

Government of Rajasthan
Finance (R & A.I) Department

No. F.13(23)FD/R&AI/77

Date: 23-3-91

ORDER

Subject: Establishment of General Insurance Fund
with effect from 1st April, 1991.

The Governor is pleased to establish with effect from 1st April, 1991 a separate General Insurance Fund which will act as insurer for all Government Departments, Statutory Bodies, State Corporations, State Undertakings/Cooperative-Organisations in which the State Government has a substantial financial interest by way of shareholding, loans, guarantee etc. The Fund shall be administered by the Director of Insurance & P.F. Department, Rajasthan (GIS) and shall be governed by the following general principles. :-

1. (A) Industrial and commercial undertakings run by the Government of Rajasthan including all State Trading Schemes and all statutory bodies, corporations, cooperative institutions as described above shall provide for adequate insurance of the properties under their control in accordance with the practice prevailing in this regard in government, commercial and industrial undertakings.
- (B) Property pertaining to the schemes not covered by (A) above but in respect of which there is current practice to insure, or their special risks are involved, should be reported to the Director (GIS).
- (C) In cases where the intending department of the government or the Central Stores Purchase Officer require according to the existing practice or regulations that the goods purchased by them should be insured during transit by rail, road, water or air the same should be reported for insurance to the Director (GIS).

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- (D) The properties held by Government and not included in sub para (A) to (C) above may not be insured and any damage their-to shall continue as here to for-to be met from the ordinary revenues.
- (E) The premium payable in respect of property referred to in sub para (A) above shall be credited to a separate Fund and shall be included in the working expenses of the appropriate commercial or industrial undertaking.
- (F) The damages covered by the insurers thus provided, shall be met out from the General Insurance Fund.
- (G) As sufficient data on the basis of which it would be possible to calculate scientifically the premium to be charged in such cases are not available the rates levied by General Insurance Corporation of India or the Controller of Insurance, as the case may be, shall be charged pending further orders provided that the Government may in individual cases, fix the lower premium if the circumstances of the case may so warrant.
- (H) No property of Government and properties of such organisations as described in para 1 above shall hereafter be insured with the General Insurance Corporation of India but where the risks as such it is not considered advisable that the Fund should carry the risk, the Director of Insurance (GIS) may with the previous approval of the Government effect the necessary insurance with any of the units of General Insurance Corporation and pay the premium within the Fund.
- (I) The fidelity guarantee cover may be obtained from the Insurance Fund in respect of government servants :
(a) employee in a commercial or industrial undertaking and statutory bodies, corporations and cooperative - institutions of government, and (b) in a department or office in which it is the existing practice to take out such guarantee covers provided that in either

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case such guarantee cover is asked for by the employer (i.e. Head of the Department or Head of Office in which government servant whose fidelity is to be guaranteed is employed) and the premia are paid either from the Fund of the such organisations or by the employee himself.

2. The establishment of the General Insurance Fund shall not be construed as valid authority for modifying or in any way effecting the provision of the existing rules and regulations regarding responsibility of individual government servant for the safe custody of government properties entrusted to their charge or of the procedure laid down regarding investigation into loss or of their rights off.

In view of the establishment of the aforesaid Insurance Fund the Government of Rajasthan is pleased to direct that subject to the general principles stated above no property under the control of the Government, Corporations, Statutory Bodies, Cooperative Institutions etc. or if any of the offices of the Government of Rajasthan shall be insured with the General Insurance Corporation of India or with any Insurance Company or Society on or after the date of issue of this Notification. Any policies of insurance in respect of such property which are valid upto the date falling on or after the date of issue of this Notification shall of course continue as stated but they shall not be renewed after expiry of the date of their validity. The statement of the existing policies which expire on or after the date of this Notification shall be submitted in Form-A, annexure to this Notification to the Director (GIS). Another statement of property insurable under clause (a) of para 1 above which normally involves insurable risks shall also be submitted in Form-B annexed to this Notification to the Director (GIS)

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within a period of one month from the date of issue of this Notification. The statement in Form-B shall be utilised for fresh proposals for insurance.

4. The Insurance Fund established above is also authorised to transact business of insurance in respect of property of statutory corporations or boards established and financed wholly or mainly by the Government of Rajasthan. The administrative departments, incharge of such corporations or boards and the Bureau of Public Enterprises would therefore request the latter to insure their properties with the Government General Insurance Fund.

5. The orders prescribing the accounting procedure in respect of the transactions of the General Insurance Fund are being issued separately.

BY ORDER OF THE GOVERNOR.

(Signature)
SECRETARY TO GOVERNMENT,
Government of Rajasthan, Finance Dept.

Copy forwarded to the following for information and necessary action:-

1. Personal Secretary to State Minister, State Insurance & Provident Fund Department.
2. Secretary to Chief Minister.
3. All Secretaries/Special Secretaries to the Govt.
3. All Head of the Departments.

(Signature)
Special Secretary to Govt.

Copy also forwarded to the following:-

1. Secretary, Bureau of Public Enterprises, Raj., Jaipur with request that necessary instructions may kindly be issued to all the Board corporations.

(Signature)
Special Secretary to Govt.

Mathur/