

Kala Kalyana

Insurance and Social Security Scheme for Artists

Part 1: Working towards a scheme

India Theatre Forum

The India Theatre Forum (ITF) was formed in 2006, under the aegis of Prithvi Theatre, as a loose association of theatre people coming together in the larger interests of theatre (for more on the ITF, please visit www.theatreforum.in) The ITF has organised a national symposium called 'Not the Drama Seminar' in 2008; it is building a website for the benefit of the theatre community; it is planning to publish 'Guidelines for Best Practices'; it is bringing out 'e-RANG', a fortnightly internet journal; it is proposing to develop a Performing Arts Management Programme; and it is working towards 'Kala Kalyana', an insurance and social security scheme for artists.

Kala Kalyana

Insecurity and uncertainty of future is a part of artists' lives in India and it has become sharper as artists have to live against the market today. Presently, there are systems of support for artists like awards, fellowships, pensions (sanctioned by the state and central Governments), aid to individuals and organisations but none of the above systems offer a comprehensive social security module in which artists are not just beneficiaries, but active premium-holders. Kala Kalyana is a project initiated to develop such a participatory Insurance scheme for artists and their dependents to provide security against ill health, accidents, infirmity, death and old age.

Research: Phase 1

The preliminary research towards developing such a scheme began with the study of existing social security schemes run by the State government, the Central government and private organisations in India and abroad. The methodology included the study of such schemes to see whether the artists' constituency is already included; and, if not to explore the scope, in theory, to expand existing schemes to suit our needs.

Between June 2008 and November 2010, a small team of researchers looked into around 42 such schemes, the most prominent of which were:

- Yashasvini: co-operative farmers health scheme (Karnataka)
- Health insurance scheme for handloom weavers (all India)
- Raitha Sanjeevini: Accident Benefit Scheme by Department of Social and Family Affairs, Karnataka
- Schemes and projects created by SEWA Bank : Women Empowerment/ Poverty Alleviation, Gujarat
- Abstract of the Kerala State Cultural Welfare Act of 2009

- Several other schemes from UK, Germany and other European countries such as The Urban Institute, The Freelancers Institute, The Centre for an Urban Future, Grantmakers in the Arts, Research Centre for Arts and Culture (Columbia University)

The research team also contacted more than 100 eminent persons who could offer information and advice.

Research: Phase 2

During the second stage of research, two schemes/models that came close to our expectations were identified:

1. Yashasvini: co-operative farmers health scheme (Karnataka) and
2. The Kerala State Cultural Welfare Act of 2009.

These schemes were studied in greater detail to see if we could sketch out a scheme modelled on these. After some attempts to draw out such a scheme, it was realised that it is best to develop a scheme that has the following characteristics:

- a. which has a nation-wide scope and
- b. run by a reputed insurance organisation that has a good track record.

Therefore, finally all our research findings have been consolidated into the following outline of a scheme which -- based on the details of its future execution -- can be developed into a comprehensive model for life and health insurance, or split into two separate schemes -- one for life and accident insurance and the other for health insurance. The outline of that scheme is given below as part 2 of this document.

Future Plans

India Theatre Forum now proposes the following lines of action:

- To present these schemes to various groups of artists, insurance experts etc., and based on the feedback, to refine the scheme model that we have drawn up; and then,
- To persuade the Government of India, through lobbying and artists' conventions, to adopt these as Government schemes.
- To follow up the process of developing this outline into a proper scheme by the administering agency fixed by the government, and
- To get it executed and then to create an awareness of the scheme amongst the artist community.

Most crucial of these, in fact, is the task of developing the outline given below into a workable scheme. At the moment it is only a preliminary statement of expectations, and it needs lots of inputs into various parts of it – the criteria for eligibility, for example, needs to be finalised after more discussions with the artists community and to finalise the economics part of it, one needs hard socio-economic data gathered through methodical research.

Part 2: Kala Kalyana: Outline structure of The Proposed Social Security Scheme for Artists

Rationale

Arts and artists are fundamental to our social well-being and their work is often a crucial part of community life. When artists are properly supported, they provide many benefits to the communities in which they live and work. However, artists are typically under-resourced despite the work and services they provide, and they are often undervalued and under-recognized for the roles that they play in society. In addition to the problems artists face with resources and perception, artists as independent workers often find themselves at a disadvantage when seeking material supports such as insurance, space, and funding. On the other hand, working artists also make resonant contributions to the daily lives of our communities as entrepreneurs, educators and involved citizens. Therefore, providing artists with a relevant system of support and resources will enhance their creative output, enabling them to make greater and more meaningful contributions to our communities and society as a whole.

Overview of the proposed scheme

'Kala Kalyana: Social Security Scheme for Artists' aims at providing the artists' community in India to access the best of social security facilities. The scheme proposes to cover the artists' family of four comprising the head of the family and any three out of spouse, dependant parents and children. The 'artist' who opts for this scheme contributes an yearly premium, with a three times contribution by the Government. Such contributions are accumulated with interest and the accumulated amount is utilized to provide support in case of accident and pension benefits on attaining a certain age as well as health insurance when it is needed.

Eligibility

All 'artists' whether male or female, between the age group of 18 year to 80 years will be eligible to be covered under this scheme. To define the eligibility of a person to be called an 'artist' for the purpose of this scheme, the following set of criteria have been proposed. These criteria would cover a large part of the artists' community in India and in case it excludes certain groups, this list could later be expanded. Such criteria with the documents that could be used to verify the eligibility are the following:

Criteria for eligibility	Documents to verify the eligibility
Members of registered cultural organisations that are recognised under any culture departments/academies of the state and central governments	Registration certificate from the cultural department /academies for the registered cultural organization, and membership confirmation certificate for the individual artist from that cultural organisation

Students successfully passed out of professional arts schools/institutes recognised by the government (routine BA and MAs in literature are excluded)	Certificate of degree/diploma/course from the art school, college, affiliated university or board
Award winners from any state government or its bodies like academies, culture departments	Award certificate from the government or government bodies like Academy and culture department
Different grade artists recognised by Akashvani (Radio) and Doordarshan(TV)	Authentic recognition letter or certificate from Akashvani or Doordarshan
Folk artists recognised and certified by various state academies and culture departments	Authentic recognition letter or certificate from academies/ departments
Pension holders under artists' category, from the government	Pension documents

Exclusions for beneficiaries

- Artists who are employees of central/state governments, central/state public sector undertakings and also private sector institutions where already such schemes are in operation.
- Any of those who have an annual income of more than Rs 5 Lakhs (or some such amount which is used by the government to exclude the high income groups).

Coverage

The scheme will cover the artists' family of four, comprising self, and any other three members of the family from amongst the dependent parents, spouse and children. The scheme is to cover people between age group of 18 years to 80 years.

Administering Agency

The present scheme is designed with a view that this could be developed and administered by the following agencies (as a single comprehensive scheme, or as two separate schemes -- one for life insurance and pension, and another for health insurance):

- Life Insurance Corporation (LIC)
- A general insurance company, preferably a public sector undertaking
- A separate organisation set up exclusively by the government
- The Department of culture, Government of India
- A combination of the above mentioned agencies

Suggested Benefits: A. Life Insurance/Accident Benefits

The scheme will cover pension, accident coverage for the person and the family of the premium holder. The suggested benefits include:

- **Retirement benefits:** On retirement of a member/artist, i.e. 60 years, the corpus (contribution plus interest) should be utilised to provide the following:

- Commuted Value (Equivalent to 1/3rd or 1/2 of the corpus) which is tax free,
- The corpus that remains after providing for the commuted value should be utilised to provide for pension
- **Pension Options:** On the member/artist becoming eligible for pension, he/she can opt for one of the following pension options:
 - **Life Pension ceasing at death:** A pension payable throughout the whole duration of the life time of the policy holder.
 - **Life Pension with return of capital / corpus on death:** A pension payable throughout the whole duration of policy holder's life time. On the member's death an amount equal to the accumulation to the credit of the member will be payable to the nominee.
 - **Life Pension guaranteed for 5, 10, 15 or 20 years and life thereafter:** A pension payable for 5 years or 10 Yrs or 15 Yrs or 20 Yrs from the date of investing of pension and continued thereafter during his lifetime. In the event of the member's death within the Guaranteed Period of 5 or 10 or 15 or 20 yrs, the pension payment will continue to be paid for the benefit of the beneficiary until the balance of the guaranteed instalments shall have been paid.
 - **Joint Life Pension payable to the last survivor of the employee and spouse:** A pension payable to the member and his wife to whom he is married so long as both of them are alive and continued thereafter to the survivor of them until his or her death.
- **On death:** In case of death of the member before the maturity of the policy, and if the accumulated corpus does not fetch the minimum pension, then the Government has to make good the additional corpus.
- The scheme must also provide for disability benefits.
- An overview of the benefits of the scheme could be something like this:

Natural Death	Rs. 1,00,000 plus pension to the family (as mentioned above)
Death Due to Accident	Rs. 1,00,000 plus pension to the family (as mentioned above)
Total and Permanent disability due to accident	Pension as mentioned above

- **Family benefits:** Apart from the above benefits, the children of the policy holder who are studying in 9th to 12th standards could get free scholarships of around Rs.1200/- per year per child applicable to two children in a family.

Suggested Benefits: B. Health Insurance

The insurance company shall pay/reimburse expenses incurred by the artists in course of medical treatment availed of in any hospital or nursing home included in the scheme within the country. The benefits that need to be included are the following:

- Complete health/medical support including medicines: All hospital bills and medicine bills to be reimbursed or paid directly to the hospital. The list of eligible hospitals could be defined.
- The insurance must cover costs for treatments and surgeries for all the major diseases including: cardiology & cardiothoracic vascular surgery, oncology, nephrology/urology, neurology and neurosurgery, orthopaedic surgery, ophthalmology, vascular surgery, gastroenterology, E.N.T., gynaecology, thoracic, haematology (an upper limit for different ailments and diseases could be worked out based on various existing health insurance schemes).
- Some additional support for other expenditure and loss of work.
- Scheme to also include health issues such as normal child delivery, premature delivery, legal abortion.

Premium

A part of the premium is to be paid by the artist/beneficiaries and the rest of the premium amount is to be paid by the Government. The exact amounts of these are to be worked out after getting the relevant statistical and technical details, but we suggest that the artists' contribution could be somewhere between Rs. 500 and Rs. 1000 per year per artist family. There could also be a two tier premium structure for BPL and non BPL families.

A rough estimate of the financial implication of the scheme

Within the limited amount of research that we have made, it is difficult to estimate the total number of 'artists' who would be eligible for such a scheme; and therefore the contribution that the government has to make towards it. But based on the following logic, we have made some tentative guess-work:

- Yashaswini, the insurance scheme for farmers in Karnataka has at present around 25 lakh premium holders. The total population of Karnataka is 525 lakhs which means that around 5% of the population have subscribed to this scheme. Estimating that the population of 'artist-subscribers' will be at most 1/5th of this, we guess that the artist-subscribers' percentage in population would be around 1%. If we project this figure to the total population of India (115 crores), we get an estimate of 115 lakh subscribing families.
- As per the available statistics, the Government of Karnataka has spent around Rs. 40 crores for subsidizing the Yashaswini scheme for 25 lakh families during 2009-10. Therefore, on a similar scale, Govt. of India needs to spend Rs. 184 Crores per year for 115 lakh families.
- If we add half of this amount to provide for the additional benefits mentioned in the proposed scheme (i.e. the benefits that are not there in Yashaswini such as contribution towards pension in case of premature death), then the total amount needed becomes Rs. 276 Crores per year

Therefore, the budget allocation needed for the proposed scheme is probably less than Rs. 300 crores per year.