

**Public Administration Circular: 12/2005**

My No: 7/4/1/22  
Ministry of Public Administration &  
Home Affairs  
Independence Square,  
Colombo 07.  
18 May, 2005

Secretaries to Ministries  
Chief Secretaries of Provincial Councils  
Heads of Departments

**Establishment of a New Insurance Scheme (*Agrahara*) for Public Officers, in terms of the Budgetary Proposals for 2005**

The government has decided, in terms of the budgetary proposals for 2005, to establish an Insurance Scheme providing equal and higher benefits to all Public Officers.

2. Accordingly the following Contributory Insurance Scheme will come into operation from 01.01.2005, replacing the provisions of Public Administration Circular 5/97 dated 31.01.1997 and other related Circulars.

3. This Insurance Scheme will consist of the following 3 components :

- i. Medical Insurance Scheme,
- ii. Personal Accident and Natural Death Insurance Scheme,
- iii. Loan Guarantee Scheme.

**4. Eligibility**

All Officers in the Public Service and the Provincial Public Service holding posts which are permanent and pensionable/entitled to a Contributory Pension will be eligible to join the Scheme.

**5. Payment of Premium**

- i. It will be compulsory for all officers in the Public Service and the Provincial Public Service to subscribe to this Scheme, for which they should pay a premium of Rs.75/- from their monthly salary. The premium should be remitted to the Sri Lanka Insurance Corporation Ltd.
- ii. The government will make a contribution of Rs.69/- per month in respect of each officer.

- iii. The total annual contribution payable by the government, based on the number of Public Officers who constitute the membership of the Insurance Scheme, shall be remitted by the General Treasury to the Sri Lanka Insurance Corporation Ltd., in monthly instalments
- iv. A statement showing the membership of the Scheme and the monthly remittance of instalments to the Sri Lanka Insurance Corporation Ltd. by each institution should be furnished to the General Treasury .

## 6. Benefits

The benefits to be derived from the Medical Insurance Scheme are shown in Part I of Annex (1) hereto, and the benefits from the Personal Accident and Natural Death Insurance Scheme in Part II and the benefits from the Loan Guarantee Scheme in Part III thereof .

The officer concerned will be entitled to the Personal Accident Insurance and the Loan Guarantee Insurance only if he meets with an accident by being engaged in any activity which is not unlawful. In the case of dismissal/leave abroad (other than duty leave abroad), no pay leave/employment abroad/resignation or vacation of post, the officer will have no claim to the Personal Accident Insurance and the Loan Guarantee Insurance.

Officers who are on no pay leave locally , can retain the claim only if they make proper arrangements to pay the premia.

## 07. Deriving benefits under the Insurance Scheme

- i. In the event of hospitalization , accident or natural death, the Head of the Department should be informed of the fact within 07 days. All relevant medical bills and hospital bills should be attached to the application and forwarded through the Head of the Department to the local office of the Sri Lanka Insurance Corporation Ltd. within one month. The original bills should be attached to the application.
- ii. The Sri Lanka Insurance Corporation Ltd. should take action to pay out the benefits within 10 working days.
- iii. If the patient is receiving indoor treatment in a hospital, the fact should invariably be intimated on the following telephone numbers before the patient is taken home.

011 - 2357357  
011 - 2357000

- iv. When applying for benefits for the first time, a recent passport size photograph certified by the Head of the Department should be furnished to the Sri Lanka Insurance Corporation Ltd.

#### **08. Production of Bogus Documents**

- i. If any officer who is a member were to submit bogus bills or medical certificates, the Sri Lanka Insurance Corporation Ltd. should report the matter to the Ministry of Public Administration and Home Affairs.
  - ii. On such reports the Ministry of Public Administration and Home Affairs will proceed to take disciplinary action against such member through the Head of his Department.
  - iii. If the officer is found guilty, action will be taken under the provisions of Chapter XLVIII in Part II of the Establishments Code and under the provisions of the Penal Code.
09. If any officer were to leave the Public Service in any manner whatsoever, such as resignation, retirement from the Public Service, vacation of post or dismissal, he will forfeit the Insurance cover. The Head of the Department should take action to furnish reports about such officers promptly to the Sri Lanka Insurance Corporation Ltd.
10. Action should be taken to forward quarterly statements on the monthly reimbursements of expenses by the Sri Lanka Insurance Corporation Ltd., to the Ministry of Public Administration and Home Affairs as well as the General Treasury.
11. The loans already taken by Public Officers under the former *Agrahara* Insurance Scheme offering guarantees as security, shall operate in the same manner under the new provisions set out in the present Contributory Insurance Scheme.
12. A grace period up to 01.08.2005 will be allowed to submit claims for benefits due up to 01.05.2005, and the Head of Department should take prompt action to forward any claims for benefits to the Sri Lanka Insurance Corporation Ltd., immediately on their receipt.

Sgd. D. Dissanayake  
Secretary,  
Ministry of Public Administration & Home Affairs.

**Part 1****Medical Insurance Scheme**

	<b>Type of Benefit</b>	<b>Limit</b>
01	Hospital and Nursing Home Charges	Rs. 21,000.00 (Room charges at Rs. 1500/- per day)
02	Medical and Surgical expenses for specialized treatment at hospitals and nursing homes, specialized treatment and nursing on the recommendations of Consultant Specialist Physicians, as well as Operating Theatre charges and Surgeons' and Anesthetists' charges	Rs. 50,000/- (for a family unit)
03	Fees for Medical consulting services or for Specialist Physicians' services obtained on the recommendation of a recognized physician or a physician registered under Section 41 of the Medical Services Ordinance, while receiving indoor treatment in a Hospital or Nursing home.	Rs. 15,000/- (for a family unit)
04	Fees for Specialists' services including Intensive Care, X Ray and Radium investigations and treatment, Electrotherapy, Physiotherapy	Rs. 20,000/- (for a family unit)
05	Travelling expenses, where a person entitled to the benefits from 01 to 04 above has to be removed urgently from his residence to the nearest hospital in a critical condition	Rs. 1,500/- (for a family unit)
06	In cases referred to in paragraphs 01 to 05 above (a) The maximum for a single case (b) The maximum for a single year	Rs. 100,000/- Rs. 150,000/- (If the spouse is also in the Public Service the two of them will be entitled to benefits of Rs. 300,000/-)
07	For members of the Scheme only. (On the recommendation of a Specialist Ophthalmologist, registered with the Sri Lanka Medical Council, eye glasses to be obtained once in three years only.)	Rs. 3,500/-
08	For members, provided they are receiving indoor treatment in a government hospital, or in a ward in an Ayurvedic Hospital.	Rs. 5,000/- (at Rs. 500/- per day)

09	<p>i. If hospitalized at a government or private hospital in respect of a Normal childbirth or a natural abortion maximum 2 occurrence in lifetime.</p> <p>ii. In the case of a female officer who is a member, for a childbirth in a private hospital, two occurrences during the lifetime.</p>	<p>For a maximum of 05 days at Rs. 500/- per day.</p> <p>Rs. 1000/- per day for a maximum of 05 days.</p>
10.	<p>i. Reimbursement of the following cardiac surgical expenses – for members only (maximum)</p> <ol style="list-style-type: none"> <li>1. Heart Attack – (Myocardial Refraction)</li> <li>2. Coronary Artery Disease (Coronary by – pass Surgery)</li> <li>3. Stroke (Cerebra Vascular Accident)</li> </ol> <p>ii. For the following surgical operations, for members only (maximum)</p> <p>i. Cancer</p> <p>iii. Renal Failure Major Organ Transplant, such as lung or bone marrow: However this benefit will not be paid to a donor of a major organ.</p> <p>Paralysis Multiple Sclerosis Primary Pulmonary Arterial Hypertension Fulminate Hepatitis</p>	<p>Rs. 350,000.00</p> <p>Rs. 100,000.00</p>

### **Family unit**

Married Employees:- Member, spouse and unemployed, unmarried children under 21 years

Unmarried employees: Member and parents of the officer who is the member, who are under 70 years of age.

Part II**Personal Accident and Natural Death Insurance Scheme**

All permanent officers of the Public Service and of the Provincial Public Service who are entitled to a Pension/Contributory Pension, are covered by this Insurance Scheme, 24 hours of the day.

**Benefits**

- |                    |   |
|--------------------|---|
| i. Insurance Cover | 24 hours of the day   |
| ii. Maximum age    | up to 60 years  |
| iii. Sum insured   | Rs. 600,000/- . In the event of death or permanent disability due to an accident, the insured sum will be divided among the dependants. |
| iv. Amount payable | Rs. 600,000/-   |
- a. **Permanent disability**
- In the event of death or permanent total disability resulting from the accident } Total insured sum
- b. **Permanent partial disability**
- Loss of one leg, loss of one eye } 50% of the insured sum  
Loss of one arm
- c. **Temporary total disability**
- |                             |                       |
|-----------------------------|-----------------------|
| i. For a period of 52 weeks | at Rs. 300/- per week |
|-----------------------------|-----------------------|
- d. **Temporary partial disability**
- |                             |                       |
|-----------------------------|-----------------------|
| i. For a period of 52 weeks | at Rs. 200/- per week |
|-----------------------------|-----------------------|
- e. For a natural death
- Rs. 50,000/-

### Part III

#### **Loan Guarantee Scheme**

This Insurance Scheme covers all kinds of loans which require a guarantor/guarantors, other than property loans obtainable by employees in the Public Service in terms of Chapter XXIV of the Establishments Code. In the event that the debtor has been unable to pay a debt owed to the government, such debt would be paid to the government by the Insurance Corporation. The maximum limit of debt that can be guaranteed for an officer under this Scheme, is Rs. 600,000/-

#### **Benefits**

- i. If on account of any sickness or total or partial disability, the debtor were to lose his life or his usual means of livelihood, the Insurance Corporation will be liable to pay the outstanding amount of the loan, to the government.
- ii. While the maximum of the loan guarantee will be Rs. 600,000/- the loan entitlement of an officer will be determined on his salary.
- iii. The sum insured – Balance outstanding from the loan.
- iv. Repayment of the loan – The period for repayment shall not be beyond the age of 55 years or in case of extension of service, it shall not be beyond the age of 60 years.