

- d) Insurance removes the fear, worry and anxiety associated with one's future and thus encourages free investment of capital in business enterprises and promotes efficient use of existing resources. Thus insurance encourages commercial and industrial development along with generation of employment opportunities, thereby contributing to a healthy economy and increased national productivity.
- e) A bank or financial institution may not advance loans on property unless it is insured against loss or damage by insurable perils. Most of them insist on assigning the policy as collateral security.
- f) Before acceptance of a risk, insurers arrange survey and inspection of the property to be insured, by qualified engineers and other experts. They not only assess the risk for rating purposes but also suggest and recommend to the insured, various improvements in the risk, which will attract lower rates of premium.
- g) Insurance ranks with export trade, shipping and banking services as an earner of foreign exchange to the country. Indian insurers operate in more than 30 countries. These operations earn foreign exchange and represent invisible exports.
- h) Insurers are closely associated with several agencies and institutions engaged in fire loss prevention, cargo loss prevention, industrial safety and road safety.

#### Information

##### Insurance and Social Security

- a) It is now recognised that provision of social security is an obligation of the State. Various laws, passed by the State for this purpose involve use of insurance, compulsory or voluntary, as a tool of social security. Central and State Governments contribute premiums under certain social security schemes thus fulfilling their social commitments. The Employees State Insurance Act, 1948 provides for **Employees State Insurance Corporation** to pay for the expenses of sickness, disablement, maternity and death for the benefit of industrial employees and their families, who are insured persons. The scheme operates in certain industrial areas as notified by the Government.
- b) Insurers play an important role in social security schemes sponsored by the Government such as
  1. RKBY - Rashtriya Krishi Bima Yojana
  2. RSBY - Rashtriya Swasthya Bima Yojana
  3. PMJBY - Pradhan Mantri Jeevan Jyoti Bima Yojana
  4. PMSBY - Pradhan Mantri Suraksha Bima Yojana
 All these benefit the community in general.
- d) All the **rural insurance schemes**, operated on a commercial basis, are designed ultimately to provide social security to the rural families.
- d) Apart from this support to Government schemes, the insurance industry itself offers on a commercial basis, insurance covers which have the ultimate objective of social security. Examples are: **Janata Personal Accident, Jan Arogya** etc.