

GOVERNMENT OF INDIA

MINISTRY OF DEFENCE

RAJYA SABHA

QUESTION NO 21.04.2010

ANSWERED ON

NEED TO AMEND ARMY INSURANCE POLICY RULES .

2781

Shri A.A. Jinnah

Will the Minister of COAL DEFENCE be pleased to state :-

- (a) whether it is a fact that at the time of retirement an extended insurance certificate is issued to army officers as one time premium for a period of 15 years or attainment of 70 years;
- (b) whether it is a fact that there is no provision of any refund or benefit to the aged ex-servicemen, after the expiry of the extended insurance period; and
- (c) whether Government is contemplating any amendment to the Army Insurance Policy Rules so as to pay the assured amount to the insured on attainment of 70 years or on the maturity of the policy?

ANSWER

(SHRI A.K. ANTONY)

MINISTER OF DEFENCE

(a) to (c): The Extended Insurance Scheme was started in 1981 with the aim of providing retiring personnel with an insurance cover after retirement. The insurance amount and period of cover is periodically revised by the decision of the Board of Governors, which is implemented from the prospective date and made applicable only to new entrants. With effect from 30th June, 2009, Extended Insurance cover has been increased to Rs.6 lakhs for officers and Rs.3 lakhs for Persons Below Officer Ranks (PBORs) for a period of 26 years after retirement or 75 years of age whichever is earlier. One time non refundable premium being charged at the time of retirement/release/discharge for this policy varies from Rs.42,660/- to Rs.32,490/- for officers and Rs.22,200/- to Rs.18,140/- for PBORs, depending on the age of their retirement. Extended Insurance Scheme is a term insurance scheme which does not have any survival benefits. In order to keep the one time non refundable premium at low level and make it affordable to all members, only risk premium is charged and there is no saving component. Presently, there is no provision of any refund or benefit to the aged ex-servicemen, after the expiry of the validity period of insurance cover.