

F.No.A-15011(2)2008-Ins.III
Government of India
Ministry of Finance
Department of Financial services
Insurance Wing

Jeevan Vihar Building,
Parliament Street,
New Delhi, the 23rd February, 2009

To

- 1) The Chairman-cum-Managing Director,
General Insurance Corporation of India, Mumbai
- 2) The Chairman-cum-Managing Director,
Oriental Insurance Company Ltd., New Delhi
- 3) The Chairman-cum-Managing Director,
United India Insurance Company Ltd., Chennai
- 4) The Chairman-cum-Managing Director,
National Insurance Company Ltd, Kolkata.
- 5) The Chairman-cum-Managing Director,
New India Assurance Company Ltd. Mumbai.
- 6) The Chairman-cum-Managing Director,
Agriculture Insurance Company of India Ltd.

Subject : Scheme of Reimbursement of Medical expenses to existing/retired Whole Time Directors on the Board of four General Insurance Companies, General Insurance Corporation of India and Agricultural Insurance Company of India Ltd.,

.....
I am directed to refer to the above mentioned subject and to say that the Central Government accords its approval for the scheme for reimbursement of medical expenses to existing/retired/dependent of deceased Whole-Time Directors of Four Public Sector General Insurance Companies (GIPSA companies), General Insurance Corporation of India (GIC) and Agricultural Insurance Company of India Ltd (AICL) on the following conditions:

I. **Eligibility:**

- (1) The Scheme shall apply to all existing Whole Time Directors and to those who have been appointed on the Board of GIPSA companies/ GIC/AICL and have retired on attaining the age of superannuation (58 years or 60 years, as the case may be) or have demitted office on the expiry of the tenure appointment and are still surviving.

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- (2) The Scheme shall also apply to the surviving eligible dependents of the existing/retired/deceased Whole Time Directors.
- (3) The Scheme shall not, however, cover those Whole Time Directors on the Board of the GIPSA companies/GIC/AICL who have been removed or dismissed from the Board level post and those whose services have been terminated by the Central Government for whatsoever reasons.

II. **Coverage:**

The coverage under the Scheme and the extent of benefits thereunder shall be as is admissible as per the rules in the attached Annex.

III. **Date of effect:**

- (1) The coverage for medical reimbursement under the Scheme shall be effective from **1st April, 2008**. Medical expense incurred prior to 1st April, 2008 will not be eligible for reimbursement after adoption of this Scheme.
- (2) Respective Insurance companies shall advise all its past Whole Time Directors or their surviving spouse/dependent family members of the benefit admissible under the scheme.
- (3) Eligible retired Whole Time Directors or their surviving dependent family members shall claim the reimbursement of medical expenses incurred by them from the insurance company to which **they originally belong**.

It is therefore, requested that appropriate action may kindly be taken to implement the Scheme.

Yours faithfully,



(Sukriti Likhi)

Director

Tel.: 2336 5809

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Copy to:

1. Secretary-General, GIPSA, New Delhi.
2. PPS to Finance Secretary.
3. PS to JS (B&I).

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ANNEXURE

RULE RELATING TO MEDICAL ATTENDANCE FOR WHOLE TIME DIRECTORS OF GENERAL INSURANCE CORPORATION OF INDIA/GIPSA COMPANIES/ AGRICULTURAL INSURANCE COMPANY OF INDIA LIMITED:

1. For the purpose of these Rule :

- a) 'Authorised Doctor' means a Registered Medical Practitioner nominated by the Chairman-cum-Managing Director of the Corporation/Company on the panel of Doctors of the Corporation/Company;
- b) 'Board' means the Board of Directors of the Corporation/Company.
- c) 'Whole Time Director' means Chairman, Chairman-cum- Managing Director, and Director-cum-General Manager in the Board of the Corporation/ Company.
- d) 'Doctor' means any qualified registered medical practitioner.
- e) 'Residence' for serving Whole Time Directors means the place of their posting (Headquarters) and for retired whole time Directors means the place at which they settle after retirement.
- f) 'Corporation' means the General Insurance Corporation of India.
- g) 'Company' means Oriental Insurance Company Ltd., United India Insurance Company Ltd., National Insurance Company Ltd, New India Assurance Company Ltd. and Agriculture Insurance Company of India Ltd.
- h) 'Family' means the whole-time Director, spouse, children and parents wholly dependent on him.
- i) 'Surviving dependent family members' means spouse and dependent children and dependent parents of the deceased retired/retiring Whole Time Director.
- j) 'Dependent' means those who are economically dependent or earning an income not exceeding Rs.2,550 p.m.

2. Medical Benefits :

Subject to the provisions contained herein, the amount of medical, surgical and hospital expenses as are actually and necessarily incurred by the Whole Time Directors in respect of any injury, disease or illness suffered by him or his family members, shall be reimbursed in full by the Corporation/Company.

3. Treatment by a doctor other than authorized doctor :

Reimbursement shall normally be admissible only if the attending doctor is an authorized doctor nominated by the Chairman-cum-Managing Director. However, where the attendance or treatment is by a doctor other than an

authorized doctor, the reimbursement may be restricted to such an extent as the authorized doctor considers just and reasonable having regard to the circumstances of the case. While prior consultation of the authorized doctor for treatment by another doctor need not be insisted upon (excepting in cases mentioned hereunder) all medical bills shall require to be scrutinized by the authorized doctor from the point of view of reasonableness as well as the need for the treatment having regard to the nature of ailment and an effort shall be made to see that expenditure is not incurred in excess of the reasonable requirements of the patient in each case.

4. **Visiting and consulting charges :**

Visiting and consulting charges of the authorized doctor are reimbursable. Where treatment is taken from a doctor other than the authorized doctor, reimbursement of visiting and consulting fees may be ordered to such an extent as the authorized doctor considers just and reasonable having regard to the circumstances of the case. Traveling expenses incurred by the doctor or whole time director in this regard are, however, not reimbursable .

5. **Consultation with Specialists :**

Consultation with specialists, wherever considered essential by the attending authorized doctor, may be allowed both in the case of whole time director and members of his family. Ordinarily such consultations would take place in the consulting room of the specialist, but in exceptional circumstances, where the attending authorized doctor certifies in writing that the removal of a patient to a hospital or to the consultation room of a specialist was dangerous or injurious to life, consultation or treatment at the residence of the patient may be allowed. Except in emergent cases and where prior consultation with the authorized doctor for any reason is not possible, all consultation with specialists will be subject to the prior approval of the authorised doctor.

6. **Hospitalisation :**

Except in emergent cases and where prior consultation with the authorized doctor for any reason is not possible, the Whole Time Director or members of his family may, with the prior approval of the authorized doctor, be admitted for treatment in a private hospital or nursing home. In the former case, the authorized doctor should be informed of the full particulars of the case as soon as possible after the patient has been admitted. Hospital and nursing home fees are reimbursable. Charges for 'Board' or 'Diet' in the nursing home/hospital are not reimbursable by the Corporation.

7. **Engagement of nurses :**

The charges for engaging special nurses will not be normally reimbursable, but in special circumstances and where such engagement is considered absolutely essential by the Medical Superintendent of the hospital or nursing home where the treatment is being taken, the charges may be reimbursed.

8. Treatment at a place other than the place of residence :

- a) The Whole Time Director shall be entitled to reimbursement under these provisions only if treatment is received at the Headquarters by the serving directors and/or at the place of residence after retirement by the retirees. However, if he falls ill at a station other than this, ie. while on tour or during leave, he shall be eligible for the benefit in respect of treatment at the station where he falls ill.
- b) Benefits in respect of members of his family shall also be admissible only if treatment is received at the place of residence of the Whole Time Director. However, if a member of the family of the whole time director falls ill at a station other than the place of residence, the benefits shall be available in respect of treatment taken at that station, subject to approval by the authorized doctor. However, such outstation treatment shall not be admissible if the member of the family normally resides at the station.
- c) In respect of the dependent children who are prosecuting whole time studies in recognized educational institutions at a station in India other than the place of residence of the Whole Time Director, the benefits in respect of treatment availed of at that station shall be admissible, subject to approval by the authorized doctor.
- d) In respect of illness where adequate facilities for treatment thereof are not available at the place of residence or any other station permissible under sub-clause (a), (b) and (c) above, treatment at the nearest appropriate place shall be permissible provided :-
 - (i) the attending authorized doctor certifies that adequate facilities are not available for treatment at the place of residence or at the said station, as the case may be, and that treatment at other station is necessary;
 - (ii) where the attending doctor is not the authorized doctor, prior approval of the authorized doctor wherever possible is obtained; and
 - (iii) the Corporation/Company permits such treatment on being satisfied in this regard.

In case of emergency, such outstation treatment can be commenced and ex-post facto permission from the authorized doctor and the Corporation/Company may be obtained. Such permission will be granted only if the Corporation/Company is satisfied regarding the need for such outstation treatment and also on the point regarding emergency on account of which prior permission could not be obtained.
- e) In no case, however, traveling expenses incurred in such outstation treatment shall be reimbursable.
- f) Expenses incurred on treatment received in a country outside India will not be reimbursable under any circumstances.

9. **General :**

- a) On no account shall traveling expenses incurred by the Whole Time Director in connection with his treatment or the treatment of any member of his family be reimbursable. However, where hospitalization becomes necessary, ambulance charges for moving the whole time director or a member of his family from residence to the hospital for treatment shall be reimbursable by the Corporation.
- b) The Whole Time Director or a member of his family may be admitted to a sanatorium for the treatment of Tuberculosis (TB). Such sanatorium charges including charges for post-sanatorium treatment as are considered just and reasonable by the Corporation will be reimbursed by the Corporation.
- c) Reimbursement in respect of any specialized method of treatment shall be permissible only if the treatment is undertaken with the prior approval of the authorized doctor who should certify at the time of claiming reimbursement that the treatment has been completed or that the case has reached the stage of maximum benefit from the treatment.

10. **Exclusions :**

- a) Benefits in respect of the following are excluded from the scope of these Rules :-
 - i) Disease, injury or disablement directly or indirectly due to breach of law or hunting, steeple chasing, polo, winter sports, riding or driving in races or engaging in aviation or ballooning or entering, leaving or traveling in any aircraft or balloon; but this provision shall not be deemed to exclude injury resulting from an accident while traveling as a passenger in a fully licensed standard type of aircraft operated by a recognized airline on a regular scheduled air route;
 - ii) Circumcision or strictures or vaccination fees, or inoculation fees, or change of sex by beauty treatment of any description or hearing aid, intentional self-injury or dissipation or general debility or 'run down' condition, or venereal disease or intemperance, or the use of intoxicating drugs, or liquors, or any disease injury or disablement directly or indirectly due to any one or more of them;
 - iii) Dental or eye treatment other than treatment for some disease with the prior approval of the authorized doctor. Cost of dentures or spectacle are in any case not reimbursable.
 - iv) General check up in respect of a member of the family.
 - v) Nervous breakdown in respect of self or member of the family, except in cases where it necessitates hospitalization in which case benefits shall be admissible for a maximum total period of three months.
 - vi) Treatment of insanity of self or member of the family beyond the first three months of insanity



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- vii) Charges incurred in respect of self or member of the family for diagnosis X-ray, laboratory examinations etc. not consistent with or incidental to the diagnosis and treatment of the positive existence or presence of any disease, illness or injury
 - viii) Medical and/or non-surgical treatment for diseased or enlarged tonsils and/or adenoids in respect of self and members of the family
 - ix) Vitamins and/or tonics unless they are forming a necessary part of treatment of any specific illness or disease or injury or forming a necessary part of convalescence treatment
 - x) Expenses in connection with the maternity of any member of the family, including pre-natal treatment; and
 - xi) Fees or charges of attending physician, specialist surgeon or nurse, who is a near relative of the whole time director. Near relative for this purpose shall mean wife, father, mother, son, daughter, brother, sister, son-in-law or daughter-in-law of the whole time director.
- b) While claiming reimbursement, the Whole Time Director shall certify that the amount claimed was actually spent by him and that he has not received nor is he entitled to any reimbursement or contributions towards such expenses under any medical insurance scheme, personal accident policy or under any claim in respect of an accident or from any other sources. If any amount has been received or is due from such source, the benefits admissible shall be reduced by the amount so received or due.
