

**GUIDELINES FOR IMPLEMENTATION OF  
MAHATMA GANDHI BUNKAR BIMA YOJANA (MGBBY)  
DURING THE XII FIVE YEAR PLAN (I.E. 2012-13 TO 2016-17)**

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**INTRODUCTION:**

The Government of India had introduced the 'Bunkar Bima Yojana' in December, 2003 which was a combination of Janshree Bima Yojana and Add-on Group Insurance Scheme being implemented in collaboration with the Life Insurance Corporation of India. Since, 2005-06 this scheme was revised and has been implemented revised with title "Mahatma Gandhi Bunkar Yojana".

During the XII Plan the Mahatma Gandhi Bunkar Yojana will continue to be implemented with the same benefits as were given in 11<sup>th</sup> plan period. The scheme will cover 26.19 lakh weavers during the period 2012-13 to 2016-17 including maximum renewal cases each year.

**OBJECTIVE :**

The basic objective of the 'Mahatma Gandhi Bunkar Bima Yojana' is to provide enhanced insurance cover to the handloom weavers in the case of natural as well as accidental death and in cases of total or partial disability.

**ELIGIBILITY:**

For availing of assistance under the scheme, the weaver should fulfill the following conditions:-

1. The weaver should be earning at least 50% of his income from handloom weaving.
2. All weavers, whether male or female, between the age group of 18 and 59 years are eligible to be covered under the scheme, including minorities, women weavers and weavers belonging to NER.
3. The weavers belonging to the State Handloom Development Corporations/Apex/ Primary Handloom Weavers' Cooperative Societies will be covered under the Scheme. Weavers outside co-operative can also be covered under the scheme on a certificate from the State Directorate of Handlooms that they are fulfilling the eligibility conditions.
4. It will be the responsibility of the State Director in charge of Handlooms to verify the eligibility of the weavers who are proposed to be covered under the scheme.
5. It will be the responsibility of the State Director In charge and LIC to ensure that women weavers, weavers belonging to minorities and weavers of NER States (Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Tripura and Sikkim) are given adequate representation while implementing the scheme.

### **ADMINISTRATION:**

The authority in-charge of Handlooms in the State shall finalise insurance coverage of the weavers with the Life Insurance Corporation of India.

### **SALIENT FEATURES OF THE INSURANCE COVERAGE:**

1. The scheme will be administered by the LIC of India.
2. The authority in-charge of Handlooms in the State shall finalise insurance coverage of the weavers with the Life Insurance Corporation of India.

### **BENEFITS:**

| S.No. |                    | Benefits      |
|-------|--------------------|---------------|
| (i)   | Natural Death      | Rs.60,000/-   |
| (ii)  | Accidental Death   | Rs.1,50,000/- |
| (iii) | Total Disability   | Rs.1,50,000/- |
| (iv)  | Partial Disability | Rs.75,000/-   |

### **PREMIUM:**

The annual premium of Rs.470/- per member will be shared as under:

|                       |                 |
|-----------------------|-----------------|
| GOI contribution      | Rs.290/-        |
| Weavers' contribution | Rs. 80/-        |
| LIC's contribution    | Rs.100/-        |
| <b>Total premium</b>  | <b>Rs.470/-</b> |

### **OPERATIONAL MODALITIES:**

1. The scheme is renewable every year and continuation of coverage is ensured only on payment of premium on the due date of renewal every year. The premium amount shall be paid by the beneficiary only one time for the whole year to the Life Insurance Corporation of India. This scheme will be effective from 1.10.2007.
2. The premium, once paid, shall not be refunded.
3. Maximum number of renewals shall be effected each year. The insurance coverage is ordinarily effective only after receipt of entire amount of premium i.e. both the Government's as well as beneficiary's share. In an unlikely situation where the Government's share of premium is not ready, the LIC shall accept the share of the beneficiary and effect the coverage accordingly.
4. The office of the State Director-in-charge of Handlooms & Textiles and its subordinate offices in the field shall be the Nodal agencies for implementation of the scheme. Nodal agency will act for and on behalf of the insured members in all matters relating to the insurance cover. LIC will get in touch with State Directors In-charge of Handlooms for

identification of beneficiaries, furnishing forms, instructions etc. for maximum coverage of weavers under the scheme.

5. 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/her share of the premium. The application form shall be made available to the nodal agencies by the LIC. No medical certificate is required and self-certification would suffice the purpose.

6. On receipt of the above, the nodal agency shall scrutinize the application and if found eligible, shall accept the premium amount and forward the lists of such beneficiaries along with premium amount to the LIC.

7. On receipt of the premium amount along with the list of beneficiaries from the nodal agencies, the LIC shall issue Cards/Certificates to all the weavers covered under the scheme and it should be designed in such a way that the month/date of renewal should also be mentioned. The cards should be in vernacular language. This would enable weavers to claim their dues from LIC.

8. In the case of death or disability, the 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 shall forward the claim, to the LIC within 15 days of receipt of the claim. LIC shall settle the claim within one month from the date of receipt of the claim and pay the amount to the beneficiary/ nominee directly by A/c Payee Cheque (under intimation to the Nodal Agency) or through the nodal agency.

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 in any subsequent year on payment of required premium.

10. In case a handloom weaver changes his employment during the period of insurance from one Society or Corporation to another, he/she, as the beneficiary of the scheme, shall furnish intimation to the nodal agency.

11. The State Governments and the State Handloom Corporations/Apex/Primary Handloom Weavers Cooperative Societies/Unions/ Associations shall be actively associated in implementation of the scheme by way of sensitizing the handloom weavers to join the scheme by advertisements through print and other media.

12. The nodal agencies shall submit periodical reports indicating the details of coverage and settlement of claims to the Development Commissioner for Handlooms, Ministry of Textiles.

#### **ADDITIONAL BENEFITS:**

1. The “Mahatma Gandhi Bunkar Bima Yojana” also provides scholarship to the children of parents who are covered under it under “Shiksha Sahyog Yojana”.

2. A scholarship of Rs.300/- per quarter per child is to be paid to students studying in standard IX to XII for a maximum period of four years or till they complete XII standard, whichever event occurs earlier. The scholarship will be for academic year June to May.

3. The benefit is restricted to two children of the member covered. Both the children irrespective of gender based discrimination will be covered for scholarship.
4. 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. It may be ensure that the bright and scholarly students from weaver community getting benefits under MGBBY – Siksha Sahayog Yojana need to be brought to limelight so as to encourage the children of the other weaver families to emulate them.
5. Once a person is admitted as a member under Mahatma Gandhi Bunkar Bima Yojana, further proof of income is not necessary at the time of selection of beneficiary under the scheme.
6. No premium is charged either to the parent of the scholarship holder or to the nodal agency. It is an additional benefit given to the children of the parents covered under Mahatma Gandhi Bunkar Bima Yojana. If the premium under Mahatma Gandhi Bunkar Bima Yojana is not paid on annual renewal date in such case, the child shall not be eligible for scholarship.
7. The beneficiaries have to be selected for “Shiksha Sahayog Yojana” out of the members covered under Mahatma Gandhi Bunkar Bima Yojana. The targeted beneficiary students of a State may be divided among the members covered under Mahatma Gandhi Bunkar Bima Yojana in proportion to the number of lives covered within that State. The final selection shall be based on the criteria of poorest of the poor, as the number of scholarships is limited and without any gender discrimination.
8. The member of Mahatma Gandhi Bunkar Bima Yojana 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 nodal agency.
9. 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 utilisation periodically to LIC, P&GS Unit.

#### **CLAIM PROCEDURE:**

The beneficiary of the deceased member will be required to furnish the original death certificate to the nodal agency who will arrange to forward the same along with the claim papers to LIC i.e.; the Branch which has originally finalised 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 State Government concerned and to the Office of the Development Commissioner for Handlooms. In the case of accidental claim, police inquiry report will also be required to be submitted. The detailed procedure will be mainly on the lines of the procedure of Social Security Group Schemes of the LIC.

## **RELEASE OF FUNDS:**

1. For release of funds, LIC and the Authority In-charge of Handlooms in the State shall identify the weavers to be covered under the MGBBY. The Office of the Development Commissioner for Handlooms (DCHL), Government of India (GOI) in the Ministry of Textiles (MOT) shall release its share of the premium to the Life Insurance Corporation of India directly in advance, based on the number of handloom weavers to be covered under the Scheme. Every subsequent request for release must be accompanied with the note on the performance of the insurance company regarding the claims made and claims settled.
2. The Central Government share of the premium will be released directly to the LIC.

## **MONITORING AND EVALUATION**

1. Monitoring and evaluation of the progress of the Scheme will be done by the State Governments, which will submit quarterly physical and financial progress reports to the Development Commissioner for Handlooms.
2. LIC will hold a meeting the State Director/Commissioner In-charge of Handlooms and the Assistant Director, Handlooms at the district level in the 2<sup>nd</sup> week of every month to review the implementation of the MGBBY Scheme. LIC will arrange to provide the figures pertaining to that State from their Claims Department well in advance.
3. The Office of the Development Commissioner for Handlooms will monitor the progress through its field office and by convening meetings with State Governments and LIC from time to time.
4. This scheme shall be evaluated at the time of mid term appraisal of the XII Plan.

Sd/-

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