



LIFE INSURANCE CORPORATION OF INDIA

METRO AREA SERVICE HUB (MASH), 5/8/190, II FLOOR, PISGAH COMPLEX, HOTEL YATRIK COMPOUND, NAMPALLY, HYDERABAD –500 001.
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- ECS mode of payment is one of the alternate channels of premium payment available in LIC since March 2004.
- ECS operations pertaining to all ECS locations of A.P. covering all Divisions in A.P are centralised at **MASH Centre, Hyderabad.**

Advantages to Policyholder

- Well established and involves no extra cost to policyholder.
- No extra effort is required except maintaining sufficient funds in his bank account on the debit date.
- Easy and automatic method of payment.
- Since premium recoveries are automated, policies will be obviously In-force.

Advantages to Corporation

- Being alternate channel of payment ECS mode of payment helps in decongestion of the cash counters.
- Saves on Administrative machinery for collecting the cheques, monitoring realisation and reconciliation.
- Lapsations will be reduced on account of automated premium recoveries.
- Avoids chances of frauds due to fraudulent access to the paper instruments and encashment.
- Realise the payment on a single debit date.
- Batch processing.

Advantages to Agents

- No need to approach the policyholder for collection of premium amount and handing over of Receipt.
- Effort required on accounting the amount collected can be avoided.
- One phone call to policyholder reminding him to keep sufficient balance on the debit date will suffice.
- Commission will be received without any efforts provided policyholder keeps sufficient funds in his account on the debit date.
- At NB stage, at the time of getting the proposal signed, signature on Mandate form for ECS registration also can be obtained simultaneously along with one cancelled cheque and hence no additional effort is required in the matter.
- Single mandate form will suffice for any no. of policies.
- Lapsations will be reduced.

Jobs of proposer/ policyholder for Registering policy under ECS Mode of payment

- To fill up Mandate Form and submit the same at LIC along with a cancelled cheque leaf.
- To obtain attestation and counter sign by his bank officials on the Mandate form, initially.
- To submit Form– C of the Mandate form (Authorisation to Bank) to his bank failing which his banker will not effect premium recovery and the ECS transaction gets dishonoured with the reason “ Mandate not received”.
- To check the bank details after obtaining the Acknowledgment cum authorisation letter from LIC branch in order to avoid dishonours due to wrong data entry of bank details by branch staff.
- To maintain sufficient bank balance in his bank account on every debit date to avoid dishonours.

Jobs of Branch officials for Registering policy under ECS Mode of payment

- To hand over Form-B and Page – 3 i.e., Terms and conditions of ECS payment of Mandate form to the policyholder.
- To advise agent/ policyholder to hand over Form -C at his bank.
- **To enter the bank details data with utmost care so as to avoid ECS dishonours.**
 - Name of the account holder is to be entered in the field “ Name as in Bank “. No field should be left blank or entered wrongly. Branch to take due care while keying-in the Bank A/c particulars. Where bank account No. is more than 15 digits, to refer MASH web page to know which digit of the bank account has to be ignored. Valid codes for A/c type are 10- Savings a/c, 11- Current A/c, 13- cash/ credit. In case of any wrong data entry of the bank particulars, the bank where the policyholder holds a Bank account will not effect the premium recovery and the transaction will be dishonoured with the reason “ Account details does not tally” / “No such Account ”. Further, there are cases where data entry has been done with ECS particulars of other policyholders leading to recovery of premium from a wrong Bank A/c pertaining to a different policyholder.
- To send mail to pcmc.hyderabad@licindia.com in case MICR codes are not available in the MICR master, for inclusion of the same by SDC thru MASH if the MICR is participating in RECS.
- To print acknowledgment cum authorisation letter and hand over the same to policyholder/ agent along with FPR.

Tips to Field force

- To use three page Mandate forms only.
- Utility Code of LIC for all ECS registrations in A.P is 4009056.
- To ensure proper filling of Mandate form by proposer/ Policyholder.
- To obtain a cancelled cheque leaf from proposer/ Policyholder.
- To ensure attestation and counter signature by the Customer's bank official on the Mandate Form.
- To ensure submission of Form -C of Mandate form at policyholder's bank branch.
- To insist branch to issue acknowledgment cum authorisation letter after ECS registration.
- To check the bank details as available in the acknowledgment cum authorisation letter so to avoid data entry mistakes by branch.
- To advise policyholder to keep sufficient funds in his bank account on every debit date.
- Major Dishonor reasons / Remedial action for the same are as under.

<i>Sl. No</i>	<i>Reason for Dishonour</i>	<i>Remedy</i>
1	“Insufficient funds”	Policyholder should be advised to maintain funds in his bank account on every Debit Date
2	“Mandate Not Received by bank”	Form- C of Mandate form should be submitted at policyholder's bank branch
3	“No such account” OR “Bank details does not tally”	To check the bank details available in ECS master and get the bank details corrected at branch thru RFM.

- **To Visit PCMC web page** to view the entire ECS data like Bank details, FUP, Invoiced status and dishonours, if any, with reason for Dishonour. The path is as under
 - **South Central Zonal Office Web site “ Jeevan Bhagya” - on left side links is available – CO**

Links- PCMC- Key-in policy no. on right side space provided for Policy No. and click ECS Enquiry (All Centres) below.

- Dating Back under policies can be opted at branch level at NB stage.
- Change in Debit Date can be opted at branch level at PS Department.

The debit date is calculated automatically on the basis of Date of commencement of the policy as under.

DOC : 1st to 7th – Debit Date: 7th of the same month
DOC : 8th to 15th -- Debit Date: 15th of the same month
DOC : 16th to 31st — Debit Date: 28th of the same month

However, Policyholder can avail the benefit of days of grace and opt to fix any of the three regular Debit dates i.e., 7th, 15th and 28th in case these dates fall within grace period from DOC. Eg.: For a policy with DOC 28/9/2009 under ECS Yly mode, the automated Debit date will be 28th Sep every year. However, the policyholder can opt for 7th, 15th and 28th Oct as the new Debit Date as all these dates fall within grace period.

- Any query that remains unattended may be posted to the mail id pcmc.hyderabad@licindia.com.

Manager (MASH)