

KDN-979
14/07/15

**EXAMPLE CALCULATION OF PREMIUM FOR TOP-UP
(COMPARISON OF LAST YEAR'S SCHEME AND NEW PACKAGE)**
(as received from National Insurance Company)

Premium calculation for top up coverage by both ways is as under:

E.g Family of self 46 years, spouse 42 yrs, children 22 yrs and 16 yrs and parents 65 & 60 years. If member opts for additional coverage of Rs.300,000/- over and above Rs.200,000/- provided by IIT Delhi, Premium shall be as under :

EXISTING TOP UP COVERAGE CALCULATION (like last year)

SELF	46 YRS	3004X6	18024	(300000/50000)
SPOUSE	42 YRS	178X6	1068	(300000/50000)
CHILD 1	22 YRS	119X6	714	(300000/50000)
CHILD 2	16 YRS	104X6	624	(300000/50000)
FATHER	65 YRS	397X6	2382	(300000/50000)
MOTHER	60 YRS	397X6	2382	(300000/50000)
		TOTAL TOP UP PAYABLE	25194/-	

PL add 14% service tax on top up premium i.e $25194 \times 14\% = 3527/-$

Hence in the above sited example final amount payable would be RS $25194 + 3527 = 28721/-$

Revised New top up premium calculation for the same family are as under: (as per the new package offered by NIC)

Premium on highest age person in the family (300000/100000) $4500 \times 3 = 13500/-$
premium for additional 5 members of the family (300000/100000) $450 \times 3 \times 5 = 6750/-$

Total premium payable for top up coverage of additional 3 lacs $20250/-$

Pl add 14% service tax on top up premium i.e $20250 \times 14\% = 2835/-$
Hence total premium payable would be RS $20250 + 2835 = \text{Rs.}23085/-$

(The premium rate will be applied based on the highest age person in the family.)

Pl note that this revised top up scheme will be applicable if minimum optee for top up coverage would be more than 5% of the total families covered under the policy for the policy for the year 2015-2016.


14/7/15
Anil (S), Comr