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No. 195176/Pen-C,  
Government of India, Ministry of Defence,  
New Delhi, 9th March 1967/20 Phalgun 1888.

To

The Chief of the Army Staff  
The Chief of the Navy Staff  
The Chief of the Air Staff

Subject:- INSURANCE CONCESSION IN RESPECT OF PERSONNEL OF THE  
DEFENCE SERVICES WHO ARE DISABLED AS A RESULT OF  
OPERATIONS AGAINST PAKISTAN AGGRESSION.

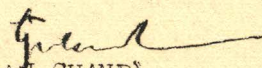
Sir,

I am directed to refer to the scheme vide App.A to this letter for the grant of insurance concessions to the Defence service personnel who are disabled as a result of operations against Pakistan and to say that the expenditure on account of seventy five per cent of the cost of the waiver of premium claims payable thereunder to the Life Insurance Corporation of India by the Controller of Defence Accounts(Pensions) will be borne by the Defence Services Estimates.

2. A copy of the scheme and the procedure for implementing the scheme are contained in appendices 'A' & 'B' respectively to this letter.

3. This letter issues with the concurrence of the Ministry of Finance (Defence) vide their No. 52/Pen of 1967.

Yours faithfully,

  
(GIAN CHAND)

Under Secretary to the Govt. of India.

Copy to:-

Controller General of Defence Accounts, New Delhi.  
Director of Audit, Defence Services, New Delhi.  
Controller of Defence Accounts(Officers), Poona.  
Controller of Defence Accounts(Other Ranks), Madras.  
Controller of Defence Accounts, Central Command, Meerut.  
Senior Deputy Director of Audit, Defence Services, Poona.  
Controller of Defence Accounts, Eastern Command, Patna.  
Deputy Director of Audit, Defence Services(Pens), Allahabad.  
Accountant General Posts & Telegraphs Simla  
Director of Audit and Accounts(IPS Section), Nagpur  
Chief of General Staff  
Adjutant General/Coord/Budget  
AG/PS5  
AG/PS4 (150 copies)  
AG/Q1  
M.G.O.  
Deputy Director of Audit, Defence Services, Patna.  
D.F.A.(A.G.) (2 copies) D.F.A(P) (4 copies)  
Indian Soldier's Sailors and Airmen's Board, New Delhi.  
Secretary, Border Road Development Board.  
Director General Border Roads  
Controller of Defence Accounts(Pens), Allahabad



SCHEME FOR GRANT OF DISABILITY BENEFITS TO DEFENCE PERSONNEL

1. This scheme applies to members of the Defence Forces (Army, Navy and Air Force) of India (hereinafter referred to as "eligible persons").
2. Benefits under this scheme will be available to eligible persons who are disabled, wholly or mainly, as a result of injury sustained during the course of active military operations, being
  - (i) the military operations to resist the Pakistani aggression in Kutch commencing from 9.4.65, or
  - (ii) the military operations to resist the Pakistani aggression commencing from the 5th August 1965.
3. Where there is in force a policy of life insurance on the life of an eligible person issued by the LIC or for which the LIC is liable and such a person is disabled as referred to in paragraph 2 above and transferred to pension establishment as a result thereof, and where the pension sanctioning authority has accepted the assessed percentage of disability, the LIC shall with effect from the date referred to in paragraph 4 below and to the extent specified in paragraphs 5 and 6 below waive the premiums payable on his policy.
4. The waiver of premiums shall commence from the first instalment following the date of the scheme or the date on which the eligible persons are transferred to the pension establishment, whichever is later.
5. Limits on sum assured: in respect of policies issued not later than one year before the commencement of the particular hostilities referred to in paragraph 2 above, there will be no restriction on the number of policies or sums assured thereunder.

.....contd.



(ii) In respect of policies issued less than one year before the commencement of the particular hostilities or after such commencement, the total amount of sum assured (on one life assured) in respect of which this waiver of premiums would be available should be restricted to-

- (i) Rs.25,000/- in the case of an eligible person of rank of Captain or equivalent or below, and
- (ii) Rs.50,000/- in other cases.

Provided that where there are policies issued both before the crucial date (ie one year earlier than such commencement) and after, so much of the policies, if any, issued after the crucial date will be entitled to the benefit as would have a sum assured which, together with the sum assured on policies issued before the crucial date, will not exceed the above limit for sum assured.

In determining on which policies waiver should be allowed, the date of issue would be the criterion commencing from the earliest policy and where there is more than one policy on the same date, the one with the lower policy number will be included.

6. Extent of waiver. Subject to the conditions mentioned in paragraph 5 above, the extent of waiver shall be-

- (i) If the assessment of the disablement has been accepted by the pension sanctioning authority at 80% or more, waiver of all premiums on the policy;
- (ii) If the assessment of the disablement has been accepted by the pension sanctioning authority at 40% or more, but less than 80%, waiver of 50% of all premiums payable on the policy; and
- (iii) If the disablement has been accepted at less than 40%, there will be no waiver of premium.

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If, at any time during the currency of waiver of premium, in terms of (i) and (ii) above, a re-assessment of the disablement has been accepted by the pension sanctioning authority and, in consequence, the policyholder falls under a different class, the extent of the waiver of premium shall, with effect from the date of such re-assessment, be altered to conform to the new class in terms of the above.

7. Information regarding the date from which the person concerned has been transferred to the pension establishment and the percentage of disablement as accepted by the pension sanctioning authority shall be obtained from time to time as may be required from the appropriate authority.

8. In the case of a with-profit policy, any bonuses which would be allotted to the policy if the premiums are fully paid in future would nevertheless be allotted, notwithstanding the fact that premiums are waived, whether wholly or to the extent of 50%- in other words, bonus allotments will be made as if the premiums due under the policy are being regularly paid in full.

9. No waiver of premium under this scheme shall be allowed during any period in which the policyholder is eligible for waiver of premium for any reason under any of the terms of the policy-conditions.

10. The LIC shall furnish to the Central Government periodically full particulars of the policies on which premiums have been waived in accordance with the above provisions, and the Central Government will pay to the LIC 75% of the cost of such waiver and the balance has to be borne by the LIC itself.



PROCEDURE FOR IMPLEMENTING THE LIC SCHEME OF INSURANCE  
CONCESSIONS IN RESPECT OF DEFENCE SERVICE PERSONNEL WHO  
WERE INJURED AND TRANSFERRED TO PENSION ESTABLISHMENT  
DURING THE RECENT MILITARY OPERATIONS TO RESIST PAKISTAN  
AGGRESSION IN KUTCH COMMENCING FROM 9 APRIL 1965 AND ON  
OTHER FRONTS COMMENCING FROM 5 AUGUST 1965.

1. In a case where the disability in respect of an eligible person under the Scheme has been accepted by the Pension Sanctioning Authority at 40% or more, the Ministry of Defence (Pen-C) in the case of Commissioned Officers and the Officer-in-Charge Records Office concerned or Air HQ(PF&A) in the case of personnel below commissioned ranks, will forward to the disabled person, a copy of the Scheme for grant of disability benefits to Defence personnel and advise him to apply to Divisional Office of the Life Insurance Corporation with whom the Policy is registered, for grant of concession admissible under the Scheme, giving the relevant particulars of the Insurance Policy/Policies. A copy of the letter addressed to the LIC should also be endorsed by the claimant to the Controller of Defence Accounts(Pensions), Allahabad.
2. On receipt of the copy of the letter from the eligible person or an enquiry from the LIC, the Controller of Defence Accounts(Pensions) Allahabad will furnish the following particulars to the LIC:-
  - (a) Name of the pensioner, Regt/Personal No, rank and Corps/Unit.
  - (b) The date of transfer of the individual to pension establishment.
  - (c) Percentage of disability accepted by the Pension Sanctioning Authority, the period of award of disability pension and No and date of PPO in which the disability pension has been notified.
  - (d) A certificate regarding eligibility of the individual concerned to the benefits under the Scheme.



Note:- As and when the disability is re-assessed, the

Controller of Defence Accounts(Pensions) will inform the LIC of the revised percentage of disablement and the date from which the re-assessment of disability takes effect.

3. The LIC Central Office will forward annually to the Controller of Defence Accounts(Pensions) ALLAHABAD claims (in duplicate) separately in respect of Commissioned Officers and personnel below commissioned rank, for reimbursement of 75% of the cost of waiver of premia in such cases.

The claim should contain the following particulars etc:-

- (a) Name, Rank, Regt/Personal No and Unit/Corps of the pensioner.
- (b) Percentage of disability as accepted by the Pension Sanctioning Authority and No and date of TPO.
- (c) The total amount of yearly premium ~~was~~ payable.
- (d) Date(s) on which the premium was payable.
- (e) Percentage of premium waived.
- (f) Period from which waived.
- (g) Amount waived.
- (h) Amount claimed by the LIC.
- (i) A certificate regarding the correctness of the rate of premium payable by the individual and of the waiver and also the fact that the Policy has not lapsed.

4. The Controller of Defence Accounts(Pensions), after having duly checked the claim, will make payment to the LIC.

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