

INSURANCE AND ITS PROTECTION TO THE WOMEN EMPLOYEES IN TEXTILE MILLS

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Abstract:

The women employees in textile mills can be protected by the insurance policies issued by the general insurance companies, life insurance companies employee's state insurance corporations by collecting small amount of premium to maintain high morale resulting the best relationship with the employers as expected.

What is insurance:

Insurance is an economic device where by an individual can substitute a small cost (premium) for a large financial loss which is made good due to the premium paid by the insured.

Thus insurance may be described as a method or a technique which provides for collection of small amount of premium from many individuals and firms out of which losses suffered by the few are paid. The individual insured, who is exposed to a large but uncertain loss is able to buy protection through the payment of a small but definite amount viz premium.

Classification of Insurance:

1. General Insurance:

a) Insurance of property' (ex) Buildings contents and all other assets (risk of fire, Burglary, Motor, breakdown etc.

b) Insurance of Person: Any individual like worker, official, professional etc (ex Personal accident,

Health workmen compensation insurance etc.

c) Insurance of Liability: Legal Liability to third parties (Public liability , Product liability, Professional indemnity, Employes liability, Lift third party liability insurance)

d) Insurance of pecuniary loss less – Consequential loss resulting from material loss or damage (loss of profits fidelity guarantee insurances.

2. Life Insurance:

The person is covered under the policy for the sum insured fixed which is known by the insured at the time of taking policy. Life policy is generally for a longer duration. Death due to accident and also natural causes like, illness or disease or sickness covered. The insured is to pay the same premium throughout the policy period.

Example: A person aged 30 takes an endowment policy for a sum of Rs 100,000. He pays premium yearly Rs 2500/- for 20 years. He will get one lac + Bonus at the end of the 20th year. In case any death the nominee will be given 1 lac + Bonus.

3. Employee's state Insurance corporation:

The employee's state insurance act 1948, has been described as an act to provide for certain benefits to employees in case of sickness, maternity and employment injury and pension in case of death. Under the act The " Employee's state Insurance corporation has been set up to administer the insurance scheme, Which is applicable to industrial employees. The act operates in certain industrial areas as notified by the Govt from time to time. Under the scheme a fund maintained consisting contribution from the employers, employees and the government.

4. Protection to the women employees:

In textile mills all women employees are covered under ESI act. The ESI scheme protects the morale of the women employees when they suffer from any sickness, maternity, employment disablement benefit, defendant's benefit (death) medical treatments, pension for dependent etc. because they are paid for compensation. So to some extent ESI protects the morale of women employees.

ESI alone cannot protect the morale of women employees to full extent. Hence some of the policies issued by LIC and general insurance co. will also give them protection as given below.

The textile mills which are covered under ESI act should also take workmen compensation policy for employees to whom the compensation can be paid for injury by accident, arising out of and in course of employment. The same policy can be taken for the employers in the industries which are not covered by ESI act. So the workmen compensation insurance and ESI are very helpful to protect the morale of women employees in textile mills. The premium for ESI is shared by the employers and employees as fixed by the government whereas the premium for workmen compensation insurance is to be paid by the employer to protect the employees.

5. LIC:

Regarding LIC Policies, there are more than 40 type of policies. If a women employees are members of group insurance policy issued by LIC, they will not get sad because they are protected by the policies. Here also her morale is protected.

In addition to group LIC policy, the individual women employee should take a separate LIC policy by paying small premium at her cost. Example a women employee of textile mill took a LIC policy for a sum insured of Rs. 50,000/- by paying monthly premium of Rs.200/-. After 7 years she needed money for her children education. She approached LIC office for loan, she got sanctioned for Rs.10,000/- immediately, which is very helpful to her and her morale is protected in this situation. So LIC polices are protecting the morale of women employees.

6. Protection of women by GIC policies:

The following policies issued by General Insurance Companies are very useful to protect the morale of women employees of textile mills. More than 100 policies are issued in General Insurance Co.

1. House holders policy
2. Motor cycle insurance policy

3. Road safety insurance policy
4. Mother Theresa women and children policy
5. PA policy issued by PM scheme

SI 2,00,000 premium Rs.12/ for accidental death

SI 2,00,000 premium Rs.330 / natural death and accidental death

a). House holders policy:

(Ex) one of the women employees working in textile mills built a house for Rs. 5 lacs from the money earned by her from the textile mills. The house and contents valued Rs. 5 lacs were insured under the above policy by paying small amount of premium. Due to short circuit the building and contents were burnt. She got worried more. After insurance company paid the loss of Rs. 5,00,000/- her morale was protected immediately.

b). Motor Cycle insurance:

Now a days all women employees use motor cycle moped to attend the work at textile mills. One of the women employees went to bank by using her moped purchased from her earnings. After she had finished her work at bank, she came out to go to house. But the moped was found missing. Immediately she reported the matter to police and insurance co. After 3 months the insurance co. settled the amount towards the cost of the moped stolen by getting required documents from her. Her morale was reinstated after getting the money from insurance co.

c). Road safety insurance policy:

Two women employees used to go to textile mills by a moped. One day when they were going to shop after finishing the work at mills, they met with an accident causing injuries to both. One women was covered under Road Safety Insurance Policy but another women had not taken the above policy. Both had incurred expenses of Rs. 15,000 and 16,000 respectively. The women who took the above policy was paid Rs. 15,000 by the insurance co. Ltd. The other women did not get the amount Rs.16,000 as she had not been insured. The morale of first women is protected whereas the morale of second women not protected. So this policy is very

useful to protect the morale of women employees by paying premium of Rs.300 for sum insured of Rs 1,00,000.

d). PA policy by PM of India scheme:

The premium for the policy is rs 12/-(twelve only). One women took a policy under the above scheme for Rs 200000/- by advising her husband to take the policy in a bank. Her husband died due to heavy flood. Immediately she was paid Rs. 2 lac. Her morale was protected to some extent by the policy.

e). Mother Terasa women and children policy:

The premium for the policy is Rs.62/-. One women took a policy. Her husband died due to snake bite. The women was paid Rs.25,000/- immediately by the insurance co.

Conclusion:

The awareness of insurance policies protecting the women employees should be made known through newspapers / media / by meeting in the industry. If the morale is high, the production will be satisfactory ending in good industrial relations. Hence insurance policies are very useful in giving protection of women employees in textile mills. If the above procedure is applied high morale can be maintained resulting the best relationship in the employers.

Reference Books:

1. Principals of Insurance by Insurance Institute of India Mumbai.
2. Practice of Insurance by Insurance Institute of India Mumbai.
3. The Hindu newspaper in Tamilnadu.