

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

STARRED QUESTION NO. 5*

TO BE ANSWERED ON 15th December, 2017 /Agrahayana 24, 1939 (Saka)

Rajiv Gandhi Shilpi Swasthya Bima Yojana

QUESTION

5* DR. UDIT RAJ:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government paid an amount of Rs. 190 crores for insuring around 9 lacs artisans per year under the Rajiv Gandhi Shilpi Swasthya Bima Yojana (RGSSBY) for three years from the year 2007 to 2010 and if so, the details thereof,
- (b) whether the Insurance Regulatory and Development Authority of India (IRDAI) has found that ghost and ineligible beneficiaries have been enrolled by an insurance company and hence fined and recovered about Rs. 1 crore from them and if so, the details thereof;
- (c) the details of steps taken by IRDAI to ascertain the total number of such fake or ineligible beneficiaries including the number of such beneficiaries identified; and
- (d) whether any investigation has been carried out under Section 33 of Insurance Act, 1938 in this regard and if so, the details thereof including the action taken thereon?

ANSWER

**THE FINANCE MINISTER
(SHRI ARUN JAITLEY)**

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) to (d) OF LOK SABHA STARRED QUESTION NO. *5 FOR 15th DECEMBER, 2017 REGARDING “RAJIV GANDHI SHILPI SWASTHYA BIMA YOJANA” TABLED BY DR. UDIT RAJ.

(a) The year wise funds released under Rajiv Gandhi Shilpi Swasthya Bima Yojana (RGSSBY) of the Ministry of Textiles, is as follows:-

Sl. NO.	Year	(In Rs. Crore)	(In lakhs)
		Funds sanctioned	Number of Artisans enrolled
1.	2007-08	67.84	8.82
2.	2008-09	79.46	10.11
3.	2009-10	67.55	8.03
Total		214.85	26.95

(b) & (c): As per the Insurance Regulatory and Development Authority of India (IRDAI), there was a complaint related to ineligible beneficiaries under the Rajiv Gandhi Shilpi Swasthya Bima Yojana of the Ministry of Textiles.

IRDAI had conducted inspection at the ICICI Lombard (insurer's) office from 6th – 7th May, 2013 and examined the matter in detail. It was found by the Authority that the net premium amount of 11,445 Khadi Weavers was refunded to the Ministry of Textiles by the insurer with penal interest of 10.3% totaling Rs. 1.18 crores. It was observed that the alleged 11,445 members in the scheme were khadi weavers who were included due to classification error as per the Insurer. Since khadi weavers could not be treated as Artisans under this health insurance scheme meant for artisans, the insurer refunded the amount to the Ministry of Textiles.

(d): Further IRDAI had carried out a focused inspection in February 2014 under Sec 14(2)(h) of the IRDA Act 1999, which inter-alia covered allegations in the matter of RGSSBY. Based on the observations made during the inspection and after examining the submissions made by the insurer, IRDAI issued a show cause notice on 31st March 2015. The Final order was passed on 3rd September 2015, against ICICI Lombard levying a penalty of Rs. 10 Lakhs for violation of certain regulatory provisions.
