

No. 1/2/2010-DCH/Project-I
Government of India
Ministry of Textiles
Office of the Development Commissioner for Handlooms

Udyog Bhavan, New Delhi
Dated: December, 2010.

To

1. Secretary In-charge of Handlooms of all States/ UTs.
2. Commissioner / Director In-charge of Handlooms of All States / UTs.
3. Director – ICICI Lombard General Insurance Company Ltd, Mumbai.

Sub: **GUIDELINES FOR “HEALTH INSURANCE SCHEME”
FOR HANDLOOM WEAVERS (2010-11 & 2011-12)**

Sir / Madam,

The Health Insurance scheme for Handloom Weavers (in the revised form) will be implemented during 2010-11 & 2011-12 to enroll 16 lakh weavers in 692 clusters all over India, **Zone-I** (in the States of (Kerala, Karnataka, Puducherry, Tamilnadu, Andhra Pradesh, Orissa, Bihar, Chhatisgarh, Uttar Pradesh, Gujarat, Madhya Pradesh, Maharashtra, Rajasthan) and **Zone-II** (in the States of Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh, Haryana, J& K, Jharkhand, Uttarakhand, West Bengal). The details of the weavers to be enrolled in each State and the Clusters of each State are available on the website namely **www.handlooms.nic.in**.

The revised rates of premium are as follows :

Zone-I (317 Clusters)		Zone-II (375 Clusters)	
<u>Govt. of India Share</u>		<u>Govt. of India Share</u>	
Premium	- Rs.681.60	Premium	- Rs. 559.20
Service Tax	- Rs.87.76	Service Tax	- Rs.71.99
Total	- Rs. 769.36	Total	- Rs. 631.19
*Weaver/State Govt. contribution		*Weaver/State Govt. contribution	
	- Rs.170.40		- Rs.139.80
<u>Total Premium</u>	- <u>Rs.939.76</u>	<u>Total Premium</u>	- <u>Rs.770.99</u>
	(i.e.Rs.852.00 + 87.76)		((i.e.Rs.699.00 + 71.99)

* The minimum contribution by weaver should be Rs.50/- even in cases where the State Govts. are making contribution on his behalf.

The revised Guidelines are enclosed herewith for further suitable action at your end.

Enclosed: As above.

Yours faithfully,

(R N Choubey)
Development Commissioner (Handlooms)

Copy to:-

1. Planning Commission (VSE), Yojana Bhavan, New Delhi
2. I.F. Wing, Ministry of Textiles, Udyog Bhavan, New Delhi.
3. Pay & Accounts Office (Textiles) Udyog Bhavan, New Delhi.
4. All ADCs/ DDC/DD, O/o D.C. Handlooms, Udyog Bhavan, New Delhi
5. All Weavers Service Centres / Indian Institutes of Handloom Technology (WSCs/IIHTs).
6. ICICI Lombard, Zonal Head, Narain Manzil, 3rd floor, 23, Barakhamba Road, New Delhi – 110001.
7. NIC for posting the guidelines on the Handloom website **www.handlooms.nic.in**

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Udyog Bhavan, New Delhi
Dated: December, 2010.

To

4. Secretary In-charge of Handlooms of all States/ UTs.
5. Commissioner / Director In-charge of Handlooms of All States / UTs.
6. Director – ICICI Lombard General Insurance Company Ltd, Mumbai.

CORRIGENDUM

Sub: **GUIDELINES FOR “HEALTH INSURANCE SCHEME”
FOR HANDLOOM WEAVERS (2010-11 & 2011-12)**

Sir / Madam,

In supersession to this office letter of even number dated 7th December, 2010 on the subject cited above. The rates quoted towards Weaver/ State Govt.’s Share of contribution **for Zone-I States may be read as Rs.170.40 instead of Rs.170.00.** The other things will remain unchanged.

Yours faithfully,

(Meenu S Kumar)
Chief Enforcement Officer

Copy to:-

1. Planning Commission (VSE), Yojana Bhavan, New Delhi
2. I.F. Wing, Ministry of Textiles, Udyog Bhavan, New Delhi.
3. Pay & Accounts Office (Textiles) Udyog Bhavan, New Delhi.
4. All ADCs/ DDC/DD, O/o D.C. Handlooms, Udyog Bhavan, New Delhi
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6. ICICI Lombard, Zonal Head, Narain Manzil, 3rd floor, 23, Barakhamba Road, New Delhi – 110001.
7. NIC for posting the guidelines on the Handloom website www.handlooms.nic.in

(Annexure-'A')

No.1/2/2010-DCH/Proj.I
Government of India
Ministry of Textiles
Office of the Development Commissioner for Handlooms

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Udyog Bhawan, New Delhi
Dated: November, 2010

SCHEDULE - I

Sub : Terms & Conditions for Health Insurance Scheme (2010-11 and 2011-12).

During the 11th Plan, the Health Insurance Scheme is a component of the Handloom Weavers Comprehensive Welfare Scheme. Under the Health Insurance Scheme, 17.74 lakh weavers/ancillary workers have been covered during 2007-08, 18.78 lakh weavers/ancillary workers have been covered during 2008-09 and more than 16 lakh weavers/ancillary workers in 2009-10.

1. INTRODUCTION :

- (i) The Health Insurance Scheme is proposed to be continued for two years of enrollments from **30th November, 2010 to 29th November, 2012** (enrollments beyond 31.03.12 shall be subject to further approval of the scheme during 12th Plan) for enrolling/re-enrolling handloom weavers and other ancillary handloom workers and their families and providing them with an annual health insurance cover for one year at a time from the date of such enrollments. During these two years, it is proposed to cover about 16 lakh handloom weavers and ancillary workers under the scheme in each one year period. (The final number will be confirmed only on finalization of the premium rates).
- (ii) Health insurance cover is to be extended to these handloom weavers and other ancillary handloom workers and their families through this scheme where 80% of the premium shall be borne by the Central Government and the balance 20% by the weavers and/or

State Governments. Service Tax, as applicable, over the entire 100% annual insurance premium, will be borne by Government of India. The TPA charges (not exceeding 5% of the premium) shall be part and parcel of the premium amount to be quoted.

- (iii) Two insurance companies shall be selected and shall enter into a contract with the Development Commissioner (Handlooms) (hereafter referred to as DCHL) for implementation of the scheme in one Zone each, by dividing the States of the Country into two non-overlapping Zones (as per Annexure-'B'). Each insurance company shall be awarded the contract at the lowest rate of premium offered by it (being the L1 bidder) for that Zone.
- (iv) Further, where two Insurance Companies are implementing the scheme in the two allotted Zones and if it is found at any time after the signing of the contract or during the implementation of the scheme during the said period of 24 months that either of the selected Insurance Companies has failed to meet the requirements of the contract satisfactorily, then that Insurance Company's contract shall be liable to be cancelled or modified partly or fully after giving due opportunity.
- (v) In such a case, DCHL shall have the right to offer the responsibility for implementing this scheme to the second remaining Insurance Company in the whole or part of the Zone allotted to the defaulting Insurance Company at the same rate of premium at which the defaulting Insurance Company was implementing the scheme.
- (vi) With this background, technical and financial bids were invited from all insurance companies dealing with health insurance and licensed by Insurance Regulatory and Development Authority (IRDA) for implementation of the Health Insurance Scheme for handloom weavers and other ancillary handloom workers and their families.
- (vii) If the selected Insurance Company fails to utilize at least 70% of the total accrued premium received from the Central Government, State Governments and the beneficiaries towards actual pay-outs for claims settlement and TPA charges (the latter not exceeding 5% of the claims settlement) on expiry of all the health insurance coverage for the beneficiaries enrolled/re-enrolled in the second year, then the difference between the actual pay-out for claims settlement and TPA charges on one hand, and 70% of total accrued premium on the other, shall be refunded by the Insurance Company within four months of the expiry of all the health insurance coverages for the enrolled beneficiaries.

The main features of the scheme are as follows:-

OBJECTIVE OF THE SCHEME :

The Health Insurance Scheme aims at financially enabling the weaver community to access the best of healthcare facilities in the country. The scheme is to cover not only the weaver but his wife and two children and to cover all pre-existing diseases with substantial provision for OPD.

The funding pattern would be as follows:

<u>ZONE -I*</u>	
Contribution by the Government of India	` <u>769.36</u> (`681.60/- plus Service Tax ` 87.76/- on the entire amount of premium)
Contribution by the Handloom Weaver/ State Government	` <u>170.40/-</u>
Total Premium plus Service Tax	` 852.00/- + 87.76/- = ` <u>939.76/-</u>

* **Kerala, Karnataka, Puducherry, Tamilnadu, Andhra Pradesh, Orissa, Bihar, Chhatisgarh, Uttar Pradesh, Gujarat, Madhya Pradesh, Maharashtra and Rajasthan**

ELIGIBILITY OF BENEFICIARIES :

- 1.1 All Handloom weavers whether male or female, are eligible to be covered under the "Health Insurance Scheme". The scheme will cover the weaver's family of four i.e. self, spouse and upto two unmarried children. The scheme is to cover persons between the age group of 01 day to 80 years. In all, only upto four members in a family must be covered to avail the benefits under this scheme. In no case, wife/husband of same family or their unmarried children shall be given separate cards and only one card shall be issued for an eligible beneficiary's family covering upto four persons.
- 1.2 The ancillary handloom workers i.e. those who are engaged in warping, winding, dyeing, printing, finishing, sizing, Jhala making and Jacquard cutting, are also eligible to be covered in the same manner as in para above.
- 1.3 The handloom weaver/ancillary handloom worker i.e. the beneficiary shall only be from the Census list or from those already enrolled under HIS during the period Oct, 2009 to Oct,

2010, provided they are found to be genuine handloom weavers and genuine ancillary handloom workers during the enumeration process by the Insurance Company.

2. **BENEFITS**

Eligible benefits and insurance cover shall be as follows for a period of one year at a time from the date of commencement of the insurance cover, extendable for a further period of one more year subject to realization of premium amount and consequential re-enrollment in the second year of the contract period:

(Amount in `.)

Annual Limit per family (upto 1+3 members)	15,000/-
Sub Limits per Family:	
All pre-existing Diseases + New Diseases	15,000/-
Maternity Benefits (per child for the first two)	2,500/-
Dental treatment	250/-
Eye treatment	75/-
Spectacles	250/-
Domiciliary Hospitalization	4,000/-
Ayurvedic/ Unani/ Homeopathic/ Siddha	4,000/-
Hospitalization (Pre & Post Hospitalization)	15,000/-
Baby coverage	500/-
OPD	7,500/-
Limit per illness	7,500/-

Exclusions: Corrective cosmetic surgery or treatment, HIV, AIDS, Sterility, Venereal diseases, Intentional self-injury, use of intoxicating drug or alcohol, War, Riot, Strike, Terrorism acts & nuclear risks.

3. **OTHER CONDITIONS**

- 3.1 (i) DCHL is implementing various other handloom development Schemes in many clusters in the country. The State-wise list of 692 clusters (317 Clusters in Zone-I and 375 Clusters in Zone-II) is available at the website namely www.handlooms.nic.in. In order to ensure that insurance benefits reach the handloom weavers and other ancillary handloom workers and their families located in these clusters, the successful Insurance Companies are required to have their infrastructure and presence in the form of a Cluster

Coordinator to be nominated either through their own offices/representatives or through TPAs (only those TPAs licensed by IRDA) for servicing the beneficiaries in at least three-fourths of the handloom clusters located within each State in the Zone, within a period of three months from date of signing of contract.

The Insurance Companies shall furnish a list containing the details of names, addresses and contact numbers of the Cluster Coordinators from their own offices/representatives or from that of their IRDA licensed TPAs physically located in the clusters in each Zone. In any case, the successful Insurance Company will have to complete within three months of signing the contract, the establishment of their infrastructure and presence in the form of Cluster Coordinators either through their own offices/representatives or through IRDA licensed TPAs in at least three-fourths of the handloom clusters located within each State in the allotted Zone and to furnish a list to D.C. Handlooms containing the details of names, addresses and contact numbers of the Cluster Coordinators from their own offices/representatives or that of their TPAs physically located in the clusters in the allotted Zone. Any change in the names, addresses, contact number of the Cluster Coordinators should be informed to DCHL's office within 15 days of such change.

(ii) In case there is shortfall in meeting this requirement within three months of signing the contract, then the insurance company shall be required to explain the reasons for the shortfall. If the reasons for the shortfall are not found satisfactory by DC(HL) in respect of any of the uncovered clusters within the target set at three - fourths of the total number of clusters, then the Insurance Company shall be liable through an order, to a penalty at the rate of `500/- per day per cluster which remains uncovered within the said target from the date of such order upto the dates of nomination of Cluster Coordinators for individual clusters. Continued failure beyond six months from the date of signing the contract may result in cancellation/modification of the contract after giving due opportunity. In case of cancellation/modification of the contract, the Insurance Company may further be penalized by DC(HL) with a fine of upto `1 crore.

3.2 (a) Further, within four months from the date of signing the contract for providing health insurance, the successful insurance company shall establish tie-up with hospitals, nursing homes, clinics or dispensaries in 90% of the handloom clusters in each State of his allotted Zone for cashless OPD/IPD facilities. The insurance company shall furnish a compliance report consisting of the list to DCHL before the expiry of the said period of four months indicating the date of commencement of tie up with each such hospital, nursing home, clinic or dispensary together with their names, addresses and contact numbers. Such tie

up should be backed by written letters or written agreements which need not be submitted along with compliance report but which can be asked for by DCHL at any time.

(b) In case of failure to cover 90% of the clusters as above within the stipulated period of four months, the insurance company(s) shall be required to explain the reasons for the shortfall. If the reasons for the shortfall are not found satisfactory by DC(HL) in respect of any of the uncovered clusters within the target set of 90% of the total number of clusters, then the Insurance Company shall be liable through an order, to a penalty at the rate of `500/- per day per cluster which remains uncovered within the said target from the date of such order upto the dates of tie up of cashless facility for individual clusters. Continued failure beyond six months from the date of signing of contract may result in cancellation/modification of the contract after giving due opportunity. In case of cancellation/modification of the contract, the Insurance Company may further be penalized by DC(HL) with a fine of upto `1 crore.

4. OPERATIONAL MODALITIES

4.1 The contract with the Insurance Companies will require them to:-

- (i) to complete, within three months, the establishment of their infrastructure and presence by nominating Cluster Coordinators either through their own offices/representatives or through TPAs in at least three-fourths of the handloom clusters located in each State within the allotted area of operation and to furnish a list containing the details of names, addresses and contact numbers of their Cluster Coordinators nominated from their own offices/representatives or from their TPAs' and who should be physically located in the clusters in the allotted area of operation;
- (ii) To establish, within four months, tie-up with and empanelment of hospitals, nursing homes, clinics or dispensaries in ninety percent of the handloom clusters in each State of his allotted area of operation for cashless OPD/IPD facilities; and
- (iii) To commence the process of identification and enumeration of beneficiaries through the State Governments which will be a continuous and on-going process.

Release of Funds

- (iv) The 1st installment of 30% of Government of India's share which is 80% of the Total annual premium*, including the entire Service Tax on the corresponding insurance premium of Central Government, beneficiaries and the State Governments, shall be

released as advance immediately after signing of the contract. The TPA charges, already included within the premium amount, shall not exceed an upper limit of 5% of amounts paid by way of claims settlement.

[*Total annual premium is defined as lowest rate quoted by L1 bidder for the Zone multiplied by the final target number of beneficiaries to be enrolled in each of the two policy periods during the period November, 2010 to November, 2011.]

- (v) The insurance company shall also collect, in full, the balance share of the premium (i.e. 20% of the total annual premium per beneficiary) from the beneficiary and/or of the State Government concerned, as the case may in that State.

Wherever the beneficiary pays his share of premium directly to the Insurance Company, possession of an account with a Bank/Post Office and payment of premium through cheque/postal order/pay order will be mandatory. The clearing charges, commission charges etc. of these will be borne by the beneficiary himself. In all other cases, where the State Government pays the beneficiary's share from its own fund or by collecting it from the beneficiary, this requirement will be optional.

- (vi) Enrollment of new beneficiaries and re- (wherever due) [as defined in Para 4.2(i) ahead], corresponding to the total premium amount received by the Insurance Company as mentioned in sub-para (iv & v) above, shall be completed by the Insurance Company preferably within four months of receiving the Government of India share. The health card issued to the beneficiaries at the time of enrollment (after obtaining his acknowledgement) shall indicate the prospective date from which the health cover shall commence and this card shall be valid for a period of one year only. Subject to continued eligibility of the beneficiary enrolled in the 1st year, payment of his/her share of premium and that by the State Govt. concerned, and upon the expiry of the insurance cover as mentioned on the health card, the insurance cover shall be renewed in the subsequent policy period i.e. November, 2011 onwards.

- (vii) The further releases of the Central Government's share of premium, together with the Service Tax on the total premium including State Government/weaver's share, will be made to the Insurance Company directly as advance in installments, for further enrollment and coverage of weavers etc. under the scheme in the first year. However, for release of each such subsequent installment of premium for beneficiaries enrolled under the scheme during the first year of enrollment (including renewals) from 30th November, 2010 to 29th November, 2011, and during the second year of enrollment from 30th November, 2011 to

29th November, 2012, the Insurance Company shall furnish the following documents and records:

- (a) It would be desirable, though not compulsory, for the insurance company to obtain a one-time letter from each State Government confirming to pay their part of the premium for both years, if that Government has so decided, to the Insurance Company.
- (b) A Utilization Certificate from the Insurance Company, countersigned by the office of the Director/Commissioner of Handlooms of the State Government, indicating the cumulative number of the health cards, corresponding to the cumulative premium released till then as advance (as provided in sub-para (d) ahead) to them by the Central Government, that have been distributed jointly by the Insurance Company and the State Government concerned and have reached the enrolled beneficiaries identified by the State Government. Along with the Utilization Certificate, a cumulative list of all such beneficiaries shall be furnished in the form of a "read only" CD (three such identical sets of CDs) and each CD shall also carry the signature of the authorized signatory of the Insurance Company as well as of the office of the Director/Commissioner of Handlooms of the State Government. This list shall contain the following details: the names and complete addresses of the beneficiaries, the unique number of the health card allotted to them; beneficiaries' Bank/Post Office Savings Account details; date of handing over the cards to the beneficiaries; the prospective date of commencement of insurance cover as printed on the health card, whether it is a case of renewal or a new beneficiary and amount of premium collected from each beneficiary. It shall be solely the responsibility of the Insurance Company to ensure that there are no repetitions or duplications of the beneficiaries in the list. The CD should contain cumulative list of all the duly enrolled beneficiaries (refer to para **4.2 (i)** and "Note" there under) to whom health insurance cards have been delivered under acknowledgement and who have been effectively brought under the insurance cover till then, such that the cumulative number of these beneficiaries accounts for the total cumulative premium already paid by Government of India till then as provided in sub-para (d) ahead. These CDs and the data therein shall be the property of the DC(HL) who will have the unfettered right to put the data, or part thereof, in the public domain in any manner whatsoever.
- (c) All these State-wise Utilization certificates will be accompanied by a covering letter from the Insurance Company, indicating the amount of premium collected from the

- beneficiaries and State Govt. towards 20% share of the annual premium, such that it fully corresponds to the 80% share of annual premium released by Govt. of India till then.
- (d) On submission of Utilization Certificates and related information as above the next installment of Govt. of India's share of premium advance will be released. The total annual share of Govt. of India will be released in three installments towards enrollments in the first year (i.e. corresponding to the enrollments from November, 2010 to November, 2011), viz. 30%, 40% & 30%. The insurance company will be entitled to submit the Utilization certificate after utilizing 66% of the immediately previous installment released as well as 100% of the earlier installments, as has been done in the previous years. Any unutilized balance of the advance, for which enrollments could not be completed before November, 2011, will be automatically carried forward to the second year. This process will be continued till the last installment of advance premium for the first year is released by DCHL which are then accounted for by the beneficiaries to whom the health cards have been issued upto 29th November, 2011 and insurance cover commenced before that date (not exceeding the target number for each State and each Zone and not exceeding 16 lakh for the country as a whole).
- (e) The Insurance Company will finally be required to confirm at the end of each policy period that it has ensured 80% renewal and enrollment of last year's beneficiaries as required by Para 4.9 ahead, subject to beneficiary's share of premium being received. However, in the case of renewal of beneficiaries, the Insurance Company will strive to ensure that the new insurance policy cover and the new health card take effect only from the date on which the previous insurance policy cover under this scheme expires, provided that the beneficiaries' share of premium is received in time.
- (f) The Insurance Company will attempt to ensure full enrollment of beneficiaries (new and renewals both), if not done already, corresponding to releases of installments of advance premium within four months of the receipt of the premium installment.
- (g) In the second year of enrollments commencing from 30th November, 2011, the unutilized portion of premium released towards enrollments of first year shall be carried forward to the second year. The insurance company shall furnish the utilization certificate containing the list of beneficiaries enrolled in this policy period along with the Statement/details regarding collection of the second year's premium share from each such beneficiary and the State Governments concerned. This list shall be furnished in the form of "read only" CDs and these CDs (three sets) containing the

- same details as given in Para 4.1 (vii) (b) shall also carry the signature of the authorized signatory of the Insurance Company as well as the signature of the competent authority in the Office of the State Director/Commissioner in Charge of Handlooms.
- (h) On receiving the above cited utilization certificates, DCHL will forthwith release next installment of its share of premium, along with Service Tax for the full amount of premium including State/beneficiary's share. However, any minor administrative delay on the part of DCHL in releasing its share of premium shall not be a reason to deny the insurance cover to the existing beneficiaries if they have paid their share of premium.
- (i) It is clarified, however, that the first installment of the premium for the second year of policy period to be released by DCHL will also require, the Utilization Certificate for the last installment of the first policy period's share of premium. The utilization certificate shall be furnished by the Insurance Company within 45 days of the last date of the first policy period's enrollments, so that the release of installments of advance of premium for the second year is not unduly delayed, after adjusting the unutilized amount of the first year's premium amount. Any extension in the time limit will be granted at the sole discretion of DC(HL).
- (j) The premium advance of Govt. of India's share will be released in four installments of 30%, 30%, 30% and 10% for the enrollments in the second year. The Insurance Company will be entitled to submit the Utilization certificate after utilizing 66% of the immediately previous installment released as well as 100% of the earlier installments, as has been done in the previous years.
- (k) While the Central Government's share of premium would continue to be released by DCHL in the second year in the manner indicated above, the last installment of 10% of the second year's annual premium will be released by DCHL after receiving the corresponding utilization certificates of enrollments and further after the Insurance Company has furnished a certificate by its Company Secretary, counter-signed by Independent Auditors/Chartered Accountants, to the effect that the Insurance Company has actually utilized at least 70% of the total cumulative accrued premium received till then for both the years from DCHL, the State Governments and the beneficiaries towards actual pay-outs for settlement of claims and TPA charges (the latter not exceeding 5% of the claims settlement). However, the Insurance Company shall continue to enroll and provide full health insurance cover to all the beneficiaries upto the targeted number even if DCHL is not able to

release this last installment of 10% immediately on account of delay in achievement of 70% utilization benchmark by the Insurance Company.

4.2 The contract shall come into effect from the date of signing of the same by DCHL and the authorized representatives of the Insurance Company concerned, and shall further cover the following periods which may be overlapping:

- (i) A period of two years commencing from 30th November, 2010, upto 29th November, 2012, (subject to further approval during the 12th Plan after 31.03.2012) during which beneficiaries will be enrolled by the Insurance Company.

Note: A beneficiary shall be considered as “enrolled” on the day he receives the health insurance card (for which he shall be given a written acknowledgement) and the annual insurance cover shall commence from the prospective date of effectiveness indicated on the health insurance card for an initial period of one year. Thereafter, the beneficiary shall be re-enrolled and insurance cover shall be extended for one more year subject to the beneficiary’s and the Central Government’s share of premium being received by the Insurance Company, and subject to the continued eligibility of the beneficiary.

- (ii) A period of one year from the date of effectiveness of health card and again from the date of reenrollment, as the case may be, during which the beneficiary shall stand covered under the health insurance cover. Thus a beneficiary who is enrolled in the first year will be entitled for re-enrollment in the second year, subject to his eligibility and payment of premium. However, a beneficiary who is enrolled for the first time in the second year will not be eligible for re-enrollment because the contract period covers only two years of enrollment.
- (iii) After availing the treatment during the period of two annual insurance covers, a further period of 60 days from the end date of each policy period during which the beneficiary shall have to submit his claim to the Insurance Company in cases of reimbursement of claims.
- (iv) After receiving the claim from the enrolled beneficiaries, a further period of 30 days within which the Insurance Company shall settle the claims of the beneficiaries.

4.3 After appropriately servicing and disposing of all the insurance claims relating to each year of the two year period of enrollment, the Insurance Company shall be required to achieve at the end of each such policy period a Claims Outgo Ratio of 70% of the total premium accrued and paid by the Government of India, the State Governments and the

beneficiaries to that Insurance Company. In case of any shortfall, the excess premium (i.e., the difference between the actual payout by the Insurance Company by way of claims settlement including TPA charges not exceeding 5% of claims settlement on one hand, and 70% of the total accrued premium received by the Insurance Company from all sources on the other hand) shall be either refunded to the Government of India by the Insurance Company or adjusted against future releases of premium, if any.

Note : "Claim Outgo Ratio" shall mean that in each policy year the ratio of claim amounts actually paid by way of claims settlement (including TPA charges) to accrued premium is not less than 70% of the premium accrued from all sources after the insurance cover has ended for all the beneficiaries covered that year. Further, the TPA charges shall not exceed an upper limit of 5% of the amounts paid by way of claims settlement. The Claims Outgo Ratio for the purposes of this clause shall not include claims in process and IBNR.

IDENTIFICATION OF BENEFICIARIES

- 4.4 Correct identification of the beneficiaries shall be the responsibility of the State Governments concerned. However, the Insurance Company shall liaise with the State Governments and complete, sufficiently in advance, all the processes relating to correct and speedy identification of the beneficiaries through the State Governments concerned.
- 4.5 After the identification of the beneficiaries has been completed, the Insurance Company shall enroll the beneficiaries by issuing to them the health insurance cards immediately on receiving the beneficiary's share and Government of India's share of the premium. The annual health insurance cover for the beneficiaries under this scheme shall begin from the prospective date printed on the health insurance card. Since this is a Scheme under which the State Governments have the option to provide, if they so decide, their share of premium towards the implementation of the scheme, and since the collection of the beneficiaries' share of premium is the responsibility of the Insurance Company itself, any delay in receiving the State Govt.'s share of premium shall not be a reason for any delay in issuing the health insurance card to the beneficiary and enrolling him/her under the scheme. Only such Insurance Companies need to participate in the bidding process which explicitly agrees to this condition.

The Government of India commits itself to extending all assistance to the Insurance Companies in collecting the States' share of the premium amount. However, the Government of India shall in no way be liable for the delay or failure on the part of any

State Government in paying its share of the premium, after the State Govt. has once committed to paying its share of premium.

- 4.6 The Insurance Company shall not exceed, without prior written approval, the targeted number of enrollment in the Zone allotted to them, as indicated in Annexure 'B'. At the same time, the Insurance Company shall ensure that at least 80% of the target for each of the States in the same Annexure is also achieved without any shortfall. The Insurance Company shall not transfer the unutilized targets of one State to another without prior written approval of DCHL.
- 4.7 (i) The Insurance Company shall strive to ensure enrollment of the targeted number of beneficiaries by issuing the health insurance cards to them within a period of four months from the date of receiving the first installment of Government of India's share of premium. Similarly, in case of minimum 80% renewal enrollments, both renewal of the targeted number as well as issuance of Health Cards to them shall be ensured sufficiently in advance to ensure continuity of insurance cover to the beneficiaries.
- (ii) Further, in case of renewal of beneficiaries, the Insurance Company shall ensure that the new insurance policy and the new health card take effect only after the previous insurance policy under this scheme has expired.
- 4.8 The Insurance Company shall provide access to the progress of enrollments (State wise) through a real time Web based application for the information of the O/o DCHL and Directors (H&T) in the State Governments. The MIS reports shall be made available on a web based platform to collect, collate and report data in real time. The Insurance Company shall also furnish similar reports on enrollment details such as age wise, gender wise, hospital wise, State wise progress.
- 4.9 The Insurance Company will be responsible for ensuring that at least 80% of the beneficiaries enrolled during the earlier period of October, 2009 to October, 2010, are again enrolled during the first enrollment year of this contract i.e. from November, 2010 to November, 2011, as far as possible, subject to receiving the premium from Govt. of India and beneficiary/State Government. For this purpose, the Insurance Company will be provided with a soft copy of the list of beneficiaries enrolled during the earlier period of October, 2009 to October, 2010. However, this list should not be used as a substitute to avoid proper identification of beneficiaries. The Insurance Company shall assist the State Government in fresh scrutiny of this list in order to weed out ineligible beneficiaries that might have got included. Further, a suitable system for tracking the 80% renewals shall be

devised by the Insurance Company to enable DCHL to verify the same during the implementation of the Scheme and before the release of premium installments from time to time.

COLLECTION OF SHARE OF PREMIUM

- 4.10 (A) Government of India's contribution towards premium shall be 80% plus Service Tax. The Service Tax as applicable on the total annual insurance premium (i.e. including the share of States and beneficiaries) will be borne by the Government of India. The balance amount of premium shall be paid by the State Government and/or by the beneficiary concerned. It shall be the responsibility of the Insurance Company to collect the premium from the beneficiary and the State Government.

Wherever the beneficiary pays his share of premium directly to the Insurance Company, possession of an account with a Bank/Post Office and payment of premium through cheque/postal order/pay order will be mandatory. The clearing charges, commission charges etc. of these will be borne by the beneficiary himself. In all other cases, where the State Government pays the beneficiary's share from its own fund or by collecting it from the beneficiary, this requirement will be optional.

- (B) The responsibility for collection of State Government/weavers' share of premium shall lie with the Insurance Company. A documentary proof of collection of State Government/weavers' share of premium including minimum contribution of `50/- from the beneficiary shall be furnished by the Insurance Company as and when demanded by O/o DCHL.

CASHLESS AND REIMBURSEMENT FACILITY

- 4.11 (i) The Insurance Company shall pay/reimburse the expenses incurred by the beneficiary and his family in the course of medical treatment availed of in any hospital, nursing home, clinic or dispensary, whether empanelled or not, within the jurisdiction allotted to the Insurance Company, subject to limits and sub-limits prescribed. In case the treatment is taken in a non-empanelled hospital, nursing home, clinic or dispensary, then the beneficiary will submit the prescription and the vouchers for the medicines and medical treatment to the insurance company or the authorized TPA. The Insurance Company shall ensure that all such claims are disposed of within thirty days after receipt of all the requisite documents and information in complete shape, where the period of 30 days will be reckoned in the manner provided in Para 4.20.

(ii) In case of cashless facility availed by the beneficiary, the medical bill for treatment must be signed by the beneficiary as proof of having received the treatment and as a confirmation of the amount charged.

(iii) In case of delay in settlement of valid and bonafide claims (which are complete in all respects) beyond the stipulated period of thirty days, the Insurance Company shall pay interest on pro-rata basis on the claim amount at the rate which is 2% above the bank rates prevalent at the beginning of financial year in which the claim is received by it and as per the Section 8(5) and 9(6) of the IRDA Regulations, 2002 on a pro-rata basis for the number of days of delay.

- 4.12 A unique serial number shall be given to each such claim received for treatment in non-empanelled institution and a record of all such claims received will be compiled on an all India basis and their status will be made available to the DCHL through a web based application, as far as possible which can be accessed by DCHL as and when required. Any modification will require prior approval of DCHL.
- 4.13 Similarly, the Insurance Company will also ensure that the beneficiary can access information relating to the settlements of his claims, amount paid so far by the Insurance Company and balance amount left through a web based application as far as possible using the serial number of his health insurance card as the password. Any modification will require prior approval of DCHL.
- 4.14 For reimbursement claims received for treatment in non-empanelled institution, the Insurance Company shall prescribe a check list of documents to be furnished by the beneficiary along with the reimbursement claim to ensure the completeness of the documents at the time of submission of the claim. A dated acknowledgement for the receipt of the claim shall be given by the Insurance Company.
- 4.15 (i) The insurance company, its authorized representatives or its authorized TPAs shall provide cashless insurance claim settlement facility by empanelling hospitals, nursing homes, clinics and dispensaries in various locations within the assigned area of operation of the Insurance Company. This would mean that a beneficiary patient can avail of treatment in any one of the empanelled institutions without actually having to pay the bills within the limits/sub limits of the insurance cover.

(ii) The Insurance Company shall pay/reimburse expenses incurred by the weavers in the course of medical treatment availed of in any hospital/nursing home within the assigned jurisdiction (Zone) of its operation subject to limit/sub-limit.

(iii) However, in the event of treatment in a non-empanelled institution, the insured beneficiary shall be reimbursed directly by the insurance company through a crossed accounts payee cheque with at least 90 days validity in the name of the beneficiary within the prescribed time limit from the date of receipt of claim.

4.16 (a) The Insurance Company and the State Directorate of Handlooms shall be jointly responsible for the timely distribution of Health Cards to the beneficiaries. A dated acknowledgement of receipt of health card shall be obtained from the beneficiary. Proof of delivery of card will have to be furnished by the Insurance Company to DCHL or to the State Government, as and when required.

(b) State Director/Commissioner in charge of Handlooms shall certify the delivery of health cards after due verification which may also be verified by O/o D.C. Handlooms. This would also enable the Insurance Company to submit Utilization Certificates, with the counter signatures of State Directory/Commissioner in charge of Handlooms, to DCHL as required by Clause 4.1.

(c) The list of beneficiaries may be checked randomly by the DCHL or the State Governments through any authorized agency. If any discrepancy or inaccuracy is found during the inspection in the number of weavers reportedly enrolled, and if the Insurance Company is not able to explain this discrepancy inspite of sufficient time being given to the company, then five times the amount of premium shall be refunded by the Insurance Company to the Government or it will be adjusted in the next installment of premium payable to the Insurance Company.

4.17 The annual insurance policy shall be valid for a period of 12 months from the date indicated on the health insurance card.

PUBLICITY AND AWARENESS ABOUT THE SCHEME

4.18 (a) The Insurance Company shall conduct periodic camps in the Clusters for the following purposes in a combined manner:

- (i) Redressal of grievances of the beneficiaries, particularly those relating to settlement claims, etc.;
- (ii) Awareness creation among the beneficiaries;
- (iii) Collecting the claims applications after due scrutiny.

(b) The Insurance Company shall also prepare information relating to this scheme in vernacular languages and distribute the same to beneficiaries in these camps in the Clusters in different States.

(c) The Insurance Company shall furnish the schedule and outcome of such camps periodically to DCHL and to the State Governments as and when required by them or in the manner prescribed from time to time.

(d) The Insurance Company is also advised to undertake periodic publicity for publicizing the benefits under the scheme.

4.19 The Insurance Company shall submit a monthly report about the total number of beneficiary families enrolled ["enrolled" as defined in the note in para 4.2(i)]

4.20 **SUBMISSION OF CLAIMS**

(i) **Submission of claims:** Claims can be submitted by the beneficiary within 60 days of completion of treatment through any one of the following methods:

- (a) To the Cluster Coordinator of the Insurance Company,
- (b) To the representative office of the Insurance Company or TPA (vide Clause 3.1 and 4.1 (i)),
- (c) By RPAD or Courier.

(ii) **For this purpose:**

- (a) Cluster Coordinator shall remain available throughout the day on all Mondays at the address furnished by the Insurance Company vide clause 3.1 and 4.1(i). This will enable the beneficiaries to personally handover the claims.
- (b) To enable submission by Post (RPAD or courier), the Insurance Company shall print on the reverse of the health insurance card the complete address to which the claims can be sent.

(iii) In case of submission of claims to the Cluster Coordinators or the Insurance Company representative office or TPA, a scrutiny of the claim will be done on the spot with reference to a check list to verify whether the documentation is complete for processing of the claims. Thereafter, a dated acknowledgement will be issued and the Insurance Company shall dispose off the claims on merits within 30 days from the date of acknowledgement.

(iv) In case of receipt of claims by post (RPAD or courier) the Insurance Company shall immediately scrutinize all such claims within the stipulated period. In case of such claims which are inadequately documented or are deficient in any manner, the Insurance Company shall inform the beneficiary within 15 days, about the deficiency in the claim while retaining the original documents for future reference. The Insurance Company shall issue at least one reminder well before expiry of 30 days from the date of receipt of the deficient claims. The beneficiary should file the complete documents as required by the Insurance Company within 30 days from the date of receipt of the Insurance Company's letter informing him of the deficiency. If the beneficiary does not rectify the deficiency within 30 days, then the Insurance Company shall dispose of all such claims on merits on the basis of records available. On the other hand, if such deficient claims received by post are not responded to by the Insurance Company within 15 days, then they will be deemed to be complete in all respects and such claims will be disposed of on merits within 30 days of receipt.

(v) Whenever the disposal of claims on merits results in rejection of claims either partly or fully, the Insurance Company shall communicate the reasons to the beneficiary in writing.

- 4.21(a) (i) The Insurance Company shall receive and process all claims upto 60 days after the closure of the insurance cover.
- (ii) The Insurance Company shall be responsible for timely settlement of the claims, distribution of reimbursement cheques to the beneficiaries and maintenance of detailed record thereof.
- (iii) Each claim received will be given a unique number and a record of all claims received (district/State wise) will be kept as per the IRDA norms and access be provided to the DCHL whenever required.

(b) The Insurance Company will send the monthly progress report as per the prescribed format by 20th of every month to the Office of the Development Commissioner for Handlooms indicating number of beneficiaries enrolled, financial commitments (consisting of claims paid, claims in process, claims incurred but not reported and TPA charges) number of claims received, settled and pending (below one month and more than one month) with reasons thereof.

MONITORING AND EVALUATION

- 4.22 The Insurance Company will attend meetings with the State Director In-charge of Handlooms every month to review the implementation of the Health Insurance Scheme and take suitable steps to resolve all issues.
- 4.23 DC(HL) may get a third party evaluation done by an independent agency to assess the impact and implementation of the scheme, as and when necessary. The Insurance Company shall extend full cooperation and furnish all information and data to such agency.
- 4.24 The Insurance Company shall provide a "Statement of Treatment" to the beneficiary on demand through their empanelled OPD/IPD centers and through their camps in the clusters furnishing the following information:
- (i) Details of cost incurred and charged against the beneficiary's insurance limit for each treatment taken till date as per the cashless transaction including the last claim settled, if any, on reimbursement basis;
 - (ii) Details of claims rejected;
 - (iii) Details of claims returned for rectification of defects, and
 - (iv) Details of claims pending.
- 4.25 The above information will be given on demand through empanelled cashless OPD/IPD centers within 15 days of treatment and in reimbursement claims within 60 days of the treatment on demand and free of cost.
- 4.26 In addition, the Insurance Company shall provide the Status of Claims through a web based application, as far as possible, to the State Director (H&T), office of DCHL and to the beneficiaries through its own offices or through the Office of the State Governments and Office of the Development Commissioner for Handlooms.
- 4.27 Further, the Insurance Company shall also create and provide, as far as possible, a web based MIS to track:

- (i) The status of each beneficiary as regard his details and claims and
- (ii) To generate a wide combination of statistics for each State and district enabling country-wide monitoring. The MIS format will be finalized by the O/o DCHL in consultation with the Insurance Company.

4.28 The Insurance Company shall furnish to O/o DCHL on demand any relevant information relating to implementation of this scheme. For this purpose, the Insurance Company shall preserve and maintain all the records upto 31.3.2016.

TERMINATION OF CONTRACT

4.29 (i) In case of termination of contract for any reason attributable to the Insurance Company, the Insurance Company shall pay back to the DCHL within thirty days of such termination the unearmarked amount of premium (i.e., difference between total premium received by the Insurance Company on one hand and the number of beneficiaries enrolled till then multiplied by the rate of premium on the other) plus corresponding service tax. This shall be done by the Insurance Company without waiting for any demand letter or instruction from DCHL.

(ii) At the end of all the insurance coverages issued during the period prior to such termination, i.e. when the period of insurance cover for the last enrolled beneficiary is over, if the claims settlement is less than 70% of the total accrued premium remaining with the Insurance Company, then the balance of such premium (i.e., difference between actual amount of claims settlement including TPA charges not exceeding 5% of settlement of claims, and 70% of total accrued premium received and retained by the Insurance Company from all sources) shall be refunded within four months of expiry of insurance cover of the last beneficiary enrolled. This shall be done by the Insurance Company without waiting for any demand letter or instruction from DCHL.

(iii) Failure to refund the amounts as above by the Insurance Company shall result in charging of interest at the rate of 3% per calendar month or part thereof after the respective period of 30 days/four months as stipulated above till the date of repayment of amount.

(iv) In case of termination of contract for any reason attributable to the Insurance Company, the Company shall be further liable to pay a fine upto ` . One crore to be imposed by DCHL after giving due opportunity, besides being black-listed and debarred

from participating in any scheme funded by the Government of India for a period which may extend upto three years.

4.30 The data collected and generated by the Insurance Company during the implementation of the Health Insurance Scheme shall be made available by the Insurance Company to DCHL anytime during or after the contract is over, and the same shall be the property of DCHL. Any part or whole of this data may be put in public domain at the sole discretion of DCHL.

4.31 Arbitration clause

- i) In case of any dispute or differences, such differences shall independently of all other questions be referred to the decision of a Sole Arbitrator to be appointed in writing by the parties to the dispute/difference or if they can not agree upon a single Arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three Arbitrators comprising of two Arbitrators, one to be appointed by each of the parties to resolve the disputes / difference and the third Arbitrator to be appointed by such two Arbitrators. Arbitrations shall be conducted under and in accordance with the provisions of Arbitrations and Conciliation Act, 1996.
- ii) The Courts at New Delhi shall have the jurisdiction for the purposes of the Arbitration and Conciliation Act, 1996.
- iii) The Government of India or DC(HL) shall not be responsible for any award of any nature by any competent Court of Law in the country in the matter of disputes between the beneficiary and the implementing Insurance Company. The disputes in such matters may be adjudicated by the competent court at the place where the dispute arises. Any award or compensation granted by a Competent Court shall be borne entirely by the Insurance Company.

GRIEVANCE REDRESSAL MECHANISM

4.32 A Grievance Redressal Committee (GRC) will be formed to receive and consider individual or group complaints from any individual or group of beneficiaries who have any of the following types of grievance against the insurers:

- i) Any partial or total repudiation or rejection of claims by the Insurance Company;
- ii) Delay in settlement of claims;
- iii) Non issuance of or delay in issuance of any insurance document (including health insurance card) to beneficiaries after receipt of premium.

4.33 Constitution of Grievance Redressal Committee (GRC)

- i) There shall be a Grievance Redressal Committee in each State (which has a target of 5000 card holders or more as per Annexure III), based at the State capital, which will be set up by the Insurance Company.
- ii) The GRC will consist of a representative chosen from the insurance industry/civil services/judicial services (not having any relationship with the Insurance Company) as the Chairman of the Committee. He shall be appointed by the Insurance Company within 3 months of signing the contract and after receiving the concurrence of DC (Handlooms). The second member shall be the representative of the Insurance Company who shall be the Convenor and who shall provide the secretarial and staff support for the GRC. The third representative shall be the State Government's Director of Handlooms or any person authorized on his behalf. The tenure of the Chairman will normally be co-terminus with the contract period of the Insurance Company, though he can resign or be removed earlier also by the Insurance Company after obtaining the consent of DC(HL).The total expenses for office management, the sitting fees of the Chairman and the expenditure on staff engaged for this purpose shall be borne by the Insurance Company.

4.34 Manner of lodging of complaints to GRC

- i) The complaints by the aggrieved beneficiary(s) have to be in writing and addressed to the Chairman of the GRC of that State in which the beneficiary resides.
- ii) In case of grievances relating to delay in disposal of claims or non reply by the insurance company, the complaints should be filed after 45 days of having filed the claims with the insurance company, but within 4 months of the date of filing such claim(s).
- iii) In case of grievances relating to rejection, partial or total repudiation of the claim submitted or the amount of claim allowed, the complaint should be filed within 2 months of receipt of such communication from the insurance company.

4.35 Disposal of complaints

- i) The GRC shall meet at least once in each calendar month or more frequently, if required. The venue of the meeting should be preferably in the Office of Director of Handlooms of the State Government. The GRC shall dispose of the complaints and communicate its decision to the Insurance Company within 60 days of the complaint

being filed. The decision of the GRC shall be by majority of the 3 members of the GRC. The decision of the GRC will be binding upon the insurance company and will be given effect to by the Insurance Company within 30 days of the date of decision.

ii) If the complainant is not satisfied with the decision of the GRC, then he can approach other forums such as the District Consumer Forum and other Courts of Law or the Insurance Ombudsman appointed by IRDA for redressal of such grievances.

iii) The beneficiaries can also lodge their complaints directly with the IRDA Grievance Call Centre through the Toll Free No.:155255 to register his complaint and track their status or e.mail the complaints to the website of IRDA i.e. complaints@irda.gov.in.

- 5.1 Premium quoted should be valid for the entire period covered by the contract without any increase.
- 5.2 (A) If there is balance premium left (i.e., the difference between actual payout and TPA charges on one hand and 70% of accrued premium from all sources on the other) at the end of 2010-11 and 2011-12 policy periods after providing for payments towards claim settlement and TPA charges, then 100% of such balance surplus shall be refunded by the Insurance Company to DCHL within four months after the expiry of the insurance policy for the last insured beneficiary or shall be adjusted towards renewal premium. This shall be done by the Insurance Company without waiting for any demand letter or instructions from DCHL.
- (B) Failure to refund or to adjust the amount as above shall result in charging of interest at the rate of 3% per calendar month or part thereof after the said period of four months till the date of repayment of amount.
- 5.3 DCHL may at any time discontinue the scheme by public notice and notice to the insurance company after which no new insurance shall be made but all earlier insurance policies already issued shall be serviced by the Insurance Company during respective period of validity. A final account of Government share of premium and Service Tax shall be taken and cleared between the parties in the manner provided for in Para 5.2 above. In particular, it may be noted that continuation of this scheme beyond 31.03.2012 is subject to approval of the Scheme during the 12th Five Year Plan.
- 5.4 The Insurance Company shall also be responsible and liable to provide any information sought by Ministry of Textiles/DC Handlooms or the State Government (In-charge of Handlooms and Textiles) under the RTI Act and for adhering to the prescribed time limits

under the said Act and furnish the desired information to the office of the DCHL or the State Governments as and when sought by them.

- 5.5 Insurance Company shall maintain separate records pertaining to this scheme and make them available for Audit purpose to any authorized Govt. agency or as and when required by Office of DC HL.

(R. N. Choubey)
Development Commissioner (Handlooms)

Encl: Annexure 'A' : (Schedule-I)
Annexure 'B' : List of Clusters
Annexure 'C' : Bid Document of Second Party

ANNEXURE- ('B')NUMBER OF CLUSTERS TO BE COVERED UNDER HEALTH INSURANCE SCHEMEList of States (ZONE -I)

Name of State	2010-11			2010-11 & 2011-12
	Tentative Enrollments	Target	of	No. of clusters to be covered
Kerala		20000		15
Karnataka		45000		26
Puducherry		800		-
Tamil Nadu		320000		93
Andhra Pradesh		120000		60
Orissa		50400		31
Bihar		25800		14
Chhattisgarh		3500		08
Uttar Pradesh		190000		43
Gujarat		4000		09
Madhya Pradesh		14000		15
Maharashtra		1500		-
Rajasthan		5000		03
TOTAL (13 States)		800000		317

List of States (ZONE -II)

Name of State	2010-11			2010-11 & 2011-12
	Tentative Enrollments	Target	of	No. of clusters to be covered
Assam (NER)		306000		150
Arunachal Pradesh (NER)		5000		-
Manipur (NER)		45000		33
Meghalaya(NER)		48000		07
Mizoram (NER)		1000		01
Nagaland (NER)		50000		24
Sikkim (NER)		700		-
Tripura (NER)		40000		19
NER		495700		
Himachal Pradesh		10000		04
Jammu & Kashmir		5000		08
Jharkhand		15000		26

Uttrakhand	2000	06
West Bengal	257300	97
Haryana	15000	-
TOTAL (14 States)	800000	375
(ZONE - 1) + (ZONE - II)		TOTAL 692

* Note :

- (i) The final target will be communicated after the bids are finalized and the lowest premium rate known.
- (ii) The target of enrollment in any State, as well as the overall target, shall not be exceeded without prior written approval of DC(HL).
- (iii) The Insurance Company shall ensure coverage of at least 80% of the target for each State.

ANNEXURE 'C'

FINANCIAL BID OF M/s. _____ FOR ZONE _____)

From

To

Development Commissioner for
Handlooms,
Ministry of Textiles,
NEW DELHI.

Sir,

Sub: Submission of bids for appointment of the Insurance Company for providing health insurance cover to Handlooms Weavers etc. under the Health Insurance Scheme during 2010-11 and 2011-12.

We have read and understood all the terms and conditions of your Health Insurance Scheme and the terms and conditions of the tender document and agree to abide by the same fully.

2. We _____ (Insurance Company) herewith submit our price proposal for selection of our company for the implementation of the Health Insurance Scheme for handloom weavers etc. for a period of two years from November, 2010 to November, 2012.

3. For the implementation of the said Scheme **for ZONE-**_____ where we shall be the only service provider for this Zone under the said Scheme we shall be paid at the rate of `____ (₹. in words____) per beneficiary family per year as indicated below:

Premium	`	_____	(₹.....)
Service Tax	`	_____	(₹.....)
Total	`	_____	(₹.....)

The TPA charges (not exceeding 5% of the premium) are included in the premium quoted above.

4. All the rates of premia quoted above are inclusive of TPA charges.

5. We hereby explicitly agree and undertake that notwithstanding any other provision to the contrary, if we fail to utilize at least 70% of the total accrued premium received from the Central Government, State Governments and the beneficiaries towards actual pay-outs for claims settlement and TPA charges (the latter not exceeding 5% of the claims settlement) on expiry of all the health insurance coverage for the enrolled beneficiaries, then the difference between the actual pay-out for claims settlement and TPA charges on one hand, and 70% of total accrued premium on the other, shall be refunded by us within four months of the expiry of all the health insurance coverage for the enrolled beneficiaries.

Yours faithfully,

Signature_____

Full Name_____

Designation_____

Date: _____

Place: _____

Address: _____

(Annexure-'A')

No.1/2/2010-DCH/Proj.I
Government of India
Ministry of Textiles
Office of the Development Commissioner for Handlooms

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Udyog Bhawan, New Delhi
Dated: November, 2010

SCHEDULE - I

Sub : Terms & Conditions for Health Insurance Scheme (2010-11 and 2011-12).

During the 11th Plan, the Health Insurance Scheme is a component of the Handloom Weavers Comprehensive Welfare Scheme. Under the Health Insurance Scheme, 17.74 lakh weavers/ancillary workers have been covered during 2007-08, 18.78 lakh weavers/ancillary

workers have been covered during 2008-09 and more than 16 lakh weavers/ancillary workers in 2009-10.

1. INTRODUCTION :

- (i) The Health Insurance Scheme is proposed to be continued for two years of enrollments from **30th November, 2010 to 29th November, 2012** (enrollments beyond 31.03.12 shall be subject to further approval of the scheme during 12th Plan) for enrolling/re-enrolling handloom weavers and other ancillary handloom workers and their families and providing them with an annual health insurance cover for one year at a time from the date of such enrollments. During these two years, it is proposed to cover about 16 lakh handloom weavers and ancillary workers under the scheme in each one year period. (The final number will be confirmed only on finalization of the premium rates).
- (ii) Health insurance cover is to be extended to these handloom weavers and other ancillary handloom workers and their families through this scheme where 80% of the premium shall be borne by the Central Government and the balance 20% by the weavers and/or State Governments. Service Tax, as applicable, over the entire 100% annual insurance premium, will be borne by Government of India. The TPA charges (not exceeding 5% of the premium) shall be part and parcel of the premium amount to be quoted.
- (iii) Two insurance companies shall be selected and shall enter into a contract with the Development Commissioner (Handlooms) (hereafter referred to as DCHL) for implementation of the scheme in one Zone each, by dividing the States of the Country into two non-overlapping Zones (as per Annexure-'B'). Each insurance company shall be awarded the contract at the lowest rate of premium offered by it (being the L1 bidder) for that Zone.
- (iv) Further, where two Insurance Companies are implementing the scheme in the two allotted Zones and if it is found at any time after the signing of the contract or during the implementation of the scheme during the said period of 24 months that either of the selected Insurance Companies has failed to meet the requirements of the contract satisfactorily, then that Insurance Company's contract shall be liable to be cancelled or modified partly or fully after giving due opportunity.
- (v) In such a case, DCHL shall have the right to offer the responsibility for implementing this scheme to the second remaining Insurance Company in the whole or part of the

Zone allotted to the defaulting Insurance Company at the same rate of premium at which the defaulting Insurance Company was implementing the scheme.

- (vi) With this background, technical and financial bids were invited from all insurance companies dealing with health insurance and licensed by Insurance Regulatory and Development Authority (IRDA) for implementation of the Health Insurance Scheme for handloom weavers and other ancillary handloom workers and their families.
- (vii) If the selected Insurance Company fails to utilize at least 70% of the total accrued premium received from the Central Government, State Governments and the beneficiaries towards actual pay-outs for claims settlement and TPA charges (the latter not exceeding 5% of the claims settlement) on expiry of all the health insurance coverage for the beneficiaries enrolled/re-enrolled in the second year, then the difference between the actual pay-out for claims settlement and TPA charges on one hand, and 70% of total accrued premium on the other, shall be refunded by the Insurance Company within four months of the expiry of all the health insurance coverage for the enrolled beneficiaries.

The main features of the scheme are as follows:-

OBJECTIVE OF THE SCHEME :

The Health Insurance Scheme aims at financially enabling the weaver community to access the best of healthcare facilities in the country. The scheme is to cover not only the weaver but his wife and two children and to cover all pre-existing diseases with substantial provision for OPD.

The funding pattern would be as follows:

<u>ZONE-II*</u>	
Contribution by the Government of India	₹ <u>631.19/-</u> (₹559.20 /- plus Service Tax ` 71.99/- on the entire amount of premium)
Contribution by the Handloom Weaver/ State Government	₹ <u>139.80/-</u>
Total Premium plus Service Tax	₹ 699.00/- + 71.99/- = ₹ <u>770.99/-</u>

***Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Himachal Pradesh, Haryana, Jammu & Kashmir, Jharkhand, Uttarakhand and West Bengal**

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