

Postal Life Insurance

Shefali S Dash

Dy. Director General, NIC

Rakesh Gupta

Sr. Technical Director, NIC

Ravi Kumar

PSA, Department of Posts, Government of India

Mukesh Aggarwal

SSA, Department of Posts, Government of India

ABSTRACT

Postal Life Insurance (PLI) has been a vital revenue generator for the Department of Posts. A sum of Rs 1300 crore is received every year as premium from around 30 lakh insured citizens. The National Informatics Centre (NIC) has developed and implemented a software in this regard in all the 23 postal circles. The software provides proposal feeding, posting, loan, maturity, surrender, death, Head Post Office Transaction Processing System (HPOTPS) and MIS modules.

Introduction/Background

PLI was conceptually a business-oriented scheme and was first introduced in 1884 as a welfare measure means for employees of the state. After independence, the scheme was extended to benefit the employees in different sectors, which include defence personnel, local bodies, universities, nationalised banks, etc., under the central and state governments.

Some of the main features of the PLI scheme are as follows:

1. Facility of deduction of premium at source from salary wherever possible
2. Cash payment of premium on the authority of premium receipt book in any post office under a head post office
3. Eligibility for income tax rebate on the amount of premium paid in a year
4. Waiver of premium payments in the case of whole-life policies after attainment of the age of 80 years or after payment of premium for the full 35 years, whichever is later
5. Facility of conversion of life policy into an endowment policy
6. Loan on easy terms

The central post office is responsible for the maintenance of accounts of receipts and payments, preparation of cost budget and ways and means

budget, financial review, revenue account and balance sheet of the post office insurance fund.

PLI computerisation was taken up by NIC in 1990 and has been implemented in all the postal circles successfully by the year 1996.

Objective

PLI computerisation was taken up to help the Department of Posts and to provide better services, by the use of information technology, to 30 lakh insured citizens, who put their hard-earned money in the PLI scheme. PLI computerisation helped the actuary a lot in the timely declaring of bonus by providing various MIS reports for making important decisions.

Overall

PLI was developed in Oracle 6.0 in the year 1990. It has been first implemented at the Army Postal Circle, Delhi, as a pilot project. After successful testing, it has been implemented in all the postal circles by the year 1996. A team has visited every postal circle for installation and conducted operational training programmes. The local NIC provides the technical support required by the circles from time to time.

Future Plans

The Department of Posts is planning to update the software to Oracle 10g so that it can be used from all head post offices (HPOs) and so that it would also be possible to obtain the information of available funds at the HPO on a daily basis.

Conclusion

PLI software has been developed and implemented in Oracle 6.0. The software is running successfully in 23 postal circles. New modules are being developed. Modifications are being done as per policy changes made by the PLI directorate. Online support to all the circles is being provided for solving their problems. Software will be used for all the activities of the insured citizens, i.e., proposal, posting, loan, maturity, surrender, death, HPOTPS and MIS modules.

Computerisation has helped the 30 lakh insured citizens a lot in providing instant services like acceptance letters, history sheets, policy document

and ledger posting of premiums through HPOTPS software implemented at 500 HPOs. The software will eventually be web based, which will help management in taking various policy making decisions with respect to the interest of 30 lakh insured citizens, and also to prepare the annual balance sheet and declare the annual bonus to the insured.