

GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

INSURANCE - Compulsory Insurance of Government Servants - Dispensing with the Challan system - Orders -Issued.

FINANCE & PLANNING (FW.ADMN.III) DEPARTMENT

G.O.Ms.No.43

Dated 28-01-1989.

Read the following:-

1. G.O.Ms.No.337, Fin. & Plg. (FW.Pen.II) Department, dt.3-8-1976.
2. Lr.No.20/Genl./1988-9, dt.17-8-88 from Director of Insurance.
3. Minutes of the meeting of F.S. with Heads of Departments of Finance Department held on 15-10-88 at 3-30 P.M.

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ORDER

In the G.O. read above orders were issued to the effect that first premium in respect of all insurable employees under A.P.G.L.I. Scheme should be credited to Government account through a challan and the challan should be forwarded to Regional offices of A.P.G.L.I. Department along with Insurance proposal for issue of policy. It has been brought to the notice of the Government by the Director of Insurance that all the eligible employees have still not been brought under the A.P.G.L.I. Scheme and one of the reasons for delay in this regard is the procedure of remitting first premium by way of challan. The Director of Insurance in the reference 2nd read above has requested for dispensing with the procedure of payment of first premium by way of challan and has requested for introducing the system of automatic deduction of first premium from the salary bill of the employee by the Drawing and Disbursing Officer.

2. Under Rule 18 of the A.P.G.L.I. Fund Rules; all employees on pensionable posts whether temporary or permanent including those appointed under Rule 10 (a) d) have to be compulsorily insured under the A.P.G.L.I. Scheme. The only exception is that those employees who are below 20 years of age shall be insured from the date of completing 20 years and those above 48 years of age will exempt from this scheme. to the reference 3rd read above orders were issued that Drawing and Disbursing Officers shall be held solely responsible for the recoveries of subscription in time.

3. Government after careful consideration of the suggestion of the Director of Insurance, with a view to ensure all eligible employees under A.P.G.L.I. Scheme as contemplated under the rules, hereby direct that the existing system of crediting first premium for Insurance under the A.P.G.L.I. Scheme through challan be dispensed with in favour of automatic deduction of first premium through salary bill itself. The revised procedure to be followed in this regard will be as follows:-

(a) The Head of Office/Drawing & Disbursing Officer concerned- shall deduct the first premium towards A.P.G.L.I. Scheme automatically from the salary bill of the month in which the employee becomes eligible for compulsory Insurance as per provisions of Rule 18 of A.P. Government Life Insurance Fund Rules.

(b) The Head of Office/Drawing & Disbursing Officer will also obtain a declaration from the employee concerned in the prescribed proforma as required under the A.P.G .L.I. Rules for first insurance.

(c) The name of the employees from whom first premium is deducted in the salary bill will also be included in the A.P.G.L.I. deduction schedule and in place of policy number the word "New case" will be written in the schedule.

(d) The District Treasury Officer will forward, every month, the A.P.G.L.I. deduction schedules along with declarations in respect of 'new cases' to the Regional Officers of A.P.G.L.I. The deduction of premium will continue every month in the salary bill after the deduction of first premium and the word of 'New case' will be mentioned in place of policy number till a policy number is assigned by the A.P.G.L.I. Regional Office and communicated to the Drawing & Disbursing Officer.

(e) The Regional Office, A.P.G.L.I, will issue new policy after scrutinising the declaration and other particulars within a period of 21 days from the receipt of declaration forms and deduction schedules from the Treasury Officer.

4. Government also direct that whenever, as a result of Increase in pay or otherwise, the premium payable by a Government servant is to be increased, the incremental recoveries shall be effected automatically from his pay bill from the month in which such increase takes place, in respect of increased premium also increased amount will be shown in the deduction schedule and a remark about the fact of increase indicating the previous rate of premium will also be recorded in the deduction schedule. In addition to this a declaration form required for "Further Insurance" as prescribed under the rules should also be enclosed to the bill and the District Treasury Officer will pass on the Schedules and declaration forms to A.P.G.L.I. Regional Office.

5. The present procedure of issuing a fresh policy consequent on change in premium rate is hereby ordered to be discontinued and a risk note communicating the upward revision of policy amount may be issued in lieu of a fresh policy to avoid delay in revision of policy value. It has also been decided to simplify the declaration forms to be used at the time of "First Insurance" and for "Further Insurance". The Director of Insurance is requested to send necessary proposals for adopting the simplified forms of declaration.

6. The Director of Treasuries and Accounts, is also requested to issue suitable instructions to all the District Treasury Officers to ensure that the above modified procedure is immediately implemented and 100% coverage of all the eligible employees under the A.P.G.L.I. Scheme is achieved by 31st March, 1989. The District Treasuries and Sub-Treasuries should also verify the correctness of the policy numbers before passing the salary bills so as to avoid the problem of missing credits in future.

7. All heads of Departments are requested to issue suitable instructions to their subordinates to ensure that all eligible employees are brought under the A.P.G.L.I. Scheme before 31st March 1989.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

D.R. GARG

Joint Secretary to Government.