

CHAPTER 1

GENERAL

Aim

1. Aim of Naval Group Insurance Fund (NGIF) is to provide meaningful social security to serving Naval personnel, their family members and retired personnel by way of providing Life Insurance cover, in keeping with the socio economic conditions prevailing in society and the country.

Govt Approval

2. The Govt. of India, Ministry of Defence vide letter No. BA/GIS/21197/5895/D (N/II) dated 17 Nov 1976 (App A) accorded the approval for running of Naval Group Insurance Scheme departmentally (earlier called Naval Officers and Sailors Family Assistance Scheme).

Registration

3. The Naval Group Insurance Scheme has been registered under the Societies Registration Act XXI of 1860 (Punjab Amendment Act, 1957) as extended to the Union Territory of Delhi. (Appendix B).

Registered Office

4. The Registered Office of the society is situated in Room No. 209 "D" Wing, Sena Bhawan, Directorate of Non-Public Funds, Integrated Headquarter, Ministry of Defence (Navy), New Delhi – 110 011. The office premises has been shifted to “Ground Floor, Talkatora Annexe Building, Talkatora Indoor Stadium, New Delhi – 110 001” in Mar 17.

Rules of the Society

5. The rules contained in this publication have been approved by the General Committee, which is the Governing Body of Naval Group Insurance Scheme.

Objective of the Fund

6. The objectives for which the Naval Group Insurance Fund has been established are:-

- (a) To provide life Insurance Cover to service personnel of the Indian Navy and such other personnel as the Governing body of the Fund may decide from time to time.
- (b) To provide Insurance Cover against disablement during service on a case to case basis.
- (c) Grants on release/retirement for resettlement in civil life.
- (d) To establish, support and to aid in the establishment and support of any other institution, society or fund founded for all or any of the objectives of the Fund.
- (e) To amalgamate with any institution, association, society, or fund having objectives fully or partly similar to those of the Fund.
- (f) To do any such lawful things as are incidental or conducive to the attainment of the above objectives or as decided by the Governing Body of the fund from time to time.
- (g) All the income of the Fund shall be utilised for furtherance of its objectives.
- (h) Direct financing of Housing Advance to the serving members.
- (j) Direct financing of vehicle and computer advance to the serving members.

Membership

7. The following will be the members of the Fund:
- (a) All serving officers, midshipmen and sea cadets of all branches of Indian Navy including re-employed officers but excluding cadets, at Academics/Naval Engineering College.
 - (b) All serving officers of the Coast Guard.
 - (c) All sailors including apprentices and serving Naviks of the Coast Guard.
 - (d) Medical officers commissioned into the Indian Navy including those on secondment to other services. Medical officers transferred from another service will continue to remain members of the group insurance scheme they had joined initially.
 - (e) Any other personnel which the Governing body of the Fund may decide to include from time to time.

Source of Income

8. The income of the Fund is derived from the following sources:
- (a) Monthly contribution paid by members as may be determined by the Governing body from time to time. Contribution from new members is to commence from the month in which they join the Service and the contribution is to be paid in advance.
 - (b) Interest on investments.
 - (c) Donations received from other sources.

Income Tax Exemptions

9. The following income tax exemptions/reliefs are applicable:-
- (a) *To members:* All contributions made by members towards Life Insurance are to be treated as insurance premia and would qualify for relief under section 88 (2) (I) of Income Tax Act, 1961.
 - (b) *To the Society:* All incomes received by the society are eligible for exemption under the provisions of Section 10 (23) (iv) and Section 10 (23 AA) of Income Tax Act, 1961.
 - (c) *On Interest Earnings:* Ministry of Finance have issued Notification vide No. 6738/F. No. 275//50/86-IT (B) dated 29 May 1986 extending the exemption under Sub Section 3 of Section 194 A of IT Act 1961 to NGIS. Accordingly, no income tax is recoverable by Companies and Banks on the interest payable to the Society. (App "C").
 - (d) All donations made to the Society are eligible for exemption under Section 80 (G) of Income Tax Act, 1961 vide Commissioner of Income Tax, New Delhi notifications issued from time to time.
 - (e) Fixed deposits with non-banking, non-financial companies after 8 November 1985 can be foreclosed in case of national emergency declared under Section 352 of the Constitution without imposition of any penalty and Loss of Interest, if the repayment is required for the purpose of providing War Risk or other related benefits to the Defence personnel or their families by Association of Societies formed by such personnel. Government of India, Ministry of Company Affairs Letter No. 4/28/79-CL X/4/108 4-CL X dated 08 November 1985, as published in Part II, Section (3) submission (1) of the Gazette of India Extraordinary dated 05 June 1985 refers.

Exemption from Estate Duty

10. Central Board of Direct Taxes vide GSR No 841 dated 31 Oct 83 (published in Gazette of India Serial No 46 dated 12 Nov 83) has accorded sanction exempting full death benefits payable by Naval Group Insurance Scheme from the payment of Estate Duty. The relevant Govt notification is at Appendix 'D'. The saving element paid alongwith death cover will also form part of the death benefit and will be covered under this exemption.

Management and Administration

11. The affairs of the Fund shall be administered by:
- (a) A Board of Administrators hereinafter called General Committee.
 - (b) A Managing Committee.

General Committee

12. The General Committee shall be constituted by the following:
- (a) Chief of the Naval Staff - President
 - (b) Vice Chief of the Naval Staff - Vice President
 - (c) Flag Officer Commanding-in-Chief - Member
Western Naval Command
 - (d) Flag Officer Commanding-in-Chief - Member
Southern Naval Command
 - (e) Flag Officer Commanding-in-Chief - Member
Eastern Naval Command
 - (f) Chief of Personnel - Member
 - (g) Controller of Personnel Services - Member
 - (h) Controller of Logistics - Member
 - (j) Assistant Chief of Personnel (P&C) - Member
 - (k) Judge Advocate General (Navy) - Member
 - (l) Cmde (NPF) - Member/Treasurer
 - (m) Cmde (Pay & Allowances) - Member
 - (n) Cmde {PS & PM(Navy)} - Member
 - (p) Director of Personnel (CGHQ) - Member
 - (q) Secretary of the Fund - Member/Secretary

13. The General Committee as constituted above shall have the authority to co-opt more than three persons whether Members of the Fund or not, for any general or special purpose, but no person so co-opted shall have any right of voting at meeting of the General Committee.

14. The General Committee shall be the Managing Body of the Fund for the purpose of Societies Registration Act XXI of 1860.

Chairman/Vice Chairman

15. The Chief of the Naval Staff and the Vice Chief of the Naval Staff shall be the ex-officio Chairman and Vice Chairman of the General Committee respectively.

16. Once in a year, the list of Members of the General Committee shall be filed in the office of Registrar of Societies as per Section 4 of the Societies Registration Act 1860.

17. When a person becomes a member of the General Committee by reason of the office or appointment he holds, his membership shall terminate when he ceases to hold that office or appointment.

Powers of General Committee

18. Subject to the provision of these presents and to any regulations laid down by the Fund in General Meeting, the General Committee, may exercise all powers of the Fund which are not by any law or by these presents required to be exercised by the Fund in General Meeting, but no regulation made by the Fund in General Meeting, shall invalidate any prior act of the General Committee which would have been valid if that regulation had not been made.

19. Without prejudice to the generality of the foregoing and to the other powers conferred by these presents, the General Committee may;

- (a) Invest and deal with any money of the Fund not immediately required for the purposes thereof through duly constituted investment Advisory Committee in such a manner as they may deem fit, and from time to time vary or realize from such investments.
- (b) Make and give receipts, releases and other discharges for money payable to the Association and for the claims and demands of the fund.
- (c) Determine the manner in which notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents, shall be signed or executed by or on behalf of the Fund.
- (d) From time to time, formulate, vary and repeal rules for the regulation of the business of the Fund, its officers and employees and especially of the Managing Committee.

Meetings of the General Committee

20. The General Committee shall meet at least once in every half year.

21. Subject to the foregoing paragraph, the General Committee may meet together for the despatch of business, adjourn and otherwise regulate their meetings and proceedings as they shall deem fit. The quorum necessary for the transaction of business shall be not less than three Members of the General Committee present in person.

22. The President of the Fund may, at any time and the Secretary upon the request of at least three Members of the General Committee, shall convene a meeting of the General Committee.

23. Questions arising at any meeting shall be decided by a majority of votes, and in the case of an equality of votes, the Chairman shall have a second or casting vote.

24. The President of the Fund shall be the Chairman of the General Committee. In his absence, the Vice President shall be the Chairman of the Committee and in the absence of both, the President shall nominate a Member of the General Committee to preside at its meetings, and in default of such nomination the Members present shall choose someone among them to be the Chairman.

25. A meeting of the Members of the General Committee at which a quorum is present, shall be competent to exercise any of the powers for the time being, exercised by the General Committee generally.

26. A resolution in writing signed by a majority of the Members of the General Committee shall be as valid and effectual as if it had been passed at a meeting of the General Committee duly called and constituted.

27. Subject to any general or special directions which may be made from time to time by the General Committee, seven days notice of each meeting of the General Committee shall be given to the Members of the General Committee.

28. A decision taken on a file by the members of the General Committee shall be as valid as if it had been taken in a duly constituted meeting.

Managing Committee

29. The day to day administration including settlement of claims and payment of grants on release/retirement shall be carried out by a Managing Committee consisting of the following Members of the General Committee:-

- (a) Principal Director of Non Public Funds.
- (b) Judge Advocate General of the Navy or any other Principal Director.
- (c) Secretary of the Fund.

30. The senior most amongst above members will be the Chairman. The Managing Committee shall be responsible to the General Committee for the administration of the Fund.

31. The Managing Committee shall consider and scrutinize the accounts and finances of the Fund, and report to the General Committee thereon as may be requisite, and shall deal with all other matters entrusted to them by the General Committee.

32. All decisions taken by the Managing Committee by circulation on a file will be considered to have been approved in a duly constituted meeting.

General Meeting of the Fund

33. A general meeting of the Fund shall be held at least once in every calendar year at such time and at such place as may be determined by the General Committee.

34. The General Committee may whenever they think fit, and shall forthwith on the requisition of not less than 20 members of the Fund of any class, convene a general meeting of the Fund and any such requisition shall set out the objects of the meeting so proposed to be called.

35. At least 14 days prior intimation specifying the place, date and time of the meeting and the general nature of the business to be transacted shall be given to the members in respect of all general meetings by notice served as is hereinafter provided.

36. Six members present in person, shall form a quorum for a general meeting, and no business shall be transacted at any general meeting unless a quorum is present at the commencement of the business. If within half an hour from the time appointed for the meeting, a quorum is not present, the meeting, if convened upon requisitions, shall

be dissolved. In any other case, the meeting shall stand adjourned until such time and places as the General Committee may appoint. If at such adjourned meeting a quorum is not present, the members present shall constitute a quorum and may transact the business for which the meeting was called.

37. The President of the Fund shall be entitled to take the chair at every general meeting of the Fund. In his absence, the members present shall choose one of the members to be the Chairman.

38. All members shall be entitled to attend any general meeting of the Fund.

39. A poll may be demanded by the Chairman or by at least two members of the Fund of any class, and upon a poll each member whatever class present in person or by proxy shall be entitled to one vote.

40. In the case of an equality of votes; the Chairman shall, both on a show of hands and on a poll, have a second or casting vote.

41. At any general meeting, unless a poll is demanded, a declaration by the Chairman that a resolution has been carried or not carried, and any record to that effect in the books of proceedings of the Fund, shall be conclusive evidence of the fact. If a poll is demanded, it shall be taken in such a manner as the Chairman may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

42. No poll shall be demanded on the election of the Chairman of a meeting.

43. The Chairman of a general meeting, may with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any meeting at which the adjournment took place.

The Secretary

44. The Secretary, shall be appointed by the General Committee, and may be paid if, they so decide. He shall exercise all such powers and carry out duties as may be required for the proper conduct of the ordinary current administrative business of the Fund. Without prejudice to the generality of the foregoing, he shall:-

- (a) Be responsible to the General Committee for the discharge of all duties to be performed by him.
- (b) Bring to the notice of the General Committee or Managing Committee all matters requiring action by them, and give notice of all general meetings and all meetings of the General Committee and Managing Committee.
- (c) Unless prevented by illness, or excused from attending by the President, attend all general meetings and meetings of the General Committee and Managing Committee and record the minutes of such meetings.
- (d) Conduct the correspondence of the General Committee and Managing Committee.
- (e) Keep a register to document all correspondence.
- (f) Be responsible to the Treasurer for all finances received by him on behalf of the Fund.
- (g) Pay money received into the Fund's banking account without delay.
- (h) Draft an annual report of the Fund for each financial year ending 31 Mar.

The Treasurer

45. The Principal Director of Non Public Funds shall be ex-officio Honorary Treasurer of the Fund. He shall be responsible for maintaining, and arranging for the audit of the accounts of the Fund. He shall attend all general meetings and all meetings of the General Committee and the Managing Committee, unless prevented by illness or excused by the President, and shall supply them with such information regarding the finances of the Fund as they may require. He shall be responsible to ensure that all premia are collected, that the banking account of the Fund is properly maintained, and that the securities of the Fund are kept in safe custody with the Fund's bankers.

Accounts

46. The accounts of the Fund are to be maintained by the Secretary.

Bank

47. The bank accounts of the Fund shall be maintained in scheduled banks as decided by the Managing Committee and shall be operated by any one member of the General Committee and the Secretary and in absence of Secretary by any two members of the General Committee.

Investments

48. Any part of the Fund's accumulations not likely to be utilized to meet any immediate commitment is to be held or invested as legally permitted in accordance with general directions of the Investment Advisory committee of Integrated Headquarters, Ministry of Defence (Navy) as constituted by the Administrators of the Fund.

Audit

49. The accounts of the Fund are to be audited at least once a year by a firm of Chartered Accountants as decided by the Managing Committee.

Minutes

50. During the meetings of General Committee and the Managing Committee, minutes will be duly entered in books provided for the purpose in respect of

- (a) All appointments of officers.
- (b) The names of the members present at each meeting of the General Committee and of the Managing Committee.
- (c) All orders made by the General Committee and the Managing Committee of the Fund, and any such minutes, if purporting to be signed by the Chairman of the meeting of the Chairman of the next succeeding meeting, shall be receivable as, prima facie, evidence of the matters stated in such minutes.

Notices

51. A notice may be served by the Fund upon any member in the following manner:

- (a) Upon members being officers and sailors on the active list of the Indian Navy, by publication in Navy Orders or by Integrated Headquarters, Ministry of Defence (Navy) letter circulated to all ships/establishments.
- (b) Upon any other member, either personally or by sending it through post by a pre-paid letter addressed to such member.

- (c) Any notice served by publication in Navy Order or by a policy letter shall be deemed to have been served at the time of publication of the said orders.
- (d) Any notice sent through post shall be deemed to have been served at the time when the letter containing it is put into the post office, and in proving such service, it shall be sufficient to prove that the letter containing the notice was properly put into the post office.

52. The accidental omission to give notice to any member shall not invalidate any proceedings of the General Committee or the Managing Committee of the Fund as the case may be.

Property of the Fund

53. All property of the Fund, moveable or immovable, whether existing at the time of registration of the Fund or later acquired, shall vest in the General Committee for the time being and all documents relating thereto and affecting such property shall be taken and shall stand and be deemed to stand in the name of the Fund. All documents relating to the property of the Fund shall be executed for and on behalf of the Fund by the President or in his absence or incapacity by any member of the General Committee, who so ever is authorized by a resolution duly passed by the General Committee in a meeting convened for the purpose.

Suits By or Against the Fund

54. All suits, complaints and application by or against the Fund in any court or office what so ever shall be instituted or filled in the name of the Fund under the signature of the President or if authorized by a resolution of the General Committee duly passed at a meeting convened for the purpose under the signature of any member of the General Committee.

Disclosure

55. No member of the General Committee or of the Managing Committee shall derive any advantage, either directly or indirectly from the transactions of the Fund, and if any such member shall have any interest whether as a partner, director, debenture holder, share holder or otherwise, in any firm or company with which the General Committee or the Managing Committee proposes to transact any business, he shall disclose the same to the General Committee or Managing Committee as the case may be, and shall not vote upon any resolution regarding such transaction and if he votes, his vote shall not be counted, provided that nothing in this clause shall debar a member of the General Committee or the Managing Committee from seeking or obtaining assistance from the fund but in any case where a member of the General Committee or the Managing Committee invokes the assistance of the Fund he shall not participate in any meeting of the General Committee or Managing Committee convened for the purpose of considering his case.

Alteration and Amendment of Rules

56. These rules may be altered and additional rules may be made at any time by a two thirds majority present and entitled to vote at any general meetings of the Fund where not less than 14 day's notice in writing has been given to all members specifying the nature of the alteration or addition which is proposed to be made.

57. Without prejudice to the rights of the members to amend rule in accordance with the preceding rule, the Chief of the Naval Staff may in cases where the designation of the appointments referred to in rules have been altered or re-designated by other names, amend the said rules to confer with the new designations and where any of the appointments referred to in the said rules, any other appointment at his discretion. Any question whether an appointment has been re-designated (by another name or has been abolished) shall be determined for the purpose of this rule by the President whose determination shall be final.

CHAPTER 2

NAVAL GROUP INSURANCE SCHEMES

58. The Naval Group Insurance Schemes had originated in the form of officers and sailors Welfare Assistance Scheme in Apr 1969 with a monthly subscription of Rs 10/- and Rs 2/- per month from officers and sailors respectively. The said scheme was introduced to provide meagre financial assistance to the families in the unfortunate event of death of Naval Personnel while in Service. From this, humble origins the scheme matured into a group insurance scheme in association with Life Insurance Corporation to provide insurance cover for Rs. 30,000/- and Rs. 15,000/- for officers and sailors respectively in Dec 1975. To cater for the changing socio economic conditions of the society and needs of Naval personnel and their families, Government approval was obtained in Oct 1976 to permit the Service Headquarters to run this scheme departmentally vide Government of India letter BA/21197/5895/D(N-II) dated 17 Nov 1976.

59. The emphasis of the scheme is to provide meaningful death benefits to the bereaved families at minimum cost to the members. In addition, payment of reasonable survival benefits to the members exiting the scheme by way of survival and retirement from service helps them in providing financial security. The details of monthly contribution, saving element and life cover under the scheme are as under:-

Period	Contribution		Saving Element		Insurance Cover	
	Officers	Sailors	Officers	Sailors	Officers	Sailors
01.12.75 to 30.06.78	30	10	18	6	30,000	15,000
01.07.78 to 30.06.80	60	25	44	21-70	60,000	30,000
01.07.80 to 30.06.81	65	30	42-40	22-09	65,000	35,000
01.07.81 to 30.06.85	100	45	64-85	33-27	1.00 lakh	50,000
01.03.85 to 31.12.88	200	70	136-80	54-60	2.00 lakh	75,000
01.01.89 to 31.03.91	225	120	141-19	89-54	2.50 lakh	1.50 lakh
01.04.91 to 31.08.91	250	120	149-83	89-54	3.00 lakh	1.50 lakh
01.09.91 to 31.03.93	250	120	172-93	99-03	3.50 lakh	1.75 lakh
01.04.93 to 31.03.94	250	120	184-18	100-03	3.50 lakh	1.75 lakh
01.04.94 to 31.10.96	250	120	195-39	101-36	3.50 lakh	1.75 lakh
01.11.96 to 31.08.97	275	130	211-73	107-70	4.00 lakh	2.00 lakh
01.09.97 to 31.03.01	500	250	384-39	211-27	7.00 lakh	3.50 lakh
01.04.01 to 31.03.02	500	250	384-39	203-07	7.00 lakh	3.50 lakh
01.04.02 to 30.11.03	500	250	388-85	203-07	7.00 lakh	3.50 lakh
01.12.03 to 30.09.05	750	360	591-54	292-48	10.00 lakh	5.00 lakh
01.10.05 to 31.03.06	1125	540	922.24	446.18	15.00 lakh	7.50 lakh
01.04.06 to 31.03.08	1500	750	1292.00	654.00	15.00 lakh	7.50 lakh
01.04.08 to 31.03.09	2000	1000	1745.00	890.00	20.00 lakh	10.00 lakh
01.04.09 to 31.03.10	3000	1500	2620.00	1338.00	30.00 lakh	15.00 lakh
01.04.10 to 31.03.13	4000	2000	3490.00	1795.00	40.00 lakh	20.00 lakh
01.04.13 to 31.10.16	5000	2500	4365.00	2245.00	50.00 lakh	25.00 lakh
01.11.16 to 30.06.18	7500	3750	6549.00	3338.00	75.00 lakh	37.50 lakh
01.07.18 to till date	10000	5000	8732.00	4450.00	1.00 crore	50.00 lakh

Additional Group Insurance Scheme for Aviators/IMSF personnel (AGIS)

60. The Scheme was introduced w.e.f Oct 81 at the behest of the Govt. to defray the premium of additional schemes the GOI enhanced the flying pay with stipulation that enhanced portion of flying pay would be admissible on taking insurance cover or Rs. 2.00 lakh for officers and Rs. 1.00 lakh for sailors from NGIF. The details of monthly contribution, savings element and insurance cover are as under:

Contribution			Savings Element		Cover	
Period	Officer	Sailor	Officer	Sailor	Officer	Sailor
01.10.81 – 31.12.88	250.00 283.00 325.00	162	162.39	89.46	2.00 lakh	1.00 lakh
01.01.81 – 31.10.91	-do-	162	172.21	91.20	2.00 lakh	1.00 lakh
01.11.91 – 31.03.94	-do-	162	183.83	97.01	-do-	-do-
01.04.94 – 31.10.96	-do-	162	201.92	128.62	-do-	-do-
01.11.96 – 31.03.01	-do-	162	224.88	133.77	-do-	-do-
01.04.01 – 31.03.06	-do-	162	221.88	133.77	-do-	-do-
01.04.06 – 30.11.06	-do-	162	221.00	130.00	-do-	-do-
01.12.06 – 31.03.09	500.00 510.00 650.00	330	452.00	244.00	4.00 lakh	2.00 lakh
01.04.09 to date	875.00 895.00 1140.00	580	821.00	438.00	7.00 lakh	3.50 lakh

Additional Group Insurance Scheme for Submariners (AGIS)

61. This scheme was also introduced w.e.f 01 Oct 81 along with enhancement of submariners pay with similar stipulations as for Aviators/IMSF personnel. The details of monthly contribution, insurance cover, and savings element are shown below:-

Contribution			Savings Element		Cover	
Period	Officer	Sailor	Officer	Sailor	Officer	Sailor
01.10.81 – 31.12.88	234.00	150	150.47	110.74	2.00 lakh	1.00 lakh
01.01.81 – 31.10.91	234.00	150	159.65	112.50	2.00 lakh	1.00 lakh
01.11.91 – 31.03.94	234.00	150	173.20	120.25	-do-	-do-
01.04.94 – 31.10.96	234.00	150	187.37	125.58	-do-	-do-
01.11.96 – 31.03.01	234.00	150	213.66	138.22	-do-	-do-
01.04.01 – 30.09.03	234.00	150	210.66	135.22	-do-	-do-
01.04.01 – 31.03.06	234.00	150	207.32	135.22	-do-	-do-
01.04.06 – 30.11.06	234.00	150	205.00	133.22	-do-	-do-
01.12.06 – 31.03.09	470.00	300	425.00	276.00	4.00 lakh	2.00 lakh
01.04.09 to date	825.00	525	756.00	493.00	7.00 lakh	3.50 lakh

Annuity Certain Scheme

62. With a view to harness the additional saving capacity of the members of NGIS post Vth Central Pay Commission (V CPC), the Annuity Certain Scheme (ACS) was introduced w.e.f April 2000 with monthly contribution of Rs. 200/- from officers and Rs. 100/- from sailors. The rates of contribution have been enhanced to Rs. 250/- and Rs. 140/- p.m. respectively w.e.f 01 Dec 03. The accumulation of said contribution is managed by NGIF with same rate of interest as payable on savings elements of NGIF. On retirement/discharge from service, members would be required to purchase suitable Annuity Certain Scheme to supplement their service pension with regular income to take care of their post retirement requirements. The scheme is merged with General Group Insurance Scheme w.e.f. 01 Apr 06.

Disability Benefit Scheme

63. The Scheme was introduced with effect from 01 Jul 80 to provide disability cover at the rate of 50% of death benefits for 100% disability, subject to the provision that disability benefit will not be paid if disability is assessed at less than 40%. The main condition for payment of this cover is that the individual has to be medically boarded out based on the particular disability, prior to completion of present term of service/engagement. In other words this benefit will not be paid to those who leave service on completion of tenure of their service.

64. The scheme was further revised w.e.f 14 Oct 92 to extend the prorated payment of disability benefit to those invalidated out of service with 20% and above disability under all schemes. Currently disability cover is Rs. 25 lakh for officers and Rs. 12.50 lakh for sailors for 100% disability. Disability cover is not eligible, if disability occurred due to:-

- (a) An attempt to commit suicide or inflict self injury
- (b) Under the influence of intoxicating liquor, drug or narcotics or self administered drugs (without medical advice).
- (c) A member indulging directly or indirectly in an act of immorality or breach of law.
- (d) Invalidated out of service at own request.
- (e) Refusing treatment in a service hospital.
- (f) Para 3 (c)
- (g) Para 3 (d) BA/GIS/31 dated 11 May 88

CHAPTER 3

NOMINATION FOR INSURANCE BENEFITS PAYABLE FROM NAVAL GROUP INSURANCE FUND

65. All members of the Naval Group Insurance Schemes are required to file a nomination giving details of nominee(s), to facilitate prompt disbursement of Naval Group Insurance Fund benefits, in the event of unfortunate death. The nomination rules are based on the premise that the immediate nucleus family of naval personnel must have assured primacy in so far as benefits to bereaved families are concerned. While making some allowance for dependent parents/brothers/sisters, it had been decided to rationalize the nomination policy as under:-

- (a) The NGIF nomination in case of married member be made in favour of any of the following persons only:-
 - (i) Wife/Husband
 - (ii) Sons/daughters (including step and legally adopted children)
- (b) Besides the persons mentioned in sub para (a) above, an individual may nominate dependent parents/brothers/sisters with provision that their aggregate share should not exceed 33.33% of the total benefits, the same shall be restricted to 33.33% only and the rest 66.67% of the aggregate share would be assigned to the nucleus family i.e. wife/husband/sons and daughters.
- (c) NGIF members can nominate 100% insurance benefits to their nucleus families, if the so desire.
- (d) Where no nomination is made/subsists, and the deceased is survived by spouse, sons/daughters, the benefits will be paid to the spouse only; and it is only if the spouse had pre-deceased the deceased member the sons/daughters will be provided benefits in equal shares. Further, the parents of the deceased shall become entitled to the amount only if deceased dies without leaving behind spouse or children.

66. In order to facilitate prompt disbursement of the benefits of Group Insurance Scheme, it is essential that all members of the scheme file the nomination forms giving details of the nominee(s) and also ensure that the nominations are kept up-dated consequent upon any change in the family. With a view to achieve this objective, the following procedure is to be adopted:-

- (a) 31 Mar each year is to be observed as 'Nomination Day'. On this day all members of if the Fund are to file/update the nomination form in triplicate as per the proforma enclosed (App E). The disposal of the nomination forms will be as follows:-
 - (i) Copy No 1 is to be forwarded to the Secretary, Naval Group Insurance Fund, Integrated Bureau of Sailors, Mumbai, in respect of sailors.
 - (ii) Copy No. 2 is to be kept in the personal file/service documents of officers/sailors.
 - (iii) Copy No. 3 is to be handed over by the Commanding Officer to the officer/sailor, duly acknowledged, for having received the nomination form.
- (b) The members absent on leave or otherwise from the Ship/Establishment on 31 March are to complete filing/updating of nominations within 10 days of reporting back to the Ship/Establishment.

- (c) Notwithstanding observance of the 'Nomination Day' on 31 Mar each year, the changes necessitated due to acquisition of family or otherwise are to be recorded by filing fresh nomination immediately after such change occurs in the family structure of the member. Every such fresh nomination filled shall supersede any nomination filed earlier by the member concerned.
- (d) The requirement of nomination/change in the nomination forms will be reviewed by the Commanding Officers/Departmental officers compulsorily on the 'Nomination Day' each year, with a view to ensure hundred percent correct nomination in respect of members.
- (e) If a member wishes to nominate more than one person, the exact share of each nominee must be specified.

67. It is to be understood by all members that since the amount payable from NGIF in the unfortunate event of death of a member is quite substantial, it is essential that there is a proper nomination so that the money can be paid to the right beneficiary. The absence of proper nomination not only causes delay in payment of NGIF dues but can also result in the benefit not going to the right beneficiary and lead to disputes between the family members. It is, therefore, essential that all members make NGIF nomination, and also ensure that the same is updated on the following occasions:-

- (a) On change of family structure due to marriage, divorce or death of nominee and any addition in family,
- (b) On promotion from lower deck to Officer rank.
- (c) On allotment of personal number after commissioning in case of Direct Entry Officers.
- (d) On promotion to Midshipman.
- (e) On promotion from Midshipman to Sub Lieutenant after allotment of Personal Number.

68. The Commanding Officer/Divisional Officer is to fully explain the following important aspects to every member before he files the nomination form:-

- (a) The insurance benefits will normally be paid in accordance with the nominations made. It may be clarified that although nominee of the insurance benefit is authorized to receive the amount in the event of the death or the assured, the amount may be claimed by other heirs of the assured, if any, in accordance with the relevant law of succession as and when a judicial order from a Court is received to that effect. The members should, therefore, keep in mind their responsibility towards dependents other than wife and children.
- (b) In the event of change of status of the member on account of marriage, divorce etc where the fresh nomination has not been filed or in cases, where no nomination is existing, consequent upon death of a member, the payment of Insurance benefit will be made as per provision of "Personal Law" of the member or as per directive of a Court in the matter, if the dependents take the matter to a Court of Law.
- (c) In case of minors being nominated, the insurance benefits due to them are kept in FDs by NGIF and the accrued amount is paid to them on their achieving the age of majority (18 years).

CHAPTER 4

POST RETIREMENT DEATH INSURANCE EXTENSION SCHEME

Nomenclature

69. The scheme, providing extended insurance cover for death after retirement from service was introduced w.e.f 01 Jan 82. It is known as 'Post Retirement Death Insurance Extension Scheme 1982' (PRDIES). Application for membership placed at Appendix F.

Eligibility

70. The following personnel will be eligible for the extended insurance cover:-

- (a) The scheme will be compulsory for all retiring Naval members of the existing Naval Group Insurance Scheme, including those re-employed after retirement. One time non-refundable term premium is retained as per rate applicable from the survival benefit of the member, at the time of retirement.
- (b) The scheme will not, however, cover the following categories of personnel:-
 - (i) A member who is kidnapped and missing.
 - (ii) Individuals who do not have adequate balance for the recovery of single non-refundable premium at the time of retirement.
 - (iii) Personnel discharged for misconduct.
 - (iv) Deserters.
 - (v) Members retired or retiring before completing minimum pensionable service (Officers 10 years and Sailors 15 years of service).
 - (vi) SSC officers (Discontinued w.e.f 13 June 14).

Scope

71. The extended Insurance cover will be provided from the date, the personnel are struck off the effective strength on retirement/discharge/release and will terminate on completion of 30 years or on attaining the age of 75 years whichever is earlier.

Re-employed Officers

72. The re-employed officers will continue to be active members of NGIS like other serving officers. However, after final retirement, (after release from re-employed service) they will be covered under PRDIES, the period of 30 years or 75 years of age will be counted from the final date of retirement.

PRDIES/Premium Settlement of Survival Benefits on Retirement/Release

73. Single non-refundable premium at the rate of Rs. 62,100/- from Officers and Rs 36,600/- from sailors will be retained out of the survival benefit of Group Insurance Scheme payable on retirement, to provide an Insurance cover of Rs 10 lakh and Rs 5 lakh respectively. No payment or refund of any kind is admissible out of one-term premium for PRDIES to the individuals who exit the scheme by survival beyond the period of Extended Insurance Cover.

74. LOiC NavPen makes payment of the retirement benefits after deducting the amount of one time non-refundable term premium to all sailors proceeding on

release/discharge with pensionable service. The nominal roll of such personnel indicating the amount paid and the amount retained towards Post Retirement Death Insurance Cover are forwarded to Integrated Headquarters, Ministry of Defence (Navy) NGIS Section, every month.

Issue of Insurance Certificate

75. The PRDIES Insurance Certificates and related documents in case of officers are issued by NGIS section of DNPF/Integrated HS, MOD (Navy) and in case of sailors by LOiC NavPen (Release Centre) at the time of their retirement/release from service on receipt of completed application forms for PRDIES from the members.

76. On receipt of Insurance claim and relevant documents from the nominees/beneficiaries, who unfortunately die within the period of insurance cover, the Insurance Benefits will be paid in a lump sum to the persons or persons nominated by the deceased member to receive the benefits by means of a valid nomination in the application form for PRDIES. In the absence of a valid nomination, the insurance benefits will be paid in accordance with the personal law of the deceased member.

Nomination

77. Commanding Officers of Ship/Establishment are to ensure that nominations made in form given at Appendix 'F' are correctly filled in favour of nominees/beneficiaries. These details will be entered by GIs section in the Insurance Certificate prior to its issue. Nomination is, therefore, a vital element for notifying any change in the nomination in case of death of the nominee/beneficiary or change of family circumstance. The Commanding Officers and individuals are requested to exercise utmost care to ensure that particulars of nominee/beneficiaries are correctly recorded in all respects.

Payment of Insurance Claims on Death

78. The payment of insurance claims on death, will be made only after the occurrence of death has been established to the satisfaction of the Administrators of the Scheme. They retain the right to make independent investigations into the occurrence of death and to reject any proof/document submitted by a nominee/beneficiary to establish death of a member. A claim arising out of death due to suicide will NOT be accepted unless it is proved to the satisfaction of Administrators of the scheme that the suicide was not committed for the purpose of getting pecuniary benefits to the nominees/beneficiaries. The onus of giving such a proof would be on the nominee/beneficiary and the decision of the administrators with regard to the validity and adequacy of such proof would be final and binding.

79. The normal mode of payment will be through a Bank Draft/cheque to be credited to the nominee/beneficiary's bank account. The beneficiary is to, therefore, open a Bank account specifically operatable by him/her

Disputes

80. In case of any dispute or doubts regarding benefits under the scheme, the decision of Administrators would be final and binding on all members/nominees/beneficiaries.

CHAPTER 5

PROCEDURE FOR PAYMENT OF CLAIMS

Death in Service

81. In the event of a death while in service, the nominee/beneficiary will be paid the sum assured plus accumulated saving element of respective schemes, as death benefits.

82. The ship/establishment where the causality has occurred is to inform Integrated HQ, MOD (Navy) DNPf amongst others about the death of the individual as per format laid down in NO (Spl) 3-99.

83. On receipt of casualty report, the NGIF staff will check the nomination form filled by the member. Depending on the beneficiaries/nominees as reflected in the nomination form, the insurance amount will be disbursed. In case of any difference/dispute, the guidelines laid down in nomination policy will be followed.

84. The nomination details of officers are held in NGIF office whereas CABS maintains such records in case of sailors.

85. In case no nomination is held, the insurance amount will be disbursed as per NGIF nomination policy and also keeping the provision of "Personal Law of the Member" in view.

86. Upon death of a member when the matter regarding payment of Insurance benefits is taken to court by the relatives of the deceased, the insurance amount is not disbursed pending Court judgement.

Payment of Insurance Amount From Naval Group Insurance Fund to Minor Nominee

87. The share of the minor nominee(s) is paid to such nominee(s) only on their attaining the age of majority. The insurance amount till such time the nominee(s) attain the age of majority is invested in a Nationalised bank as Fixed Deposit. The proceeds of the Fixed Deposit (principal and cumulate interest) are paid to nominee on attaining age of majority after obtaining pre-receipt from him.

88. In indigent circumstances, however, on satisfaction of the Administrators, the interest on the invested amount is payable to the legal guardian for maintenance/up keep of the concerned minor nominee(s). The request for such maintenance expenditure is to be made by the legal guardian with necessary justification. The Principal amount under no circumstances can be paid to the legal guardian.

Entitlement of Insurance Cover from Naval Group Insurance Fund to a member marked Run/declared Deserter and extension of cover under PRDIES to members invalidated out due to insanity

89. Following guide line are laid down towards entitlement/payment of insurance to the members marked Run/declared Deserters:-

- (a) The recovery of contribution towards Naval Group Insurance Scheme will cease on stoppage of pay and allowances when a person is marked Run or declared deserter. The insurance cover would, therefore, automatically cease from the date an individual is marked Run/declared Deserter.

- (b) The Deserter dealt with under the Navy Act, 1957 and the Rules framed thereunder and dismissed/discharged from Naval service, may claim survival benefits from Naval Group Insurance Fund which may be paid directly to him.
- (c) In case of Deserter discharged from service consequent upon the review of the case of sailor in desertion and if such deserter is not traceable the survival benefit may be paid as per the nomination left by the deserter subject to the beneficiary executing an indemnity bond with two Sureties. However, if the amount payable is less than Rs. 100/- the payment may be made without executing such indemnity bond.
- (d) In case of proved death of a Deserter, the survival benefits may be paid to the nominee in accordance with sub-para (c).
- (e) If a member of NGIF is kidnapped and subsequently killed, the death benefits may be paid provided such a member was on the strength of Navy on the date he was killed.
- (f) On re-joining from desertion/marked run the premium for the period during which the member remained in desertion will be recovered from his pay and allowances by Naval Pay Office, Mumbai.
- (g) A member who is kidnapped and missing will not be entitled to the insurance cover under Post Retirement Death Insurance Extension Scheme.
- (h) A member who is invalidated out of service on account of insanity or any other mental illness would be eligible for insurance cover under Post Retirement Death Insurance Scheme subject to his completing pensionable service as the case may be.

Entitlement of Insurance Cover from Naval Group Insurance Fund to Medical and Dental Branch Officers

90. Medical and Dental service officers commissioned into the Indian Navy will be covered by the Naval Group Insurance Scheme. Such officers when proceeding to Army/Air Force on secondment and not paid through Naval Pay Office are to arrange for their current NGIF subscription to be remitted to NGIF every month/in advance. Regular remittance of monthly NGIF subscription is a pre requisite for being eligible for Insurance cover and such members are fully responsible to ensure the above. Medical officers posted to Navy on secondment from Army/Air Force would continue to remain the members of the Group Insurance Scheme of their respective service.

Payment of Survival Benefits to Officers on Retirement/Discharge/Dismissal

91. (a) Officers proceedings on retirement/discharge/dismissal are required to forward a pre receipt as per Appendix J to Secretary Naval Group Insurance Fund along with a copy of the retirement/discharge orders issued by Integrated HQ MOD (Navy) for payment of Survival Benefits. The Survival Benefits after adjustment of any outstanding loan will be remitted directly to the officer's bankers as per details given in the pre-receipt.
- (b) In case the outstanding loan(s) exceed the Survival Benefits, the CDA(N)/Naval Pay Office would be intimated to recover the deficient amount from the terminal benefits of the concerned officer. The final settlement of Survival Benefits would be done only after the remittance of the recovery by CDA(N)/Naval Pay from the Officer's terminal benefits.