भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

Central Office, NB&R Department, Yogakshema, J.B.Marg, Mumbai

Ref.: CO/NB&R/380/2024 30th March, 2024

All HODs of Central Office,
All Zonal Managers,
All Sr. Divisional Managers,
All Branch & Satellite Offices
Audit & Inspection Department,
MDC, ZTCs, STCs.

Re: Capturing and Validation of NEFT Details in NB Module of E-Feap

This is further to our circular ref: CO/NB&R/367/2024 dated 17.11.2023.

It is now decided to make NEFT details mandatory in respect of all proposals irrespective of the plan or annualized premium.

The proposals must be registered with NEFT details and the NEFT master must be validated before completion.

All necessary controls as stated in the aforesaid circular must be exercised for NEFT validation.

These instructions come into force with effect from FY 2024-25

Executive Director (New Business& Reinsurance)

Central Office, NB&R Department, Yogakshema, J.B.Marg, Mumbai

Ref.: CO/NB&R/367/2023

17th November, 2023

All HODs of Central Office,
All Zonal Managers,
All Sr. Divisional Managers,
All Branch & Satellite Offices
Audit & Inspection Department,
MDC, ZTCs, STCs.

Re: Capturing and Validation of NEFT Details in NB Module of E-Feap

This is further to our circular ref: CO/NB&R/337/2022 dated 29.07.2022.

As all payments due under a policy are now made through NEFT, it is important to have NEFT beneficiary master in respect of all policies.

It is therefore decided to make NEFT validation mandatory before completion in respect of all proposals where the annualized premium is Rs 50,000 and above and also in respect of all Annuity plans. Thus the following will have to be compulsorily obtained in all such proposals.

a) Cancelled cheque leaf with Name and Account number printed

OR

b) Cancelled cheque leaf along with self attested photocopy of the page of Bank Pass Book (duly verified by Class I or Class II Officer of LIC) containing the details of the bank Account holder if Name and Account number is not printed on cheque leaf.

The process to be followed is given below:

1. The proposal has to be registered as usual with correct NEFT particulars as per the cancelled cheque leaf.
2. Transaction number will be printed on the proposal review slip.
3. Where annualized premium is Rs 50,000 and above and in Annuity plans, a unique number will be generated for the proposal. If NEFT details are not captured, error will be set and policy completion will not be allowed.
4. The NB official has to then go to "NEFT Validation" option in NB module and validate the NEFT details. Validation of NEFT master is enabled only for core group user password.
5. For NEFT validation, the official has to give the Transaction number printed on review slip. In lieu of policy number, proposal number and Year has to be entered. All Bank

details must be entered with utmost care as per the cancelled cheque and the validation process completed.

6. If the same Account Number is already available in the system, for any other policy in the Division, then the system gives alert to check the data. Extra care should be taken while validating such cases.
7. If the bank details entered matches the NEFT details of another policyholder, then the message "Transaction sent to Manager CRM" is displayed. This will have to be further validated by Branch-in-charge password.
8. Once NEFT master is validated, the proposal can be underwritten and completed
9. After proposal completion the NEFT Beneficiary master will be merged with policy master.
10. In proposals where the annualized premium is below Rs 50,000, the existing process will continue.

Needless to add, considering the seriousness of the matter, users and officials must ensure that NEFT Beneficiary master is created with correct bank details. It has a long term financial implication as all future payments under the policy will be credited to this NEFT Beneficiary master created at the time of completion of the proposal.

Thus all users must follow the guidelines issued by CRM Department with regard to controls to be exercised while validation of NEFT masters to avoid frauds / wrong payments. For detailed information in this regard please refer Circular ref: CO/CRM/1024/23 dated 03.06.2016 and Circular letter ref: CO/CRM/Payment/2019-20/157 dated 06.09.2019 and CO/CRM/Paym/2019-20/162 dated 02.12.2019 and any other previous circulars mentioned or circulars issued in this regard from time to time.

1) Users creating the NEFT master should ensure correctness of data being entered and Officials validating the NEFT master must take utmost care to verify the Name, Account code, Type of account and all other details.
2) For NEFT masters created at Satellite Offices which require further Ratification, policy docket with Original Mandate and enclosures should be sent to Parent Branch.
3) If the Bank Account is NRE / FCNR, then in such cases NEFT Master creation and validation will be done by PS / Claims Department as being done currently.

Kindly bring this to the notice of all concerned.

These instructions come into force with immediate effect.

Executive Director (New Business& Reinsurance)

भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

Central Office, NB&R Department, Yogakshema, J.B.Marg, Mumbai

Ref.: CO/NB&R/337/2022 29th July, 2022

All HODs of Central Office,
All Zonal Managers,
All Sr. Divisional Managers,
All Branch & Satellite Offices
Audit & Inspection Department,
MDC, ZTCs, STCs.

Re: Capturing and Validation of NEFT Details in NB Module of E-Feap

NEFT details are captured at the Proposal Registration stage but they are not validated resulting in large number of unvalidated transactions present in our systems.

In view of this it has been decided as under:

1) NEFT details must be completely filled in all respects in the proposal form and the following proof must be submitted along with the Proposal Form:

    a) Cancelled cheque leaf with Name and Account number printed

    OR

    b) Cancelled cheque leaf along with self attested photocopy of the page of Bank Pass Book (duly verified by Class I or Class II Officer of LIC) containing the details of the bank Account holder if Name and Account number is not printed on cheque leaf.

2) NB Department shall capture NEFT details during Registration of Proposals, only where supporting documents as enumerated in point (1) above are available. NB Department to ensure that the Name and NEFT details given in the Proposal Form match with the Proof submitted.

3) After completion of proposal, NB Department must ensure that the NEFT details created under the Proposal is validated. On allotment of policy number, transaction number is created for the NEFT details keyed in at the time of proposal registration. Option of "NEFT Beneficiary Master Maintenance" has been provided in NB Module. The option, "Status wise NEFT Transactions List" will give list of pending transaction numbers along with policy numbers for the desired period. Authorized Official shall validate the NEFT details after comparing with the supporting documents. If the NEFT details match with the supporting documents, the NEFT master shall be validated. If the NEFT master cannot be validated due to

non availability of appropriate supporting documents or any other reason the Transaction should be cancelled using the option "Display Pending Transactions". The above process should be done on a daily basis by NB Department.

4) NB Department must follow the guidelines issued by CRM Department with regard to controls to be exercised while validation of NEFT masters to avoid frauds / wrong payments. For detailed information in this regard please refer Circulars ref: CO/CRM/1024/23 dated 03.06.2016, CO/CRM/Paym/2019-20/162 dated 02.12.2019 and any other previous circulars mentioned or circulars issued in this regard from time to time.
5) If the same Account Number is already available in the system, for any other policy in the Division, then the system gives alert to check the data. Extra care should be taken while validating such cases.
6) After ratification of NEFT master, if the message "Transaction sent to Manager CRM" is displayed, such transactions are to be ratified by Branch In-Charge.
7) Needless to add that Users creating the NEFT master should ensure correctness of data being entered and Officials validating the NEFT master must take utmost care to verify the Name, Account code, Type of account and all other details.
8) For NEFT masters created at Satellite Offices which require further Ratification, policy docket with Original Mandate and enclosures should be sent to Parent Branch.
9) If the Bank Account is NRE / FCNR (Non-Resident Indian / FNIO), <u>then in such cases NEFT Master creation and validation will be done by PS / Claims Department.</u>
10) There is <u>NO</u> change in the existing procedures for immediate annuity policies.

Kindly bring this to the notice of all concerned.

These instructions come into force with immediate effect.

Executive Director (New Business& Reinsurance)

CRM Department, Central Office.
5th Floor (Link), "Yogakshema",
Jeevan Bima Marg, P.O.Box No.19953,
Mumbai–400021.
Tel:66598685,Fax:22825829
E-ail:co_crmpayment@licindia.com

Ref: CO/CRM/Paym/2019-20/162 02.12.2019

To,
All Zonal Managers,
All Regional Managers (CRM)
All Sr/Divisional Managers,
M.D.C., Audit & Inspection

Ref: NEFT Administration & Instructions- clarification of documents to be submitted

This has reference to our Circular letter Ref: CO/CRM/Paym/2019-20/157 dated 06.09.2019 wherein various circulars and circular letters issued on NEFT administration were summarised.

Some information as regards the mandatory documents to be submitted for registration of NEFT is being clarified again.

Mandatory Documents:-

NEFT Mandate Form duly filled in and signed along with

1. Cancelled Cheque leaf with name and account number printed in original (Or)
2. Cancelled Cheque leaf in original along with a photo copy of self attested page of the bank pass book containing the details of the bank account holder if the name and account number is not printed in the cheque leaf submitted. The passbook with the photo of the account holder should be insisted upon. Photo copies are to be verified with the original and should be attested by a Class I or Class II Officer of LIC with Name, SR Number & Designation with official seal. Club member agents can attest the document copies in respect of the policies introduced by them and such attestation should mention name, agency code and club membership details.

We reiterate that Branches must insist on cancelled cheque leafs in original and only on circumstances where cheque leafs are not submitted by policyholders, due to non issuance of the same by Banks, may proceed with NEFT registration on the basis of self attested copy of the bank pass book page duly verified and attested as in (2) above.

Please note that both self attestation and verification and attestation by officials of LIC are required whenever photo copies of mandatory documents are submitted before proceeding with NEFT registration.

The documents submitted for NEFT registration should be kept in safe custody and Incremental scanning of all the documents is to be ensured without fail.

Executive Director (CRM/Payment)

भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

CRM Department, Central Office.
5th Floor (Link), "Yogakshema",
Jeevan Bima Marg, P.O.Box No.19953,
Mumbai – 400 021.
Tel:66598685,Fax:22825829
E-mail:co_crmpayment@licindia.com

Ref: CO/CRM/Payment/2019-20/157 **06.09.2019**

To,
All Zonal Managers,
All Regional Managers (CRM)
All Sr/Divisional Managers,
M.D.C., Audit & Inspection

Ref: NEFT Administration & Instructions

Keeping in view the directions issued by Ministry of Finance, Government of India, about settlement of all policy payments through electronic mode of payment only, LIC has implemented NEFT mode of e-payment in September 2011. The CO CRM had issued various circulars regarding NEFT administration from time to time reference of which are given below:

1) CO/CRM/841/23 dt. 15.09.2011
2) CO/CRM/869/23 dt. 04/10/2012
3) CO/CRM/ 890/23 dt. 14.02.2013
4) CO/CRM/924/23 dt. 06.12.2013
5) CO/CRM/935/23 dt.09.07.2014
6) CO/CRM/936/23 dt.31.07.2014
7) CO/CRM/968/23 dt.12.03.2015
8) CO/CRM/976/23 dt.24.06.2015
9) CO/CRM/997/23 dt. 23.12.2015
10) CO/CRM/ 1024/23 dt.03.06.2016
11) CO/CRM/1102/23 dt. 21.02.2018

Apart from above following circular letters were also issued:

1) CO/CRM/PS/2015-16/77 dt. 03.08.2015
2) CO/CRM/Claims/2015-16/87 dt. 31.12.2015
3) CO/CRM/Claims/2015-16/88 dt. 17.02.2016
4) CO/CRM/Claims/2015-16/90 dt. 05.03.2016

For the sake of convenience we summarise below the provisions of above Circulars/Letters. In case of doubt/clarity or interpretation of provisions, please refer original circulars and provisions of original circulars will prevail.

Requirements:-

1. NEFT mandate should be collected and keyed in for all policies irrespective whether policy payment is due or not.

2. All communications addressed to the policyholders should contain request for registering NEFT details if not already done.(Rubber stamp if required may be affixed in all communications)
3. Leaflets/Vernacular leaflets containing the benefits of NEFT to be printed and given to customers.
4. For registration of new NEFT, the policyholder has to submit NEFT mandate form duly filled in and signed along with
   a) Cancelled cheque leaf with name and account number printed
   Or)
   b) Cancelled cheque leaf along with photocopy of the page of Bank Passbook containing the details of bank account holder if name and account number not printed on cheque leaf. The passbook with the photo of the account holder should be preferred upon.
5. The copies of the mandatory documents submitted for NEFT registration are to be properly certified by self attestation or by a confirmed Class I or Class II Officer of LIC with Name, SR Number & Designation or with official seal. Club member agents attesting the documents should mention name, agency code and club membership details.

Controls to be exercised for NEFT mandates

Proper control is to be exercised for collection of NEFT mandates, distribution of mandates for master creation and validation of NEFT masters.

Authorised Officer in the branch and HOD of the unit in Satellite Office and Customer Zones are made responsible for registration and validation of NEFT mandates.

- The person who is authorized to receive the NEFT mandates will ensure that entry for each mandate received, is made in a register maintained for that purpose. The columns of the said register will be as- 1)SR No 2) date of receipt of NEFT mandate 3) policy no/s 4) Name of policyholder 5) date of allotting the mandate for registration 6) Salary roll number or name of employee to whom mandate is given 7) transaction number of data entry 8) date of validation.
- The mandates are to be distributed among PS, Claims and other User departments of the Branch and it is to be ensured by the authorised officer that the data-entry and validation is done correctly for all the mandates received on day to day basis.
- The validation of NEFT data to be done preferably by Class-I Officers only. All rules and procedure for data entry and validation should be followed without any deviation.
- Weekly review will be done by the authorised officer regarding registration and validation of NEFT mandates pending.

Process of checking NEFT Mandates:-

After receipt of NEFT mandate from policyholder, details given in mandate like policy number, name of policyholder/ claimant and details available with us in policy master/age of party should be verified. Also the name given in cheque leaf/ Bank pass book should tally with name of the policyholder/ Assignee/ claimant to whom the payment is being made. This is to ensure that payment is not made in favour of any third party. If any discrepancy observed then same should be informed to policyholder/ claimant.

Bank account number given in mandate form and bank account number given on cheque or bank pass book should be compared and if any discrepancy is observed, correct details are to be called for.

The mobile number of the policyholder and/or e-mail address should also be captured in data entry. This mobile number will be used for sending the SMS to respective policyholder as and when payment is uploaded in Bank server.

If, the Bank account type is NRI/ FCNR (non-resident Indian) then the payment cannot be effected through NEFT. Branch should inform the same to the policyholder. Necessary arrangement with Banks have not been formalised in this regard and hence payments to NRE accounts are exempted from NEFT payments.

Controls to be exercised while registering NEFT details

If the policy details and Bank details given are correct and acceptable, then branch should proceed for data entry through e-FEAP. While keying in the data from NEFT mandate, utmost care should be taken to enter the Bank account number of policyholder correctly. Any mistake in entering Bank account number will result in payment to wrong Bank account holder. Recovery of such wrong payment will not be possible.

At the time of ratification of data entry, a Core group member will be required to key in policy number, Bank Account code and IFS code number again. Only when data keyed in earlier, tallies with data keyed in at ratification, the data will be processed. An acknowledgement letter should be printed immediately and handed over or despatched to policyholder.

After keying in data for NEFT mandate, module is giving an alert message and displaying the latest policy number and name of the beneficiary, if the same Bank account number/ details are available for any policy for which the NEFT master is already available within the Division. At this stage, it is expected that user should confirm the correctness of the name of policy for which the NEFT master is being created. If the NEFT master is for same policyholder/ beneficiary, module will allow the user to proceed further.

Now, the same alert message and display will be shown while NEFT transaction is being ratified/ validated. The user should check the alert message and proceed further for ratification after confirming the details.

While ratifying the NEFT master, the concerned officer should take utmost care to verify the relevant records like scanned image of policy docket, name appearing on Bank passbook or cheque submitted with NEFT mandate to ensure that NEFT master is being created for rightful claimant only.

After ratification, module will internally compare the current policy number/s with the policy number/s already having the same Bank details under the beneficiary type "policyholder" within the same Division only. If the data under any policy does not fit the criteria, a message will be displayed as **' Transaction sent to Branch-in-charge of the respective branch for final ratification" and in case of customer Zone, Direct Marketing and HI units it is sent to Manager CRM for final ratification.**

For NEFT masters created at Satellite offices which require further ratification, the original mandate with enclosures should be sent to parent Branch.

Validation/ Ratification of NEFT mandate by Branch In charge :-

"NEFT ratification for BO in-charge" is provided in single window of Branch as follows:- Single Window_ main menu _ PS menu _ BO menu _RFM Tr-in _ Menu for Branch –in-charge. This option will display all such transaction numbers where NEFT masters under policy numbers are to be ratified. Branch-in-charge can validate such transactions with his/her SR number and password.

During long absence of Branch-in-charge, senior most officer in the Branch can ratify the transactions with his/her SR number and password. For this purpose, Branch-in-charge should issue the office order specifying his/her name, SR number, Dept name. For ratifying the NEFT masters during the absence of Branch-in-charge, system administrator should change the flag accordingly in the employee master for authorized officer. Such senior officer should be preferably from the Dept other than policy servicing and claims Dept of the Branch. But in no case, the NEFT master should be created and ratified by same officer.

- During the validation of NEFT master at DM/HI/Czee, if the message "**Transaction sent to Manager (CRM) for final ratification"** appears, then said mandate with enclosures mentioning the transaction number over it should be sent to Manager (CRM) of the controlling Division.

Validation/ Ratification of NEFT mandate by Manager (CRM) :-

The transactions done at C Zee, Direct Marketing, HI & Micro units will be escalated to Division and also under situations like –

1) NEFT beneficiary master is created on proposer's name where life assured is minor.
2) NEFT master is created with same Bank account details on the life of husband and wife or for their major children.
3) NEFT master is created for policy on the same life assured where some error exists in policy master.

Divisional office e-FEAP single window menu will have new option as "CRM Validation for NEFT". An option provided at Divisional Office will work with Manager (CRM) SRNO & Password. When the option is run by Manager (CRM), all transaction numbers referred by all branches/ SO/ Czee under the Division will be displayed. On selecting a transaction number, Transaction details, Bank details of current policy number to be ratified and policy numbers, bank details of NEFT ben. master already present on the same account details in the division of each policy number will be displayed. In absence of Manager (CRM), the competent authority to validate the transactions is Manager (Claims).

Manager (CRM) has an option to validate or reject the transaction. If a transaction is validated, NEFT beneficiary master will be created and acknowledgement letter will be printed. If the transaction is rejected, it will be cancelled and user will be required to do a data entry afresh for policy/s after verifying the reasons for rejections.

While ratifying the NEFT master, Manager (CRM) should take care to verify that NEFT master is being ratified for bonafide policyholder.

If, beneficiary account details are captured, and transaction number allotted, but during transaction validation stage, if any mismatch found in account details of the beneficiary, then transaction modification is allowed. Even after validation stage, if beneficiary account details are found incorrect, then account details can be updated again through RFM option in NEFT Beneficiary Master Maintenance menu. (Please see Process given later)

The official responsible for NEFT mandate registration/validation should ensure that the NEFT data is captured immediately and for all the policy numbers mentioned in the mandate after proper verification.

Creation of NEFT Beneficiary master for sub-membership Banks:-

If policyholder submit the NEFT mandate for IFS code number which shows Bank name of sponsor bank and bank address show the name of sub-membership Bank, then all our offices should accept the same for creation of NEFT master and proceed further. For example: - after keying in IFS code number as ' IBKL0487SDC' Bank name will be shown as " IDBI Bank LTD'. But bank address will be shown as ' The Sangli District Central Co-Op Bank LTD'.

While creating the NEFT master for sub-membership Banks, following precautions should be taken:-

1) NEFT mandate should contain the data for sub-membership Banks.
2) Copy of cheque leaflet or bank pass book should show the IFS code number allotted for the sub-membership Bank.
3) Kindly, note that the IFS code number is given for sub-membership Bank and not for each Branch of the sub-membership Bank.
4) User has to confirm about the correct account code and key in the same correctly without any mistake. Bank account code number is most important number for crediting the amount in correct branch of the sub-membership Bank.

NEFT process flow while making a policy payment :-

1. While preparing any policy payment voucher, the NEFT master details available under the policy will be displayed. The user has to confirm the details and proceed further.

2. If NEFT master is not available under the policy, then module will display the message to this effect after entering the policy number in preparation of payment voucher menu. User will be given two options – 1) to proceed further for payment through cheque. In such case, module will ask for the date of sanction by the SDM to pay the payment through cheque. User Dept have to ensure that proper sanction from SDM has been obtained before further processing the payment voucher. 2) If user opts for option as NO, then module will come out of the payment option and no payment voucher will be prepared.

3. In the above case, where sanction from SDM is not available, the user has to call for the NEFT Mandate from claimant, create the NEFT masters and then only proceed for payment.

Payment other than through NEFT:-

If the NEFT master is not available in our record for a policy, then such cases should be referred to SDM (I/C) of the Division for his/her authorization to settle the payment through cheque. In all other cases, efforts should be made to obtain NEFT mandate and settle the policy payment through e-mode of payment only.

<u>Process flow for correction in NEFT masters where Bank Account code number or IFS code number is wrongly entered and policy payment voucher is validated</u>

If Branch has observed any discrepancy in respect of Bank Account number or IFSC number of the Bank after validating the NEFT payment voucher but before preparation of CSV file at the Divisional office, then option will be given in Branch to correct the Bank Account number of IFS code in NEFT beneficiary master without taking cancellation action on entire transaction. The process flow for the new option is as follows:-

1. This new option of correcting NEFT master details in respect of wrong Bank Account code or wrong IFS code number of Bank can be used in those cases where Branch has validated payment voucher but Division has not extracted CSV file for such policy number.

2. If Branch observes any mistake in present NEFT beneficiary master of the policy in respect of Bank Account code of policyholder or IFS code of Bank, then user should take RFM for correction in beneficiary master and same should be validated with correct values.

3. After validating RFM transaction in NEFT beneficiary master, user should go to new option in Branch menu as "NEFT transaction Bank details correction". This option is available as e-feap _Accounting _Neft operations _NEFT transactions Bank details correction.

4. This option will be available on maker / checker concept and can be used by core group members of Branch. Option will have 3 sub-options 1) Enter 2) validate 3) cancel.

5. The first user (maker) will select "Enter" option from the drop down menu. The user will be required to enter policy number, beneficiary type, and transaction number. Then module will display the Bank details and some other details for that transaction. The option will also display the current NEFT beneficiary master details. If user confirms the modification, then details will be saved.

6. There after the next user (checker) will need to follow the same procedure using "validate"option from drop down list. After confirmation from the second user, the fresh NEFT beneficiary details will be updated in the NEFT transaction at Divisional office.

7. Now the NEFT transaction in Division is updated and Accounts Dept of the Division can proceed further for extraction of CSV file of NEFT transactions.

8. The last option" cancel" in drop down list should be used for cancelling any wrong entry made by first user (maker).

9. Before invoking this option by maker and checker, the concerned Dept of the Branch should prepare self contained note which should mention the errors/ mistake committed in creating the NEFT master with old and new values of Bank account of IFS code number. The same note should be approved by Branch-in-charge or the officer authorized. A separate register should be maintained for this purpose and entry should be made to this effect. Maker and checker should sign the register with their Salary roll numbers. This will be subject to verification by Audit/ Inspection Dept.

10. This option cannot be used for any other purpose where NEFT payment voucher has been prepared under wrong policy number, payment processed for wrong transaction like surrender instead of loan, claim processed for wrong value. In these

cases, Branch will request SDC for cancellation of payment transaction separately under each case as per prevailing practice.

11. New option is provided in Accounts module of the Branch to print/ view the list of NEFT transactions where the users have changed the Bank details before preparation of batch file by the Divisional office. This option will be available as Accounting _ NEFT operations _ NEFT MIS option of e-Feap.

12. The maker / checker of the Branch are requested to use this option very cautiously and after verifying the all facts properly. Any lapse will be viewed seriously as it will result in financial irregularity.

<u>The steps to be followed to make fresh payments for NEFT rejected cases pertaining to unclaimed amount to policyholders</u>

1. Once the payment of unclaimed amount to policyholders is made through NEFT and the same is rejected, the entry will be reversed.

2. For making the fresh payment for such cases, the note shall be initiated by the concerned department of the Branch, after investigating the reason for rejection of NEFT.The note will specify the reason for rejection and shall be approved by Branch In-charge.

3. The voucher will be prepared and checked in the Branch by the official who have core group password. The option for fresh payment for NEFT rejected Unclaimed amounts is enabled in **Accounts module>>NEFT operations>>Fresh Voucher-Return/Rejection.**

4. After checking of the voucher, the same will be escalated to Division CRM module for passing and validation.

5. The note approved shall be sent to the Division to the respective Managers for sanction. Eg. If the unclaimed amount is related to Claims the same will be approved by Manager (Claims).The concerned Managers will sanction the fresh payment and will give the sanctioned note to Manager (CRM).

6. New Option has been provided at Divisional office Manager (CRM)'s Special option. This option can be exercised by Manager (CRM) only for passing/validation of such vouchers.

7. The voucher will be passed/validated by Manager (CRM) and the payment through NEFT will be processed. The necessary accounting entry will be passed in the respective Branch after validation of the voucher.

8. Record of all such cases which are passed and validated through this option will be maintained scrupulously.

9. Loan NEFT reversal and stale cheque action, has been automated since Sep 2013.

The procedure involved is:-

Whenever any NEFT Rejection/Reversal or Undelivered/Stale cheque intimation is received, Accounts Dept will take reversal action through Accounts Module as per present practice and an adjustment voucher will be generated.

After taking the reversal action by Accounts Module, the respective policy number where loan transaction is to be reversed will be available to the PS dept in the existing option. Existing option is:-single window _main menu _loan/ surrender main menu _maintenance menu _ stale/ undelivered chq/ NEFT rejection.

After clicking the drop down menu of stale/undelivered cheque/ NEFT rejection, policy number where loan reversal action is required to be taken will appear. User need not key-in any voucher details of reversal action taken by accounts dept. after selecting policy number, system will ask for user confirmation. After confirmation, loan reversal will be effected on the loan files and a letter will be generated for the policyholder.

At the end of the month, PS dept should confirm that no entry should remain outstanding for validation in above option.

Other Matters:-

Under policy payments through NEFT mode of payment, the actual payment under the policy is directly credited to bank account of respective policyholder but the payment forwarding letter is to be printed and to be sent through post to respective policyholders. These letters are required by policyholders for Income tax purpose or as a proof of payment made by us.

Incremental scanning of NEFT Mandates:-

The NEFT mandate and other documents should be sent for incremental scanning after registration. The NEFT mandates received in the office shall be kept under lock and key before it is send for incremental scanning. The mandates received in PS/SSS section relating to Loans/Surrenders/Refunds etc. should be kept under lock and key by HOD (PS).

The NEFT mandates received in Claim section relating to Survival Benefit, Maturity, Death, CSBO, Unclaimed and Outstanding should be kept in lock and key by HOD (Claims).

Other NEFT mandates for stale cheques etc. received by F&A department should be kept under lock and key by HOD (F&A).All NEFT mandates to be handed over to the EDMS scanning vendor under proper acknowledgement. The respective HODs handing over the NEFT mandates should be responsible for keeping record of the acknowledgement of receipt by the vendor.

Customer zones and satellite offices should follow the instructions issued vide circular Ref CO/CRM/1161/23 dated 20/05/2019 on incremental scanning under new approach. They should ensure that the NEFT mandates are sent for scanning as per the directions given in the said circular. Customer zones falling under divisions where incremental scanning under new approach is not operational, should send their incremental documents to the nearest Branch for scanning as per the procedure prescribed in the said circular. Manager Customer Zone will ensure that all NEFT mandates registered and validated in the Customer Zones are kept under lock and key.

Ensuring 100 % payment through NEFT:-

1. All branches are already instructed to print and despatch Survival Benefit/Maturity Claim intimation letters and claim reminder letters with included NEFT mandate form.

2. Claim intimation letters will also indicate the NEFT mandate if already available with us and will ask the policyholders to confirm about the Bank details. If policyholder inform about any change/ correction in NEFT master, then same should be effected before preparation of payment voucher.

3. The availability of NEFT master will be displayed in claim data sheets and claim lists. This will help the users to settle survival benefit claims where claim requirements are not required but NEFT master is available under the policy. Such SB claims can be settled within prescribed time period before due date of claim.

4. Provision has also been made to display the availability of NEFT master in outstanding claim list when extracted through claim module. Branches should extract this list periodically to ensure about creation of NEFT master and further settlement of claim which are pending only for the requirement of NEFT details.

5. Message for submission of NEFT mandate is being printed on all types of quotations generated through module and all communications addressed to policyholders like change of address, mode alteration, etc.

6. Monitoring tool to view the progress of the creation of NEFT masters and policy payment through NEFT is given through MIS –live.

7. NEFT beneficiary details are also available for view purpose on policy status report.

8. SMS facility after creation of NEFT mandate and after uploading the payment file at Bank Server is made available to policyholders.

The Accounting procedure for NEFT has been issued by F&A dept.

Executive Director (CRM/Payment)

भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

CRM Department, Central Office.
5th Floor (Link), "Yogakshema",
Jeevan Bima Marg, P.O.Box No.19953,
Mumbai – 400 021.
Tel : 66598353, Fax : 22825829
E-mail co_crm@licindia.com

Ref: CO/CRM/1024/23

Date: 03/06/2016

To,
All Zonal Managers,
All Regional Managers (CRM)
All Sr/Divisional Managers,
M.D.C., Audit & Inspection

Re: Controls to be exercised for NEFT mandates

We invite your attention to our circulars Ref: CO/CRM/935/23 dated 09/07/2014 and CO/CRM/936/23 dated 31/07/2014 on "Controls to be exercised while validation of NEFT masters"

With a view to have proper control, HOD (PS) in the Branch and HOD of the unit in Satellite Office and Customer Zones, were made responsible for registration and validation of NEFT mandates.

In spite of introducing various checks and controls, instances are still reported wherein the NEFT details have been captured and validated wrongly. It is also observed that the NEFT details submitted by the policyholders are not getting captured and validated in the Branches promptly.

We therefore once again wish to draw your attention to our earlier instructions as below:

1. The official responsible for NEFT mandate registration /validation shall ensure that the NEFT data is captured immediately and for **all the policy numbers** mentioned in the mandate after proper verification.

2. The NEFT mandates received in the office shall be kept under lock and key before it is sent for incremental scanning. The mandates received in PS/SSS section relating to Loan/Surrender/Refunds etc. should be kept under lock key by HOD (PS).

   The NEFT mandates received in the Claims section relating to SB Claims, Maturity Claims, Death Claims, CSBO, Unclaimed and Outstanding should be kept under lock and key by HOD (Claims).

   Other NEFT mandates for stale cheques etc received by F & A department should be kept under lock and key by HOD (F &A). All NEFT mandates should be handed over to the vendor under proper acknowledgement.

   The respective HODs handing over the NEFT mandates should be responsible for keeping record of the acknowledgement of receipt by the vendor.

3. Customer Zones and Satellite Offices should follow the instructions issued vide our circular Ref: CO/CRM/947/23 dated 09/10/2014 on incremental scanning under new approach. They should ensure that the NEFT mandates are sent for scanning as per the directions given in the said circular. List of Divisions where Customer Zone is present and where new approach is operational is given in Annexure to this circular. Customer Zones falling under Divisions where incremental scanning under new approach is not operational, should send their incremental documents to the nearest Branch for scanning as per the procedure prescribed in the said circular. Manager Customer Zone will ensure that all NEFT mandates registered and validated in the Customer Zones are kept under lock and key.

4. After keying in the data for NEFT master in the system, if the same Account number is already available in the system, for any other policy within the Division, then the system gives alert to check the data. Extra care should be taken while validating such cases.

5. In case of sub-member bank participating in the centralized payment systems through the Sponsor Bank, NEFT mandate should contain the data for the Sub-membership Banks. Since the IFS code is given for the sub membership Bank and not for each branch of the sub membership Bank, utmost care should be taken while keying in the Bank Account code. The correct Bank account code only will ensure that the amount is credited to the desired branch of the sub-membership Bank.

Kindly bring this to the notice of all concerned.

Executive Director (CRM)

HRdesai

Annexure:

Sr No	Zone	List of Divisions where Customer Zone is present and where new approach is operational.
1	CZ	Bhopal
2	CZ	Gwalior
3	ECZ	Bhagalpur
4	ECZ	Jamshedpur
5	ECZ	Muzaffarpur
6	ECZ	Patna
7	EZ	Howrah
8	EZ	KMDO-I
9	EZ	KMDOII
10	EZ	KSDO
11	EZ	Jalpaiguri- Siliguri
12	NZ	Amritsar
13	NZ	Delhi-I
14	NZ	Delhi-II
15	NZ	DELHI-III
16	NZ	Jaipur-I
17	NZ	Jodhpur
18	NZ	Karnal
19	NZ	LUDHIANA
20	SZ	Chennai-1
21	SZ	Coimbatore
22	SZ	Ernakulam
23	SZ	Kottayam
24	SZ	Kozhikode
25	SZ	Madurai
26	SZ	Thirssur
27	SZ	Tirunelveli
28	SZ	Trivendrum
29	WZ	Ahmedabad
30	WZ	Gandhinagar
31	WZ	Mumbai - 3
32	WZ	Mumbai-1
33	WZ	Mumbai-4
34	WZ	Nagpur
35	WZ	Pune 1
36	WZ	Rajkot
37	WZ	Surat
38	WZ	Thane