

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5154
ANSWERED ON:24.04.2015
INSURANCE COVER TO DISABLED PERSONS
Shetti Shri Raju alias Devappa Anna

Will the Minister of FINANCE be pleased to state:

- (a) whether the public sector insurance companies have been providing insurance facilities to handicapped/disabled and mentally challenged persons;
- (b) if so, the details thereof and if not, the reasons therefor along with the IRDA guidelines in this regard; and
- (c) the steps taken by the Government to provide better insurance cover to the disabled people in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JAYANT SINHA)

(a) & (b) : As per Insurance Regulatory and Development Authority of India (IRDAI), mentally challenged people get covered under medical insurance policies sold by Public Sector General Insurance Companies. Presently, the Public Sector General Insurance Companies provide mental illness cover to children if covered with one or both parents simultaneously in the Policy. Some Public Sector Insurance Companies also provide mental illness cover to the persons under Employer-Employee Group Health Insurance Policies. While Life Insurance Risk coverage is offered to handicapped and mentally challenged persons by the life insurance companies (both public sector and private sector) based on their board approved underwriting policy, the disclosures made in the proposal form, every life insurance company will rate the persons to be insured from the point of view of risk assessment and underwriting as standard or sub-standard lives in order to determine acceptance of proposal and the premium to be charged. While there are no restrictions for providing insurance facilities to handicapped and mentally challenged persons, it is the professional decision of the insurance company based on their own risk bearing capacity and approach. There are no specific Regulations / Guidelines issued by the Authority in this regard.

(c): Government of India is implementing a scheme by name "NIRAMAYA" through which the handicapped and mentally challenged persons are covered for medical treatment up to Rs. 1 Lakh. Aam Admi Bima Yojana (AABY) is also a Government Social Security Scheme being administered through Life Insurance Corporation of India (LIC) that provides life/ accident insurance protection to the rural and urban poor persons (including rural landless households) and people belonging to certain identified vocational groups. One such identified vocation is "Physically Handicapped Self-Employed Persons".

IRDAI has also notified IRDA (Rural and Social Sector Obligations) 2002 mandating every insurer to cover the specified number of lives from the defined social sector market segment. Of the categories of lives that are defined as social sector lives, "other categories of persons" is one of the categories, which includes persons with disability as defined in the Persons with Disabilities (Equal Opportunities, Protection of Rights, and Full Participation) Act, 1995 and who may not be gainfully employed; and also includes guardians who need insurance to protect spastic persons or persons with disability.