

Insurance

A Landmark in Social Welfare Inauguration of Employees' Insurance in Greater Bombay

(Contributed)

THE Employees' State Insurance Corporation will inaugurate its health insurance scheme in Greater Bombay on "Mahatma Gandhi's birthday, i.e., October 2, 1954. This will be a big strige for the Corporation to take, because out of an estimated total of 25 lakhs of insurable industrial employees in the whole of India, Greater Bombay alone claims 4½ lakhs, i.e., more than one-sixth of the total. The scheme has so far been introduced in Delhi, Kanpur, seven cities in Punjab and Nagpur, covering about 2 lakhs of employees. What a difference the inclusion of Bombay will make to the operation of the scheme can be seen from the figures cited above.

The area selected for implementation on October 2 extends a little beyond Greater Bombay upto Borivli on Western Railway and Ambarnath on Central Railway. It has been found that many workers residing in Greater Bombay work in factories outside its limits and *vice versa*. It was, therefore, decided to extend the scheme beyond Greater Bombay to cover such workers. It will, however, be necessary to clearly define the area of implementation.

The Employees' State Insurance Act covers all non-seasonal factories which employ 20 or more persons and carry on manufacturing process with the aid of power. All employees in these factories who are in receipt of a monthly remuneration of Rs 400 or less are brought under the scope of the Act. In Greater Bombay, there are about 1,600 factories, employing nearly 4,50,000 workers, which would be covered by the insurance scheme.

The scheme provides for insurance against three risks—sickness, maternity and employment injury. The last two risks are at present covered by two statutory enactments—the Maternity Benefit Act and the Workmen's Compensation Act. These two Acts, however, provide only for cash compensation. Besides, as the liability of payment is only on the employer, it has been found difficult to enforce the legislation adequately, because of indifference or opposition from the

employers. The Employees' State Insurance Act turns the statutory liability into statutory insurance, whereby the Corporation takes over from the employers payment of cash compensation in case of maternity and employment injury.

In case of all the three risks, both cash compensation and medical treatment are necessary. In each of these cases, the employee cannot go to work and thus loses his (or her) earnings; at the same time, he (or she) needs medical treatment to recover from incapacity. The Employees' State Insurance Scheme thus provides for: (i) medical benefit; (ii) sickness cash benefit; (iii) maternity cash benefit; (iv) disablement cash benefit (to employees disabled by employment injury); and (v) dependents' cash benefit (to dependents of an employee who dies from employment injury).

Medical benefit consists of medical consultation, medicines, drugs and dressings, domiciliary visits and hospitalisation, where necessary, and radiological and pathological services. In case of employment injury, arrangements for emergency treatment have to be made and an ambulance is also provided to carry the patient. Where specialist's advice or services are required, these will also be provided. Insured women will, in addition, receive necessary pre-natal and post-natal maternity care in case of confinement.

Medical benefit can be given either through the Service System or through the Panel System. Under the former, special dispensaries with full time paid doctors are set up by the Corporation and/or State Government, where the insured employee can go for medical treatment. In Bombay, the Panel System is being adopted, mainly because of the shortage of accommodation. Under this system, medical practitioners practising in the City have been invited to work on the panel of doctors. An advertisement for this purpose was published in local papers in the second week of July and the response appears to have been encouraging. The applications will be soon scrutinised by an Allocation Committee to ensure that the medical

practitioners included on the panel test satisfy the necessary conditions and will be able to render medical service of the standard laid down by the Corporation. Every insured employee will be free to choose his own doctor from the list of panel practitioners. For each employee, the panel doctor will receive Rs 6-8 per year and within this amount he is expected to give ordinary medicines like mixtures and pay visits to a patient at his residence, if the latter is unable to go to the doctor. Costly medicines will be supplied to the patient on doctor's certificate, while serious cases can be sent to the hospital. Arrangements are in hand to set up a 300 bed hospital (Mahatma Gandhi Memorial Hospital) at Pare! at a cost of Rs 54 lakhs.

Sickness cash benefit at the rate



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taught by another's
suffering to avoid thy
own."*

Tibullus.

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of roughly half the wages is payable for 56 days in a year to an employee during sickness when duly certified by a State Insurance Medical Practitioner. Maternity cash benefit is payable to an insured woman employee in case of confinement for 12 weeks at 12 annas per day or half her average wage, whichever is higher. Disablement benefit is payable for temporary or permanent disablement resulting from an employment injury. Temporary disablement benefit is payable at roughly 50 per cent of the wages for as long as the temporary disablement lasts, while the permanent disablement benefit will be payable in the form of a life pension, at the rate depending upon the degree of permanent disablement. In case of death due to employment injury, the dependants of the deceased, *ie*, wife and children and in their absence, the aged parents would be entitled to dependants' cash benefit. The benefit to wife is payable for life or till she remarries and to the children till the age of 15 years or 18 years if they are receiving edu-

cation. The wife is entitled to 3/5ths of the rate of disablement benefit and the child is entitled to 2/5ths of such rate.

The funds for the scheme are mainly derived from the contributions paid by employers and employees. In addition, the Central Government has agreed to contribute 2/3rds of the administrative costs. The State Government, which will administer the medical side of the scheme, has agreed to bear 1/4th of the medical costs.

It is desirable that the insured employee should get both the medical and the cash benefit as near his residence as possible. In case of medical benefit, it is expected that he will normally choose the doctor near his residence. To enable him to get the cash benefit near his home, the regional office of the Corporation is setting up 24 local offices in the residential areas of industrial workers. The employee can go to the doctor, get the medical certificate and fill up the claims form, which is to be handed over to the local office. The local office will then pay the cash benefits

either directly to the employee or send it by money order in case it is not possible for the employee to attend the local office.

The actual administration of the scheme in Bombay will be entrusted to the Regional Board which will soon be set up. The Chairman of this Board will be the Labour Minister of Bombay and the representatives of the State Government, employers, employees and the medical profession will participate in the administration of the scheme. For administration in industrial centres, local committees may also be set up.

The Employees' State Insurance Scheme is the first important step on the path of social security and it is hoped that it will pave the way for other social security measures, such as, old age pensions, unemployment insurance and comprehensive national health organisation. The implementation of the scheme in Greater Bombay, therefore, is going to be an important landmark in the direction of social welfare for it will be the predecessor of more comprehensive welfare measures for industrial workers.

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