



## Employee's Deposit Linked Insurance Scheme

All employees to whom the Employee's Provident Fund and Miscellaneous Provision Act, 1952 applies, have a Statutory liability to subscribe to Employee's Deposit Linked Insurance Scheme, 1976 to provide for the benefit of Life insurance to all their employees.

Under the scheme as amended with effect from 24th June, 2000 the insurance benefit is equal to the average balance to the credit of the deceased employee in the Provident Fund during the last 12 months, provided that where such balance exceeds Rs.35,000, insurance cover would be equal to Rs.35, 000 plus 25% of the amount in excess of Rs.35,000 subject to a maximum of Rs.60,000. Thus if the length of service is not adequate and/ or the salary is low the average balance may be substantially less and such the benefit to the employee's family is either inadequate or non-existent.

The contribution @ 0.50% of each employee's salary is payable by the Employer to the Provident Fund Authorities.

## Role of ICICI Prudential

Under Sec. 17(2A) of the act, the employer may be exempted from consulting to this scheme, if he/she has provided for better insurance benefits than the cover offered by Employee Provident Fund Organization (EPFO) through a life insurer. ICICI Prudential Group Insurance Scheme in lieu of EDLI has been approved by Employee Provident Fund Organization (EPFO) as one such better alternative.

## Advantages

### To the employer:

1. The premium payable by the employer is usually less than the total contribution being paid by the employer to R.P.F.C; particularly when the salary level is high and average age of the group is low.
2. Settlement of claim is quicker; ICICI Prudential has a simplified claim settlement process.
3. Premium paid by the employer is treated as normal business expenses under sec 37 of IT Act, 1962 for Income-Tax purpose.

### To the employee:

1. Each employee is covered for a sum assured ranging between 65,000 to 1,00,000 depending upon the current salary and service put in from day one irrespective of the actual balance in the Provident Fund. Alternatively every employee/ worker can be covered for a uniform sum assured of Rs.65, 000.
2. Claim amount paid under the scheme will be completely tax exempted under sec 10 (10) (d) of IT Act, 1962.

## Additional Cover

In addition to the basic life cover our product offers additional cover for accidental death. These are offered as riders to the basic plan for an additional premium.

**Accident and Disability Benefit Rider:** If death occurs as a result of an accident during the term of the policy, the beneficiary shall receive an additional amount equal to the accident cover under the rider. If the accidental death occurs during the term of the policy, while the employee is traveling as a fare-paying passenger on an authorized public mass transport namely bus or train, the beneficiary will be entitled to twice the accident cover under the rider.

If the employee is totally and permanently disabled as a result of an accident an additional benefit of 10% of the Sum Assured is paid every year for 10 years commencing from the first anniversary of the disability date. Premiums under this rider falling due on or after the disability date shall be waived.

**Accident Benefit Rider:** Under this rider an amount equal to sum assured under the rider is payable in the event of death of the Life Assured due to accident

## Process to commence the scheme with ICICI Prudential

1. Put up notice in the office premises for the knowledge of the employees that you are going in for ICICI Prudential Scheme in lieu of EDLI.
2. Apply to the Regional Provident Fund Commissioner under Sec.17 (2A) of the E.P.F. and M.P. Act 1952 to exempt you from EDLI Scheme. The application should be accompanied by the prescribed requirements including the Rules of the Proposed Group Insurance scheme. Central PF Commissioner has authorized the R.P.F.C. to grant exemption from the 1st of the month in which the application for relaxation is submitted. ICICI PRUDENTIAL also offers necessary guidance to the employers for seeking relaxation.

## Exclusion

### Base Cover

No exclusions are applicable for the Base Insurance Cover.

### Accident & Disability Rider

- (a) the death/ disability due to accident must be caused by violent, external and visible means;
- (b) the death/ disability due to accident is not caused -
  - i) by attempted suicide or self inflicted injuries while sane or insane, or whilst the Member is under the influence of any narcotic substance or drug or intoxicating liquor; or

- ii) by engaging in aerial flights ( including parachuting and skydiving) other than as a fare paying passenger on a licensed passenger-carrying commercial aircraft (being a multi-engined aircraft) operating on a regular scheduled route; or
- iii) by the Member committing any breach of law; or
- iv) due to war, whether declared or not or civil commotion; or
- v) by engaging in hazardous sports / pastimes, i.e. taking part in (or practicing for) boxing, caving, climbing, horse racing, jet skiing, martial arts, mountaineering, off piste skiing, pot holing, power boat racing, underwater diving, yacht racing or any race, trial or timed motor sport.