

## **GUIDELINES FOR IMPLEMENTATION OF REVISED GROUP INSURANCE SCHEME FOR POWERLOOM WORKERS.**

### **INTRODUCTION:**

The Government of India had introduced the Group Insurance Scheme for Powerloom Weavers from 1<sup>st</sup> July, 2003 which is a combination of Janshree Bima Yojana (JBY) and Add-on Group Insurance Scheme (AGIS). This scheme is being implemented in collaboration with the Life Insurance Corporation of India.

It is proposed to continue insurance scheme during XI Plan period with certain modifications by merging JBY and AGIS. The revised Group Insurance Scheme for Powerloom weavers will commence w.e.f. 1<sup>st</sup> January 2008. The scheme will be known as Group Insurance Scheme for Powerloom Weavers.

### **OBJECTIVE:**

The basic objective of this scheme is to provide enhanced insurance cover to the powerloom weavers in the case of natural death, accidental death as well as partial and permanent disability due to accident.

### **ELIGIBILITY:**

1. The Powerloom weavers who are aged between 18 to 59 years of age group and below the poverty line (BPL) or marginally higher than the BPL shall be eligible for coverage.
2. The scheme is applicable to the families of powerloom workers engaged in the activity of weaving on powerlooms and in allied pre-weaving/preparatory activities like twisting, winding, warping and sizing. Self employed weaver families owning not more than 4 looms will also be eligible.
3. Family for the purpose of the scheme shall be the beneficiary and his/her spouse and only one of them shall be eligible for coverage.
4. The beneficiary will give a self-declaration that the family is below the poverty line (BPL) *or* marginally above the poverty line.

5. The scheme is operational on yearly basis i.e. the premium paid will cover the applicant under this insurance scheme for one year. He can continue the insurance every year by paying aforesaid premium up to the age of 59 years.

**SALIENT FEATURES OF THE SCHEME:**

The present GIS scheme will have only one component and the benefits and the premium under the scheme will be as under.

**BENEFITS:**

(A) In the event of death of the member, Sum Assured of Rs.60,000 will become payable, to the nominee.

(B) In the event of death by accident or Partial/Total Permanent Disability due to accident, the following benefit shall be payable:

(i)	On death due to accident	Rs.1,50,000/-
(ii)	Permanent total disability due to accident	Rs.1, 50,000/-
(iii)	Permanent partial disability due to accident	Rs.75, 000/-

**ADDITIONAL BENEFITS**

In addition to above a worker enrolled under this scheme will also be entitled for educational grant of RS. 600/- per child per Half year for two children studying in IXth Standard to XIIth standard for a maximum period of 4 years under Shiksha Sahayog Yojana (SSY).

If a student fails and is detained in the same standard, he will not be eligible for scholarship for the next year in the same standard.

If the premium under this scheme is not paid on annual renewal date in such case, the child shall not be eligible for scholarship.

The final selection for the scholarship shall be based on the criteria of poorest of the poor, as the number of scholarships is limited.

The member of the scheme whose child is eligible for scholarship shall fill up an application form (available with the nodal agency) and submit to the nodal agency. The applications duly filled up and certified will be sent along with the list of beneficiary students by the nodal agency to the concerned LIC (P&GS) Unit for disbursement of scholarship under “Shiksha Sahayog Yojana”. The scholarship will be disbursed to the beneficiary students through the concerned agency.

LIC will send the Account Payee Cheque in the name of the nodal agency along with list of beneficiary students who will pass on the scholarship to eligible students. Nodal agency has to maintain records and submit certificate of utilization periodically to LIC (P&GS) Unit.

**PREMIUM:**

The annual premium of Rs.330/- per member will be shared as under:

GOI contribution	Rs.150/-
Weavers' contribution	Rs. 80/-
Contribution from social security fund	Rs.100/-
<b>Total premium</b>	<b>Rs.330/-</b>

**OPERATIONAL MODALITIES:**

1. The scheme will be jointly implemented by the Office of TXC and the LIC of India.
2. The 8 Regional Offices (RO) of TXC shall be the nodal agencies for implementation of this scheme except in case of the state of Karnataka, where the nodal agency will be KSPDC, Bangalore. Their responsibilities include sensitizing the powerloom workers about the benefits of the

scheme, enrolling as many powerloom workers as possible under the scheme and facilitating them in filling the applications.

3. The Nodal Agencies will mobilize the powerloom workers for becoming members of this scheme through the respective Powerloom Service Centres (PSCs) covering major powerloom clusters.
4. A prospective beneficiary shall be required to fill up an application-cum-nomination form and submit the same to the nodal agency along with his share of the premium. The format of the application form shall be made available to the nodal agencies by the LIC. There shall be no requirement of any Photo-Identity card or any documentary proof of age. No medical certificate is required and self-certification would be sufficient for the purpose.
5. The PSCs would enroll the powerloom workers as members under the scheme, collect their premium and send the applications along with premium to the respective RO by 25<sup>th</sup> of each month, the premium amount should be sent to the RO in the form of demand draft drawn in favour of LIC and payable at the location of the concerned jurisdictional LIC office. The ROs and KSPDC as the case may be on receipt of the details and the premium will compile the applications received from workers as one Group, along with the amount of premium received from beneficiary and submit it to the concerned Regional Office of the LIC by the last working day of the month. Apart from the PSCs, the RO can also collect the premium directly from the Powerloom workers.
6. These nodal agencies would be given the responsibility and accountability to ensure that the contribution of workers and employers reach in time so that they are not deprived of the insurance benefits of the scheme as well as for ensuring that workers are not inconvenienced in en-cashing their claim.

7. On receipt of the list of beneficiaries along with the applications and the equivalent premium amount, the LIC would issue the policy from the 1<sup>st</sup> day of the following calendar month.
8. The premium once paid shall not be refunded.
9. In the event of non-payment of the insurance premium for the next year by the beneficiary, the insurance cover shall automatically cease. The beneficiary will however be free to rejoin the scheme thereafter payment of required premium.
10. In case a powerloom worker changes his employment during the period of insurance from one unit to another, he, as the beneficiary of the scheme, shall furnish intimation to the nodal agency.
11. On receipt of funds from the Government, towards its share of premium, the TXC would release the fund to the concerned Regional office of LIC, based on the number of workers enrolled during each month in the concerned region. The claim, if any from the beneficiary, would be settled by the LIC only after receipt of government share of premium.
12. The above arrangements in effect, amount to each RO having maximum of 12 groups in one year and the LIC would issue a Master Policy for each group i.e. a maximum of 12 policies in a year to a RO. Thus, in the country, there would be maximum of 108 Master Policies in a year (8 ROs + KSPDC) x 12 policies.
13. A certain amount would be earmarked for the purpose of publicity and administrative expenses of the scheme.

**CLAIM PROCEDURE:**

In case of death or disability, nominee/ beneficiary concerned shall submit his/ her claim to the LIC through the Nodal Agency with required documentary evidence such as death certificate/ post-mortem examination report/ medical

certificate/ discharge certificate and other related documents, as applicable. The nodal agency will arrange to forward the same along with the claim papers to LIC i.e.; the Branch which has originally finalized the insurance cover. LIC will settle the claims by sending A/c Payee Cheque directly to the beneficiary; however, intimation to this effect has to be furnished to the nodal agency concerned.

**MONITORING AND EVALUATION:**

Monitoring and evaluation of the progress of the Scheme will be done by Textile Commissioner who will send a monthly physical and financial progress reports to the Ministry of Textiles.

On introduction of this scheme the earlier Group Insurance Scheme for powerloom workers (JBY & AGIS) stands discontinued and no proposal for further renewal under the scheme will be considered. However, those who are already enrolled will continue to be covered till the completion of one year from the date of enrolment.

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