

## CHAPTER II

### Payments to Policyholders

#### I. Admission and Payment of Claims:

Nature of Power	Authority	Extent of financial powers (upto and including)
<b>1) Admission and payment of claims by Maturity (SUM ASSURED)</b>	HGA	1,00,000 SA
	AAO/AO	10,00,000 SA
	Manager (ADMN) BO	15,00,000 SA
	BM (I/C), Sr. Branch Manager CHIEF MANAGER	Full sum assured
<b>2) Admission and payment of claims by SURVIVAL BENEFIT ( Amount of Survival Benefit)</b>	HGA	1,00,000 per Instalment
	AAO/AO	10,00,000 per instalment
	Manager (ADMN) BO	15,00,000 per Instalment
	BM (I/C), Sr. Branch Manager CHIEF MANAGER	Full survival benefit amount per instalment
<b>3) Admission and payment of Non-early death claims (Policy duration 3 years or more to be reckoned from date of risk/ revival/ reinstatement) whichever is later OR as per definition of non-early claims in terms of circular no- CO/CRM/740 dt. 31/3/2009 (SUM ASSURED BASIS)</b>	HGA	75,000 SA
	AAO/AO	5,00,000 SA
	SBM, BM(I/C), MANAGER ADMINISTRATION(BO)	7,50,000 SA
	BMC, Chief Manager	10,00,000 SA
	MANAGER (CLAIMS)	15,00,000 SA
	SDM ( In-charge )	Full sum assured
<b>4) Early death claims- (duration of policy more than 2 years and less than 3 years to be reckoned from date of risk/</b>	AAO/AO	1,00,000 SA
	SBM, BM(I/C), Manager ADMN ( BO)	3,00,000 SA
	BMC, Chief Manager	5,00,000 SA

<b>revival/ reinstatement) whichever is later SUM ASSURED BASIS No claim investigation is required</b>	MANAGER (CLAIMS)	7,50,000 SA
	SDM	Full sum assured

<b>5) Early death claims- (duration of policy more than 2 years and less than 3 years to be reckoned from date of risk/ revival/reinstatement) whichever is later Sum Assured basis claim investigation is required</b>	<b>POWERS AT DIVISION / ZONAL OFFICE ONLY</b>	
	AAO/AO	3,00,000 SA
	MANAGER (CLAIMS)	7,50,000 SA
	SDM	35,00,000 SA
	REGIONAL MANAGER(CRM)	Full sum assured
<b>6) EARLY DEATH CLAIM ( i.e. duration of death claim within 2 years from Date of risk/ /revival/ reinstatement) whichever is later</b>	<b>POWERS AT DIVISION / ZONAL OFFICE ONLY</b>	
	AAO/AO at Division	<b>3,00,000 SA</b>
	MANAGER (CLAIMS)	<b>7,50,000 SA</b>
	SDM	<b>35,00,000 SA</b>
	REGIONAL MANAGER(CRM)	<b>1Crore sum assured</b>
	ZONAL MANAGER	<b>Full sum assured</b>
<b><u>Above limit of Death claim( early/ non early) is inclusive of DAB claim.</u></b> For payment of DAB claim under non-early death claim, competent authority should have a limit of twice the sum assured. For death claim payments which are approved by higher office, payment voucher should be passed in Branch by AAO/AO or Branch In charge only.		
<b>7) Benefits under PDB/ EPDB (only at Division)</b>	Manager (Claims)	<b>25,00,000 SA</b>
	DM/ SDM	<b>Full sum assured</b>
<b>To waive the delay in submission of intimation of disability claim or under sickness benefit claim under Asha Deep, Jeevan Asha plans or under Critical illness rider plans.</b>		
	Manager (Claims)	<b>Delay up to 1 year</b>
	SDM ( I/C)	<b>Delay upto 2 years</b>
	Regional Manager( CRM)	<b>Full powers for any period</b>

**8) COMPETENT AUTHORITY TO WAIVE Legal Evidence of Title (LET)**  
**→(Net claim amount)**

<b>Name of Authority</b>	<b>CLASS I HEIRS</b>	<b>CLASS II HEIRS</b>
Manager (Admn) (BO)	<b>4,00,000</b>	<b>Nil</b>
BM(I/C)/ SBM	<b>7,50,000</b>	<b>3,00,000</b>
BMC, Chief Manager	<b>12,00,000</b>	<b>6,00,000</b>
Manager ( Claims)	<b>25,00,000</b>	<b>Nil</b>
SDM	<b>Full net claim amount</b>	<b>Full net claim amount</b>

**9) COMPETENT AUTHORITY TO WAIVE GUARDIANSHIP CERTIFICATE**  
**WHERE NO NATURAL GUARDIANS ARE PRESENT → ( net claim payable)**

<b>Competent Authority</b>	<b>Extent of financial powers (upto and including)</b>
Manager (Admn) (BO)	7,50,000
BM(I/C)/ SBM	12,00,000
BMC/ Chief Manager	15,00,000
Manager (Claims)	25,00,000
SDM	Full net claim amount

**COMPETENT AUTHORITY TO VERIFY SOCIAL & FINANCIAL STANDING OF SURETY AND CORRECTNESS OF F. NO. 3806-A for considering waiver of legal evidence of title →**

<b>Total net claim payable</b>	<b>Designation of Competent Authority</b>	<b>To verify social &amp; financial standing of surety</b>	<b>To verify correctness of Class I legal heirs as given in f. no 3806-A</b>
1) Net claim payable up to Rs.1,00,000	No Confidential Report is required.		
2) From 1,00,001 to Rs.7,50,000	AAO, ABM(s), AO	Yes	Yes
3) From 7,50,001	B.M, SBM,	Yes	Yes

to Rs.25,00,000	MANAGER (ADMN)		
4) From Rs.25,00,001 and above	Chief Manager OR any officer from Divisional office not below the rank of ADM	Yes	Yes

- 1) Confidential Report is to be submitted as per format given on page No 339 of Claims Manual-II
- 2) In no case, authority who give the confidential report on surety and the authority to waive Legal Evidence of title should be same. E.g. if BM gives the report on surety's financial and social condition, then authority to waive legal evidence of title should be taken in BMC.
- 3) Where case is to be decided at Divisional office, then Competent Authority to submit the report on surety will be decided by Division only.

<b>Nature of Power</b>	<b>Authority</b>	<b>Extent of financial powers (upto and including)</b>
10) <b>Ex-gratia payment in settlement of claims</b> and compromising of suits or where the claimant may be allowed a payment by way of equitable relief <b>(net amount of claim)</b>	Manager (Claims)	<b>7,50,000</b>
	DM (I/C)/ SDM	<b>15,00,000</b>
	RM (CRM)	<b>50,00,000</b>
	ZONAL MANAGER(I/C)	<b>Full amount of claim</b>
11) <b>Approval of note for Payment of interest for delayed settlement of claims for Individual assurance policies</b> as per rule. After sanction, payment voucher may be passed by HGA/ AAO/AO <b>(gross amount of penal interest)</b>	HGA	<b>2,000</b>
	AAO/AO	<b>5,000</b>
	MANAGER(ADMN) (BO)	<b>7,500</b>
	BM(I/C) / SBM/ CHIEF MANAGER	<b>10,000</b>
	Manager ( Claims)	<b>Full amount of penal interest</b>
12) <b>Approval of note for Payment of interest for delayed settlement of Annuity/ pension</b> installment and death benefits under all annuity plan/pension plans <b>(gross amount of penal interest)</b>	HGA	<b>2,000</b>
	AAO/AO	<b>5,000</b>
	MANAGER(ADMN) (BO)	<b>7,500</b>
	BM(I/C) / SBM/ CHIEF MANAGER	<b>10,000</b>
	Manager (Claims)/ Asst.Secy. (IPP Cell)	<b>Full amount of penal interest</b>
13) <b>Capital redemption, pure endowment policies and sinking fund policies Claim payments</b>	HGA	<b>25000 SA</b>
	AAO/ AO	<b>2,00,000 SA</b>
	BM(I/C) / SBM	<b>3,00,000 SA</b>
	BMC	<b>FULL</b>
14) <b>Payment of annuities and sum assured</b> by	HGA	<b>15,000 per Inst</b>
	AAO/ AO	<b>20,000 per inst</b>

instalment at BO and IPP Cell	BM(I/C) / SBM/ Manager (Admn.) BO	<b>50000 per Inst</b>
	BMC/ Chief Manager	<b>Full amount of annuity</b>
<b>15) LOAN- Approval of Quotation and payment voucher</b>	HGA	<b>50,000 amount</b>
	AAO/ AO	<b>5,00,000</b>
	Manager (Admn.) BO	<b>15,00,000</b>
	BM(I/C)/ SBM/Chief Manager	<b>Full amount of loan</b>
<b>16) SURRENDER VALUE- Approval of Quotation &amp; payment voucher.</b>	HGA	<b>50,000</b>
	AAO/ AO	<b>3,00,000</b>
	MANAGER (ADMN) BO	<b>5,00,000</b>
	BM (i/c) , SBM, CHIEF MANAGER	<b>Full amount of surrender value</b>
	BMC	-
17) <b>Adjustment of policy deposit towards premium</b> , repayment of loan, late fee, interest on arrears of premium, interest on loan, etc.	HGA	<b>50,000</b>
	AAO/AO/Manager (Admn.)	<b>Full amount of deposit</b>
<b>18) Approval for Refund of premium on cancellation of policy by Competent Authority</b>	Manager (Admn.) BO	<b>1,00,000</b>
	BM/SBM/CHIEF MANAGER	<b>Full amount</b>
19) <b>Approval and Refund of premiums consequent upon double adjustment or excess payments and alteration due to age admission etc</b>	HGA	<b>50,000</b>
	AAO/ AO/ Manager (Admn.)	<b>Full amount of deposit</b>
20) <b>Refund of policy Deposit after proper follow up</b>	HGA	<b>25,000</b>
	AAO/ AO/ Manager (Admn.)	<b>Full amount of deposit</b>
21) <b>Refund of any other sums outstanding under the policy after due verification</b>	AAO/AO	<b>10,000</b>
	MANAGER (Admn.) BO	<b>15,000,</b>
	BM(I/C), SBM	<b>25,000</b>
	BMC/ Chief Manager	<b>Full amount</b>
<b>22) Signing of Duplicate policies after approval of note to issue duplicate policy</b>	HGA/ AAO/AO/	<b>Full powers</b>
<b>23) Approval of alteration quotation and Signing of endorsement due to any alteration under the policy</b>	HGA	<b>1,00,000 SA</b>
	AAO/ AO/ Manager ( Admn)	<b>Full sum assured</b>

<b>24) Approval of note for Issue of Duplicate policy</b>	HGA	<b>1,00,000 SA</b>
	AAO/ AO	<b>15,00,000 SA</b>
	Manager ( Admn)	<b>25,00,000 SA</b>
	BM, SBM, Chief Manager	<b>Full sum assured</b>
<b>25) Registration of Nomination/change of nomination</b>	HGA	<b>Full sum assured</b>
	AAO/AO/ Manager ( Admn)	<b>Full sum assured</b>
<b>Nature of Power</b>	<b>Authority</b>	<b>Extent of financial powers (upto and including)</b>
<b>26) Registration of Assignment/ re-assignment</b>	HGA	<b>2,00,000 SA</b>
	AAO/AO/ Manager ( Admn)	<b>Full sum assured</b>
<b>27) Age Admission after obtaining proper age proof</b>	HGA	<b>5,00,000 SA</b>
	AAO/AO/ Manager ( Admn)	<b>Full sum assured</b>
<b>28) Removal of extra premium after obtaining proper evidence and application</b>	HGA	<b>50,000 SA</b>
	AAO/ AO/ Manager ( Admn)	<b>5,00,000 SA</b>
	BM/SBM/Chief Manager	<b>Full sum assured</b>
<b>29) Charging of Extra premium other than revival like age extra, occupation</b>	HGA	<b>50,000 SA</b>
	AAO	<b>5,00,000 SA</b>
	AO/BM/SBM/ADM	<b>Full sum assured</b>
<b>30) Waiving in part or full INTEREST ON PREMIUM for the cases where Corporation is at fault</b>	AAO/AO	<b>Rs. 500 amount</b>
	BM (I/C) / SBM/ Manager (Admn.)	<b>Rs. 1000</b>
	Standing Committee at Division	<b>Rs. 10,000</b>
	DM (I/C) / SDM	<b>Rs. 25000</b>
	REGIONAL MANAGER(CRM)	<b>Full powers</b>
	ZONAL MANAGER(I/C)	-
<b>31) Repudiation of death claims and declaring policy null and void</b>	DM (I/C) / SDM	<b>Full sum assured</b>

<p><b>32) Review of repudiated death claims where death claim has been repudiated by Division and appeal of the claimant is received at ZOCRC. Power to admit the claims in full or in part or on ex-gratia basis or upheld the decision of repudiation</b></p>	<p>ZO/ CRC</p>	<p><b>Full powers to admit the claim OR to upheld the decision of Division.</b></p> <p><b>ZO/CRC 's decision to upheld the repudiation decision will be final up to Rs. 5,00,000 net claim payable under all policies taken together on one life. For such cases, no further review will be done by CO-CRC</b></p>
<p><b>33) Review of repudiated death claims where appeal of the claimant is reviewed by ZOCRC. Powers to admit claims in full or in part or on ex-gratia basis or upheld the decision of ZO/CRC.</b></p>	<p>CO / CRC</p>	<p><b>Full powers to admit the claim OR to upheld the decision of ZO-CRC where cases have been reviewed by ZO-CRC and net claim payable is above Rs. 5,00,000 on all policies taken together on single life .</b></p> <p><b>CO/CRC will review the repudiated death claim cases where ZO/CRC has upheld the decision of repudiation and net claim payable is above Rs. 5,00,000 under all policies taken together on one life.</b></p>
<p><b>34) Writing off losses arising out of errors in calculation and other mistakes in making payments to policyholders, misappropriation of premium, etc.</b></p>	<p>DM/ SDM(I/C)</p> <p>ZM</p> <p>MD</p>	<p><b>Rs. 5000 per item</b></p> <p><b>Rs.20000 per item</b></p> <p><b>Rs.20001 and above per item</b></p>
<p><b>35) Cancellation of Existing policy and issue of fresh policy in lieu thereof after approval of note from Competent Authority</b></p>	<p>AAO/AO</p> <p>Manager ( Admn)</p> <p>BM, SBM, Chief Manager</p>	<p>Rs.5,00,000 SA</p> <p>Rs.7,50,000 SA</p> <p>Full sum assured</p>
<p><b>36) Actual Investigation expenses other than tour expenses within budget granted like for paying Hospital fees, regulatory charges, etc.</b></p>	<p>AAO/AO</p> <p>Manager ( Admn)</p> <p>BM, SBM, Chief Manager</p>	<p>Rs.1000</p> <p>Rs.2000</p> <p>Full amount</p>

**Annexure - II**

**II) Financial Powers to Dispute Redressal Committee at Division/ Zone / Central Office**

<b>Nature of Power</b>	<b>Authority</b>	<b>Extent of Financial powers (upto and including)</b>
<b>1) Writing off the loss required to compensate for deficiency of service</b> (such as excess payment due to wrong data or short recovery of premium) on merit of the case	Division	Upto Rs.50,000
	Zonal Office	Upto 1,00,000
	Central Office	Upto Rs.2,50,000
<b>2) Pay Ex-gratia interest for cases other than the delayed claim settlement, as per rate applicable in claim</b>	Division	Upto Rs.10,000
	Zonal Office	Upto 25,000
	Zonal Manager (I/C)	Full amount (based on the recommendations of Zonal Standing Committee)
<b>3) Surrender of vested Annuity policies where such discretion is allowed by CO</b>	Divisional Committee	Rs.1,00,000 amount
<b>4) Waiver of late fee fully/ partially on delayed payment of premiums even if there is no deficiency of service from LIC (on merit)</b>	Division	Upto Rs.5,000
	Zonal Office	Upto Rs.7,500
	Central Office	Upto Rs.10,000
<b>5) Allowing Revival of lapsed policies after 5</b>	Division	Upto Rs.10,00,000

<b>years from FUP (on merit). If allowed by committee then revival requirements will be called and underwriting decision will be taken by competent authority (sum to be revived)</b>	Zonal Office	Upto 50,00,000
	Central Office	Full sum assured

**III) Financial powers in admission/ payment of Death claims in respect of Insurance policies of overseas Branches where sum assured is beyond the limit of Foreign Operation Branches.**

	<b>Powers at CENTRAL OFFICE ONLY</b>
EARLY DEATH CLAIM	Executive Director (CRM) -- Full Powers.

**IV) Financial Powers to PCMC- Alternate Channel Collections**

<b>Nature of Power</b>	<b>Authority</b>	<b>Extent of financial powers (upto and including)</b>
1) Payment for service charges to Banks and vendors within sanctioned budget as per agreed rate	AAO/ AO	Full amount
2) Refund of Excess/ Wrong Double payment of invoiced amount paid	AAO/ AO	Full amount
3 ) Payment of Mudrank to Govt. authorities within sanctioned Budget after proper reconciliation of receipts issued	AAO/ AO	Full amount
4) Sanction of payment voucher for remittance of service tax and any other taxes recovered from vendors	AAO/ AO	Full amount

**V) Financial Powers for payments to Vendors under EDMS Project**

<b>Nature of Power</b>	<b>Authority</b>	<b>Extent of Financial Powers (upto and including)</b>
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1) Payment of Logistic Charges to Vendor within sanctioned budget and at rates approved by Central Office.	ADM & above at Division Office Zonal Office Central Office ZTC & MDC	Full amount
2) Payment of Scanning Charges to Vendor within sanctioned budget and at rates approved by Central Office.	ADM & above at Division Office Zonal Office Central Office ZTC & MDC	Full amount
3) Payment of Uploading Charges to Vendor within sanctioned budget and at rates approved by Central Office.	ADM & above at Division Office Zonal Office Central Office ZTC & MDC	Full amount

(Proforma of Monthly Statement to be submitted from Division to Zone)

**LIFE INSURANCE CORPORATION OF INDIA**  
**.....DIVISIONAL OFFICE**

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Ref:

Date :-

To  
The Regional Manager (CRM),  
LIC OF INDIA  
..... Zonal Office

**Re:- Monthly Statement in respect of Death Claim settled under multiple policies of single life where total death benefit sum assured exceeds Rs.35 lakh and above for the month of .....**

<b>Sr No.</b>	<b>Policy No/s</b>	<b>Name of Life Assured</b>	<b>Date of Death</b>	<b>Total Sum Assured</b>	<b>Total Claim Amount</b>	<b>Remarks</b>

**Manager (Claims)**  
**.....Divisional Office**