

Suraksha Bandhan- Insurance Focused Deposit / Gift Cheque Scheme

An insurance focused deposit / Gift Cheque Scheme received from Department of Financial services has been launched. The Insurance Focused Deposit Scheme is designed keeping in view the ensuing Raksha Bandhan festival in mind. However, the product is relevant for other festivals, social occasions and family celebrations also. There are three variants of the scheme which are as under:

- (i) Suraksha Deposit Scheme: Deposit by regular cheque or cash amount of Rs.201. Deposit be made into the account of the recipient / beneficiary by the beneficiary himself / herself or by a person gifting to him / her by way of regular cheque etc. Part amount of this will be utilized for premium of PMSBY and rest for fixed deposit. This will facilitate premium payment for PMSBY over a period of several years.
- (ii) Jeevan Suraksha Deposit Scheme: Deposit by regular cheque or cash amount of Rs.5001. Deposit be made into the account of the recipient / beneficiary by the beneficiary himself / herself or by a person gifting to him / her by way of regular cheque etc. Part amount of this will be utilised for premium of PMJJBY as well as PMSBY and rest for fixed deposit. This will facilitate premium payment for both PMJJBY and PMSBY over a period of several years.
- (iii) Jeevan Suraksha Gift Cheque: Inter-bank operable gift Instrument in the form of draft for Rs. 351. This will facilitate one year premium payment for PMSBY and PMJJBY

2. In respect of Suraksha Deposit Scheme and Jeevan Suraksha Deposit Scheme, the interest on fixed deposit created will meet premium payment of the insurance product(s). In the illustration given below in the Scheme, it is envisaged that the premium for initial 2 years will be retained in the savings account and the balance amount kept in fixed deposit for 5 or 10 years. Bank branch to ensure that customer maintains balance in the account for meeting premium payment every year on the designated date.

3 Illustration pertaining to bifurcation of gift amount for all the three schemes is as under:

3.1 **Suraksha Deposit Scheme** - Gift of Fixed deposit for insurance under PMSBY only:

(Amount in Rs.)

Total Deposit Amount to be paid (A)	1 st Year Premium (B)	2 nd Year Premium * (C)	Total Amount of FD (D=A-B-C)	Returns on (D) @ applicable ROI (8% p.a)
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201	12	12	177	14.16
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* To be parked in SB account of the insurer till the date of next premium.

An individual may invest an amount of Rs. 201/- any time during the year for gifting from which:-

- (a) Rs. 12/- will be immediately paid to the insurance company as first years' premium.
- (b) Rs.12/- will be parked separately in a SB account of the insurer towards payment of second years' premium.
- (c) Balance amount of Rs. 177/- will be invested in a T.D (Term Deposit) for ten years at the then prevalent interest rate (currently 8% p.a) for earning annual interest income of Rs. 14.16 which will be sufficient for annual insurance premiums, at the current rate, up to the date of the Term Deposit.

3.2 Jeevan Suraksha Deposit Scheme - Gift of Fixed deposit for composite insurance under PMSBY and PMJJBY:

(Amount in Rs.)

Total Deposit Amount to be paid (A)	1 st Year Premium (B)	2 nd Year Premium * (C)	Total Amount of FD (D=A-B-C)	Returns on (D) @ applicable ROI (8% p.a)
5001	342	342	4317	345.36

* To be parked in SB account of the insurer till the date of next premium

An individual may invest an amount of Rs. 5001/- any time during the year for gifting from which:-

- (a) Rs. 342/- will be immediately paid to the insurance company as first years' premium.
- (b) Rs.342/- will be parked separately in a SB account of the insurer towards payment of second years' premium.

(c) Balance amount of Rs. 4317/- will be invested in a T.D (Term Deposit) for Five or Ten years at the then prevalent interest rate (currently 8% p.a) for earning annual interest income of Rs. 345.36 which will be sufficient for annual insurance premiums, at the current rate, up to the date of the Term Deposit.

3.3 Jeevan Suraksha Gift Cheque - Gift for Composite insurance under PMSBY and PMJJBY:-

For One time premium payment

(Amount in Rs.)

Amount (A)	One Year Premium for PMSBY (B)	One Year Premium for PMJJBY (C)	Total (D=B+C)	Balance as a service charge to the bank (A- B-C)
351	12	330	342	9

An individual may gift an amount of Rs. 351/- on Raksha Bandhan towards funding of the recipients one time insurance premium for PMSBY and PMJJBY (Rs. 12/- + Rs. 330/- i.e Rs. 342/-), with the balance amount of Rs. 9/- to be retained by the Bank as a service charge. Subsequent insurance premium will have to be deposited by the insurer for continuing the insurance cover.

TERMS AND CONDITIONS:

1. Maintenance of desired insurance schemes' premium will be the responsibility of the customer / insured.
2. Prevailing rate of interest will be paid on the term / fixed deposits.
3. Extant guidelines related to deduction of tax at source will be applicable on the term / fixed deposit accounts.

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