the concerned Authority shall inform RICBL in writing within one month from the date of occurrence. The RICBL shall observe one year from the date of occurrence as a waiting period and on cessation of the waiting period or earlier as may be decided by the Court of Law, the claims shall be paid to the claimant subject to the execution a bond with RICBL by the claimants duly signed the Disbursing Officer undertaking to refund of the claimed amount with interest at the prevailing rate of interest of the Corporation at the time of refund to RICBL in the event, the employee reappears.

ARTICLE XVI-PROCEDURES FOR SETTLEMENT OF DEATH CLAIM

1. For settlement of death claim, the following formalities to be completed.
2. Refund/Claim Application form
3. A copy of Last Pay Certificate of the deceased
4. A copy of Death Certificate from a competent Authority
5. Discharge Voucher duly signed by the nominee/legal heir over revenues stamp in presence of a witness.
6. Execute Bond if claim is a missing case.

ARTICLE XVII-PERMANENT AND TOTAL DISABILITY

Clause A: The permanent and total disability herein referred to must be total and permanent that there is neither then nor any time thereafter any work, occupation or profession that an employee can do or follow to earn any wages or salaries. The Corporation shall have the right to have the disabled member examined by an independent doctor of its own choice for which the expenses will be borne by the Corporation.

However, the Corporation shall not be liable if the disability be caused by intentional self-injury, attempted suicide, insanity or immorality or committing any breach of law.

Clause B

- (a) **By Accident:** The loss of sight of both eyes or amputation of both hands at or above the wrists, or amputation of both feet at or above the ankles, or amputation of onehand at or above the wrist and one foot at or above the ankle.
- (b) **By Sickness:** The paralysis of complete body or paralysis of either side of the body with upper and lower limbs, or total blindness of both eyes or total mental disorder, shall be deemed to constitute such disability.

ARTICLE XVIII- PAYMENT OF PERMANENT TOTAL DISABILITY

The permanent total disability benefit equals to sum assured to which he is entitled at the time of disablement shall be payable in addition to the accumulated savings with interest and the excess amount received if any, from the Disbursing Office after having verified from Last Pay Certificate. The Corporation shall settle the claim in one lump sum payment

ARTICLE XIX- PROCEDURES FOR SETTLEMENT OF PERMANENT TOTALDISABILITY CLAIM

For settlement of permanent total disability claim, the following formalities are required to be completed.

- (a) The Employer shall lodge the claim to RICBL either on the happening of permanent total disablement by accident or during the course of treatment if caused by sickness, but not later the two weeks from the date of accident or disablement.
- (b) The claimant shall furnish medical certificates to RICBL proving permanent total disability. A copy of Police Inquest Report is to be submitted if the disablement is due to accident. If the disablement is due to sickness, Medical Treatment documents must be produced to support the claim.

- (c) Refund / Claim Application Form
- (d) A copy of Last Pay Certificate of the disabled employee from the Employer
- (e) Discharge Voucher duly signed by the disabled employee or legal guardian in presence of a witness.

**ARTICLE XX- RECOVERY OF SAVINGS OR DEATH/DISABILITY
COMPENSATION AGAINST GOVERNMENT LOAN**

The Employer shall have the right to realize the savings with interest or death/disability compensation payable to the member for recovery of loans, advances and misappropriation of government fund and property during the service

ARTICLE XXI- WITHDRAWAL FROM INSURANCE/SAVINGS FUND

Withdrawal by the member in part or whole of the savings shall not be permitted while the member is in service.

ARTICLE XXII- LOAN AND ADVANCE

No loans or advances will be permitted under the Schem

