

**GOVERNMENT OF INDIA
LABOUR
LOK SABHA**

UNSTARRED QUESTION NO:3694
ANSWERED ON:16.08.2000
PREMIUM RATE
UMMAREDDY VENKATESWARLU

Will the Minister of LABOUR be pleased to state:

- (a) whether the present insurance rates of ESIC are too high for the services being rendered by them;
- (b) if so, whether any study has been done to bring down the premium rates;
- (c) to what extent top-heavy administration structure are cause for non-productive expenditure; and
- (d) the steps proposed to reduce overheads?

Answer

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT (SHRI MUNI LALL)

(a): No, Sir.

(b): Does not arise.

(c) & (d): Senior Administrative level posts in the ESIC have been created as per the norms prescribed by the Corporation in accordance with the rules and orders applicable to corresponding posts in the Central Govt. The Central Government has since made a provision in the ESI (Central) Rules, 1950 providing that the administrative expenses of the Corporation shall not exceed 15% of its total revenue income. In addition to reducing overhead and other avoidable expenditure, economy instructions issued by the Government from time to time are also followed by the ESIC.