

Army Group Insurance Scheme

***322. SHRI R.K. ANAND:** Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that optimum benefits as should accrue from the Army Group Insurance Scheme are not forthcoming; and

(b) if so, the details of the investments and income earned from the amount collected under the Army Group Insurance Scheme?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) and (b) The Army Group Insurance Scheme (AGIS) is a Group Insurance-cum-Saving Scheme which provides optimum benefits to its members. Some of the important benefits provided include Insurance Cover, Disability Cover, Insurance during war/war-like situations, medical benefits, Extended Insurance after retirement, Special Insurance for Army Aviation Corps Personnel, Cadet Insurance, and maturity benefits. Financial assistance is also provided from the AGIS Fund by way of conveyance advance, house building advance etc. A number of welfare activities have also been undertaken under the aegis of AGIS for the benefit of serving Army personnel, ex-Servicemen, disabled personnel, widows and minor children of Army personnel.

The funds under the scheme are invested for optimum returns on the basis of the advice of an Investment Advisory Committee which consists of eminent civilian members, who have experience and expertise in economics, insurance, finance and allied fields. At present 13% interest is being paid on the saving component of the contribution made under AGIS, annually compounded, with one per cent bonus on the total contributed amount.

As per audited accounts for the year 1998-99, the Corpus of the AGIS fund at the beginning of the year was 4211.83 crores and the interest earned on investment during the year was 58.510 crores.