

# Employee State Insurance (ESI) In India

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**Abstract-** The concept of Employee State Insurance is very useful to the employees for secure their social life. The purpose of this study is to identify the performance of the employee state insurance in India. The study used secondary data as sources and period consist of 5 years from 2013 to 2017. This study mainly focused on medical contingencies, such as sickness, maternity, death or disablement due to employment injury and occupational disease in India.

**Index Terms-** Employee State Insurance, Secondary data, Social security.

## 1. INTRODUCTION

Employees State Insurance Scheme is one of the measures of Social Security and plays a very important role by taking care of the health of the employees and their families working in several small organizations. Social Security holds a pivotal role in the society; it helps in abridging gaps between people which is often caused due to low income and status in the society by giving a sound working environment lowering the inequity and inequality among people. Social Security eradicates the factors of discrimination on the basis of nationality, ethnicity or gender by ensuring the rights or benefits as a matter of legal entitlements. After independence, Indian Government took keen interest to provide social security to workers. So, the parliament amended the existing legislations to make them more suitable and beneficial for the workers. Social security is such a type of help which ensures a person that he will surely get assistance at the time of his illness, injury, old age, invalidity and even after his death.

## 2. BACKGROUND OF THE STUDY

Employees' State Insurance (ESI) is a self-financing social security and health insurance scheme for

Indian workers. This fund is managed by the Employees' State Insurance Corporation (ESIC) according to rules and regulations stipulated there in the ESI Act 1948. ESIC is an autonomous corporation by a statutory creation under Ministry of Labour and Employment, Government of India.

In March 1943, B. P. Adarkar was appointed by Government of India to create a report on health insurance scheme for industrial workers. The report became the basis for the Employment State Insurance Act of 1948. The promulgation of Employees' State Insurance Act, 1948 envisaged an integrated need based social insurance scheme that would protect the interest of workers in contingencies such as sickness, maternity, temporary or permanent physical disablement, death due to employment injury resulting in loss of wages or earning capacity. The Act also guarantees reasonably good medical care to workers and their immediate dependents.

## 3. LITEEATURE REVIEW

- Dr. Nagaraju Battu, Prasad Chundi(2015): This study shows the majority of the respondents are aware about the ESI benefits under the ESI act 1948 and liability of the employer as per the provisions of the said act. And Implementation of the scheme benefits for all eligible labour working in their establishments.
- Rashida K. N(2015): In this study the all workers are aware of sickness benefits; dependant's benefits and leave benefits of ESI scheme and Majority of workers are aware of the payment funeral expense provided by ESI Corporation. Large majority of workers are utilizing the ESI dispensary for treatment of minor diseases and majority of them are for occupational hazard.
- M Gopinath & Hari Krishna : In this study the only way to achieve this goal is by participation

of citizens groups and other non-profit agencies that advocate for workers' health care rights. These groups can pressurise ESIC at the local level to improve medical services, the supply of medicines, and benefits related to accidents and occupational disease. Together they can work to broaden the scope of the ESIC coverage to the informal sector through the 73 amendment of the constitution, which calls for local self-governance from the village to the district levels.

- Asha.G, Dr. Lekshmi Bhai.P.S, Nayana S: In this study the different tables shows the results like the majority of the employees prefers ESI hospital for treatment because of free medical care, the majority of employees are not satisfied with the service of doctors and the 30 percent of employees are satisfied with the availability of medicines. But 41.4 percent are neutral.
- Divya. M and Dr. B.Vijayachandran Pillai: In this study all ESI hospitals are not multidisciplinary hospitals and the employees are not much satisfied with their services. Some ESI hospitals are facing the problem of lack of proper diagnosing facilities which forces the employees to depend private Labs/clinics. Moreover, the number of ESI dispensaries in Malappuram district is found quite insufficient to satisfy the requirements of employees.

#### 4. OBJECTIVE OF THE STUDY

- To identify the performance of the employee state insurance in India.

#### 5. RESEARCH METHODOLOGY

##### 5.1 Sources of Data:

Secondary Data: Secondary data is the data that have been already collected by and readily available from other sources. Such data are cheaper and more quickly obtainable than the primary data and also may be available when primary data cannot be obtained at all.

##### 5.2 Period of the study: 2013 to 2017

#### 6. DATA ANALYSIS AND INTERPRETATION

##### 6.1 BENEFITS OF ESI IN INDIA:

##### ESI medical benefits:

Employees' State Insurance or ESI is a comprehensive social security program for workers in the event of medical contingencies, such as sickness, maternity, death or disablement due to employment injury and occupational disease. The ESI scheme provides access to medical treatment, medical facilities, cash compensation and other support for insured persons. ESI registration and compliance is mandatory in India for businesses and establishments employing 10 or more persons. In this article, we look at the major medical benefits provided under the ESI scheme.

##### ESI medical benefits eligibility:

Some of the main benefits provided under ESI scheme are sickness benefit, disablement benefit, dependants' benefit, maternity benefit and medical benefit. ESI medical benefit is available to the Insured Person (IP) and immediate family members from the day one enters an insurable employment until the person is in insurable employment. There is no ceiling on expenditure on an individual's medical care.

##### Availing ESI medical care:

ESI has the largest medical infrastructure in India for delivering healthcare services through a large network of 150 ESI Hospitals, 1372 ESI Dispensaries, 91 ISM Units, 1380 Panel Clinics and 7340 IMOs. An insured person can walk-in to a ESI hospital or dispensary for medical care and would be provided OPD services, in-patient services, diagnostic facilities, free drugs and dressings etc.

In case of critical patients who cannot be treated at a ESI facility, incidental expenditure on transport, stoppage charges at the centre, traveling expenses for attendants (if required) are also being paid by ESI Corporation. The eligibility for super-specialty treatment is 3 months (with contribution paid for at least 39 days) of insurable employment for insured person (for self) and 6 months (with contribution paid for at least 78 days) of insurable employment by Insured Person for their family members. Super-specialty treatment or critical care is provided through in-house super speciality facilities available in some of ESI Hospitals or ESI-PGIMSRs or through the ESI empanelled medical institutions on referral basis through tie-up arrangements. About 750

private hospitals in all India are now empanelled as tie-up Hospitals for ESIC.

**Old Age and Retirement Benefits:**

The ESI medical benefits have now been extended to insured persons who go out of employment on account of old age or on account of disability due to work related injury. For such persons, medical care is provided free of cost at ESI facilities along with artificial limbs, artificial dentures, spectacles, hearing aids, cardiac pacemaker, walking caliper, surgical boots, spinal support, cerebral collar etc., as required.

**INSURED PERSONS AND BENEFICIARIES:**

ESI registration is mandatory for all employees earning INR 20,000 per month or less per month as wages or salary. The employer needs to contribute 4.75 % and employee needs to add 1.75% total share 6.5% of Gross salary. This fund is supervised by the ESI Corporation established under the Act. The employer has to mandatory register within 15 days from the Incorporation. The ESI Corporation has to oversee the provision of medical and cash benefits ESI Card holder and depended family member. Now ESI Corporation has established a vast network of Regional offices, dispensaries and hospitals throughout all the main cities in India. State government is accountable for administration and supervision of the hospitals.

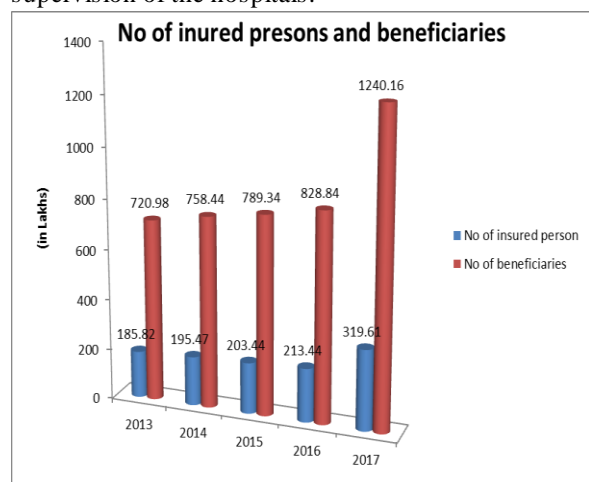


Figure 1: The above figure shows the number of insured persons and number of beneficiaries from 2013 to 2017 in India.

**EMPLOYEES COVERED UNDER ESI SCHEME IN INDIA:**

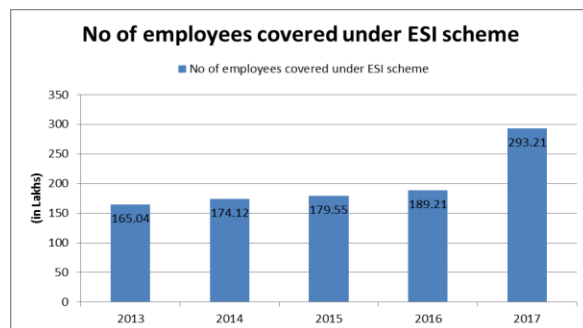


Figure 2: The above figure shows the number of employees covered under the ESI scheme in India from the year 2013 to 2017.

**7. FINDINGS**

- This study shows the performance of employee state insurance in India.
- It is mainly focused on medical contingencies, such as sickness, maternity, death or disablement due to employment injury and occupational disease.
- ESI has the largest medical infrastructure in India like 150 ESI Hospitals, 1372 ESI Dispensaries, 91 ISM Units, 1380 Panel Clinics and 7340 IMOs.
- Compare to last four years number of insured persons and beneficiaries increased in 2017.
- There are 293.21 lakhs employees covered under ESI scheme.

**8. CONCLUSION**

Employee stock insurance is a scheme provided by the Indian Govt, it is completely related on medical insurance to the employees. And this scheme provides medical treatment, medical facilities, cash compensation and other support for insured persons. From this study we come to know that how many persons will be insured and beneficiaries and also how many persons covered under ESI scheme in India.

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