

**Kisan Credit Card Scheme- Master Policy on  
Personal Accident Insurance Scheme for KCC holders**

RPCD.PLFS.BC.NO./ 1 / 05.05.09 / 2000-2001

02 July 2001

The Chairman & Managing Director / CEO  
All Scheduled Commercial Banks  
(excluding RRBs)

Dear Sir,

Kisan Credit Card Scheme- Master Policy on  
Personal Accident Insurance Scheme for KCC holders

Please refer to para. 4 of our circular RPCD.PLFS.BC.NO./ 63 / 05.05.09 / 2000-01 dated 3 March 2001 advising banks to provide insurance package to all KCC holders.

2. NABARD has, in consultation with the representatives of insurance companies, bankers and Govt. of India, finalised the Personal Accident Insurance Scheme for KCC holders, for uniform implementation by banks throughout the country. A specimen of the Master Policy is annexed. The procedure for collection of insurance premia, issue of master insurance policy, extension of insurance cover, settlement of insurance claims etc. have been simplified and made hassle-free. The salient features of the Scheme are as under:

- i) The servicing of the business will be undertaken by the four insurance companies on zone wise basis so as to cover entire country.
- ii) The insurance company for each zone will designate an office at the district level as the nodal office for coordinating the implementation of personal accident insurance scheme for KCC holders in the district.
- iii) A Master Insurance Policy will be issued by this office to each Zonal / Regional office of commercial bank covering all its KCC holders.
- iv) The premium payable for a one year policy is Rs.15/- while the same for 3-year policy will be Rs.45/-.
- v) The insurance coverage would be available under the Policy only from the date of receipt of premium by the insurance company.
- vi) The banks may ensure to incorporate the name of the Nominee in the Kisan Credit Card-cum-Pass Book.
- vii) A simplified claim settlement procedure has been evolved under the Scheme whereby an Enquiry-cum-Verification Committee comprising representatives of the Branch Manager of the implementing bank, Lead Bank Officer and the insurance company would certify the nature of the accident causing disability / death and recommend settlement of insurance claims.

3. While announcing the personal accident insurance package to the KCC holders, Hon'ble Union Finance Minister, in his Budget Speech, had also mentioned that the premium burden will be shared by the card issuing institutions. It has since been decided in consultation with the Ministry of Finance, Department of Banking, Government of

India that the premium payable to the insurance company under the said Scheme shall be shared between the KCC issuing bank and the KCC holder in the ratio of 2:1.

4. You are requested to initiate necessary steps to operationalise the Scheme expeditiously in consultation with the identified insurance company entrusted with the responsibility of administering the Scheme at the State/ District level. Operational issues, if any, coming up during the course of implementation of the Scheme may be taken up directly with the concerned nominated office of the insurance company for immediate remedial action.

5. Please ensure that all the existing KCC holders are covered under the Personal Accident Insurance Policy. New KCC holders may also be brought under the ambit of the Scheme on issue of cards to them.

6. You may please keep us apprised of the progress in this regard on a monthly basis alongwith the progress made by your bank in issue of KCCs.

7. Please acknowledge receipt.

Yours faithfully,

Sd/-  
(Deepali Pant Joshi)  
General Manager

**Master policy on personal accident Insurance**  
**to Kisan Credit Card Holders**

1. Scope of Cover

This is a Personal Accident Insurance Master Policy covering all the Kisan Credit Card holders in India. This will include the holders of KCC issued by the District Central Co-operative Banks, RRBs and Commercial Banks throughout India. This scheme will cover all the KCC holders against death or permanent disability resulting from accidents caused by external, violent and visible means and occurring within the geographical jurisdiction of India.

2. Persons Covered

This policy will cover the KCC holders up to the age of 70 years and whose names are declared by the Banks and in respect of whom the premium is paid by the Banks to the Insurance Company.

3. Risk Coverage

The benefits under the scheme are as under:

- |  |             |
|--|-------------|
| a) Death due to accident (within 12 months of the accident) caused by outward, violent and visible means | Rs.50,000/- |
| b) Permanent total disability  | Rs.50,000/- |
| c) Loss of two limbs or two eyes or one limb and one eye   | Rs.50,000/- |
| d) Loss of one limb or one eye   | Rs.25,000/- |

(The cover is subject to exclusions as per Annexure 'A')

4. Period of Master Policy

This Master Policy shall remain valid for a period of three years effective from / /2001 to / /2004. Modification/alteration of any of or all the terms and conditions of the policy shall be made at the end of the three years period. The review of the premium and claims experience under the scheme shall be made at the end of this period and depending upon the claims experience, if exceeds 70%, the premium shall be suitably loaded.

5. Period of Insurance

The insurance cover will be in force for a period of one year from the date of receipt of premium from the participating Banks in cases where annual premium is paid. In case the

participating Banks opt to pay the three year premium then the period of insurance would be for three years from the date of receipt of premium.

#### 6. Premium

It is agreed that the participating banks will pay to the designated insurance company a premium of Rs.15 (net) per KCC holder towards the annual premium. The cover will cease at the end of one year from the date of receipt of the premium. In order to ensure continuity of the policy the banks should arrange to pay the premium for the next year in advance to keep the policy continuously in force. However participating banks have the option to pay the premium at the rate of Rs.45/- for a three years policy period. The Service Tax is waived for this cover.

#### 7. Operational procedure

a) The servicing of the business will be undertaken by the four Companies on zone wise basis as under:

Sr. No.	Name of the Companies	Zone	States
1.	National Ins. Co. Ltd.	Eastern	Assam, Bihar, Jharkhand, Manipur, Meghalaya, Nagaland, Orissa, Sikkim, Arunachal Pradesh, Tripura, West Bengal
2.	The new India Assurance Co. Ltd.	Western	Gujarat, Madhya Pradesh, Chattisgarh, Maharashtra, Dadra & Nagar Haveli, Goa, Daman & Diu
3.	The Oriental Ins. Co. Ltd.	Northern	Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Rajasthan, Uttar Pradesh, Uttarnchal, Chandigarh & Delhi
4.	United India Ins. Co. Ltd.	Southern	Andhra Pradesh, Karntaka, Kerala, Andaman and Nicobar, Pondicherry, Tamil Nadu, Lakshadweep

b) The Head Office of District Central Co-operative Banks and RRBs and Zonal/Regional Offices of Commercial Banks will pay the premium to the nearest designated office of the insurance company along with the list of KCC holders. This office will be nominated by the Head Office of the insurance company in the respective Zones.

c) This designated office of the insurance company will issue Master Policy covering the KCC holders separately to each of the Head Offices of the District Central Co-operative Banks, RRBs and Zonal/Regional Offices Commercial Banks.

- d) To begin with, it is desirable to cover all the existing KCC holders who are on the books of the participating banks. The list of the KCC holders with the required premium is to be sent to the designated offices.
- e) Monthly statements along with the requisite details of new members included under the scheme with the corresponding premium will be sent to the insurance company.
- f) The insurance cover will commence from the date and time of receipt of the premium and the details of KCC holders. No risk can be assumed unless the premium is received in advance as per Sec. 64 VB. Of the Insurance Act 1938. It is expected that there will be some time lag between the collection of premium from the card holders and its remittance to the insurance company. In cases where any accident occurs in between, the card holder is not held covered during this gap. So as to ensure that the card holder gets covered from the date of collection of the premium, the Banks may consider to arrange to keep extra premium as deposit with the insurance company. This amount should be sufficient enough to take care of the expected number of cards to be issued for a period of at least three months.
- g) The KCC Holders details would be furnished in triplicate as per the following format
- Sl. No.
  - Name & Father's Name of KCC Holder
  - Address
  - Age
  - KCC A/c. No.
  - Existing Disability (if any)
  - Name of Nominee and Relationship
- One copy will be endorsed and returned back to the concerned bank.
- h) It has to be ensured that the KCC holders give the nomination and the same is informed to the insurance company at the time of effecting insurance and the same is included in the Pass Book issued to Kisan Credit Card Holder. Since the present Pass Book does not contain nominee details, the same has to be incorporated in the Pass Book.
- i) While the new members can be included in the scheme on monthly basis there is no provision for deletion of the KCC members already enrolled. If for any reason they are going outside the scope of KCC scheme during the policy period, they

will still continue to be covered under the scheme for the period for which they were originally insured.

8. Claims procedure

- a) The claims administration will be done by the policy issuing Office.
- b) The following documents are to be submitted at the time of claim in the event of death:
  - (i) Duly completed claim form, (The claim form for compensation has to be in the prescribed format as per the specimen enclosed - Annexure 'B')
  - (ii) Death certificate from attending Doctor (Registered Medical Practitioner), Gram Panchayat/Hospital.
  - (iii) Report of Claims Enquiry cum Verification Committee indicating the nature of accident consisting of the following officers - Annexure 'C'.
    1. Branch Manager of the concerned Bank
    2. Lead Bank Officer
    3. Nominated officer of the Insurance Company (one in each district)
- c) The Claims Enquiry-cum-Verification Committee will consider and recommend the claim for settlement based on:
  - (i) the duly completed application form for compensation in the prescribed form received from the claimant.
  - (ii) Discreet enquiry to find out the cause of death and that the claim is genuine and payable under the terms and conditions of the scheme. If required the committee may utilize the services of outside agency to confirm the cause of death.
  - (iii) They will submit their report in the prescribed format (enclosed) and recommend payment of claim to the designated office of the insurance company within 15 days from the date of receipt of claim application
- d) After the receipt of claim requirements, the designated office of the insurance company will issue loss voucher to the concerned Branch of the Bank. The loss voucher has to be discharged by the nominee (claimant) or the insured person in case of disablement claim and returned to the designated office of the insurance company.
- e) The cheque towards the claim amount will be issued in favour of nominee/insured and will be sent to the respective Branch of the Bank for disbursement.

- f) All correspondence will be routed through the corresponding Branch of the banks.

#### Disablement claims

The following documents are to be submitted at the time of claim in the event of disablement:

- (i) Duly completed claim form, (The claim form for compensation has to be in the prescribed format as per the specimen enclosed - Annexure 'B')
- (ii) Disablement certificate from attending Doctor (Registered Medical Practitioner)
- (iii) Report from Claims Enquiry cum Verification Committee (Annexure 'C')
- (iv) Photo of the injured person highlighting the disability.

The Claims Enquiry cum Verification Committee will scrutinize and submit their recommendations to the designated office for settlement within 15 days of receipt of claim application.

**Claims of persons presumed to be dead due to drowning** and whose body has not been traced, the claims will be settled after two years of the submission of the following documents:

- (a) Police report and final investigation report.
- (b) Report of findings by Customs/Port Authorities.
- (c) Affidavit duly notarized.

#### Time Limit for Lodging Claims

The nominee of the insured should give notice to the concerned Bank within 30 days. The accidental injury resulting into death/disablement within a period of 12 months only becomes admissible under the policy.

#### 9. Termination of Master Policy

At the option of either the bank or the insurance company this Master policy can be cancelled/terminated subject to an advance notice of at least three months by the party intending to terminate, declaring the intention to terminate the Master policy. The Master policy shall stand automatically cancelled/terminated immediately on expiry of three months period from the date of notice unless the notice is revoked before the expiry of the three months period.

10. Problem Solving

In case of any difference of opinion with regard to the interpretation of any or whole of the clauses of Master Policy the decision of a Five Member Committee consisting of a nominee of the Ministry of Finance, Banking Division, Government of India, a nominee of Ministry of Finance, Insurance Division, Government of India, a nominee of the NABARD, a nominee of RBI and a nominee of GIPSA mutually agreed upon, shall be final.



**EXCLUSIONS**

The insurers shall not be liable under this scheme for

- (i) Compensation under more than one of the sub-clauses (a), (b), (c) or (d) above in respect of same injury disablement.
- (ii) Any payment, in case of more than one claim under the policy, during any one period of Insurance by which maximum liability of the company in that period would exceed the sum payable under sub-clause (a) of this policy.
- (iii) Payment of compensation in respect of injury or disablement directly or indirectly arising out of or contributed to by or traceable to any disability existing on the date of issue of this Policy.
- (iv) Payment of compensation in respect of death, injury or disablement of the insured from (a) intentional self injury, suicide or attempted suicide, (b) whilst under the influence of intoxicating liquor or drug (c) directly or indirectly caused by insanity, (d) arising out of or resulting from the Insured committing any breach of the law with criminal intent.
- (v) Payment of compensation in respect of death, injury or disablement of the insured (a) due to or arising out of directly or indirectly connected with or traceable to war invasion act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, mutiny, military or usurped power, seizure, capture, arrests, restraints and detainments of all Kings, Princes and people of that nation condition or quality whatsoever.
- (vi) Payment of compensation in respect of death of or bodily injury to the insured directly or indirectly caused by or contributed to be or arising from or traceable to ionising radiation or contamination by radioactivity from any source whatsoever or from nuclear weapon material.
- (vii) Provided also that the due observance and fulfillment of the terms and conditions of this Policy (which conditions and all endorsements hereon are to be read as part of this policy) shall so far as they relate to anything to be done or not to be done by the insured be condition precedent to any inability of the Company under this policy.

**FORM OF APPLICATION FOR INTIMATION OF CLAIM**

(A) TO BE FILLED IN CASE OF DEATH ONLY

I/We \_\_\_\_\_ son of/ Daughter of/ Widow of Shri  
\_\_\_\_\_ residing at \_\_\_\_\_ hereby apply as  
legal representatives (s) for the grant of Compensation on account of death of  
Shri/Smt./Kumari who died in an Accident on \_\_\_\_\_ at \_\_\_\_\_.

Particulars of the accident and other information are enclosed.

**Signature of claimant(s)**

**Date :**

**Place :**

(B) TO BE FILLED IN CASE OF DISABILITY

I \_\_\_\_\_ son of/Daughter of \_\_\_\_\_ residing at  
\_\_\_\_\_ hereby apply for the grant of compensation on account of  
DISABLEMENT sustained by me in an Accident on \_\_\_\_\_ at \_\_\_\_\_.

Particulars of the accident and other information are enclosed.

**Signature of the Insured**

**Date :**

**Place :**

Particulars in respect of Accident and other information are given below

Name and Father's Name of KCC Holder Died/Disabled (Husband's name in case of a Married women or widow)	:	
Address of the KCC holder Died/ Disabled	:	
Age and Date of Birth	:	
Sex of the KCC holder died/disabled	:	
Kisan Credit Card particulars including	:	
Date of issue	:	
Place, date and time of the Accident	:	
Nature of accident (give full details)	:	
Name and address of Police Station in whose jurisdiction accident took place or was Registered	:	
Name and address of the Medical Practitioner who attended	:	
Name and address of the Claimant/ Claimants (death only) and relationship	:	
Any other information that may be considered necessary or helpful in the disposal of the claim	:	

We hereby swear and affirm that all the facts noted above are true to the best of our knowledge and belief.

**Signature of Bank Manager      Signature of the Claimant(s)/Insured**

**Annexure 'C'**

**Report of the claims verification and enquiry committee**

On the basis of the verification and enquiry conducted by us on the genuineness of the claim we, hereby recommend sanction of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_) as compensation in respect of death/disablement of Shri/Smt. \_\_\_\_\_ (name of the KCC holder) son of/widow of \_\_\_\_\_ a resident of \_\_\_\_\_ (full residential address) resulting from \_\_\_\_\_ (nature of accident) which took place at \_\_\_\_\_ (name of the place) on \_\_\_\_\_ (date).

(Representative of Insurance Company)

(Representative of the Bank)

(Lead Bank Office)