MINISTRY OF ENVIRONMENT AND FORESTS

New Delhi, the 4th November, 2008.

NOTIFICATION

G.S.R. 768 (E).—In exercise of the powers conferred by section 7A of the Public Liability Insurance Act, 1991(16 of 1991), the Central Government hereby makes the following scheme, namely:—

1. Short title and commencement.—(1)The scheme may be called the Environment Relief Fund Scheme, 2008

2. Definitions. — In this scheme, unless context otherwise requires,—

(a)"Act" means the Public Liability Insurance Act, 1991(16 of 1991);

(b)"claims" means the claims for relief arising out of an accident covered by the scheme;

(c) "claimant" means persons, owners or agents as specified in sub-section (1) of section 6 of the Act;

(d)"Form" means a form appended to this scheme;

(e)"Fund Manager" means an organisation selected to manage the Environment Relief Fund as indicated in paragraph 4;

(f)"rules" means the Public Liability Insurance Rules, 1992;

(g)words and expressions used in this scheme but not defined and defined in the Act and the rules made thereunder shall have the meanings respectively assigned to them in the Act and rules.

3. Establishment of Relief Fund by the Central Government.—(1)From the appointed day there shall be established by the Central Government, for the purposes of this scheme, a Fund to be called the Environment Relief Fund.

(2) The Relief Fund shall be managed and administered by the Fund Manager.

(3) The Fund Manager shall open one or more accounts in the nationalised banks to administer the Relief Fund.

(4)There shall be credited into the Relief Fund—

(i) amounts equal to that of premium of the insurance policy taken by the owner and income from investments along with other monies specified in sub-section (2C) of section 4 of the Act;

(ii) money remitted by the owner, as compensation for environment damages caused, under sub-section (1) of section 22 of the National Environment Tribunal Act, 1995 (27 of 1995).

4. Fund Manager.—(1) The United India Insurance Company Limited shall be the Fund Manager for a period of five years from the date of notification of this Scheme.

(2) On the expiry of the term of five years, any organisation ceasing to be a Fund Manager shall be eligible for reappointment along with any other organisation.

5. Operation of the Relief Fund.— (1) From the date of publication of this scheme, the Fund Manager shall open and operate a separate account in any Nationalised Bank for administering the Relief Fund in the name and style of "United Insurance Company Limited-Environment Relief Fund A/C".

(2) The existing funds in the custody of various insurance companies shall be transferred to the Relief Fund account within fifteen days from the date the account becomes operative or from such date as may be communicated by the Fund Manager but not later than sixty days from the date of the notification of this scheme:

Provided that the funds lying in fixed deposits shall be prematurely withdrawn and transferred to the Relief Fund account by the respective insurance companies.

(3) The funds from all insurance companies shall be transferred to the Relief Fund account by way of RTGS and there shall be no charges on such transfer of funds.

(4) All payments made in to the Relief Fund shall be credited by way of Cheque or Demand Draft by the owner along with its annual premium and the insurer in turn shall credit the amount into the Relief Fund account by the 30th of every month.

(5) All owners contributing to the Relief Fund shall inform the Fund Manager and the Collector about payment of the amount in

Form-III with in fifteen days of making of such payment of contribution to the insurer.

(6) In case of delay in payment by the owner or insurer, interest at the rate of 18% per annum shall be charged on the owners or insurer, as the case may be.

(7) 1% of the funds added in the corpus per annum or as decided by the Central Government from time to time, shall be paid as service fee to the Relief Fund Manager and this shall be paid from the corpus itself.

(8) The liability of the Fund Manager for making the payments from the Relief Fund shall be limited only to the extent of balance available in the corpus.

(9) Claim settlement shall be made by the Fund Manager as per the sanction order issued by the Collector.

6. Investment of amount received under Relief Fund.— (1) The amount received under the Relief Fund shall be invested by the Fund Manager in such a manner so that the sum of relief awarded from the said Relief Fund becomes available to the Collector within fifteen days.

(2) Amounts in the Relief Fund account shall be invested in fixed deposits preferably in the nationalised banks immediately, after leaving the minimum agreed balance in the Relief Fund account, in consultation with the Reserve Bank of India and standing instructions shall be given to the bankers to convert funds over and above the minimum balance to the fixed deposits.

(3) The Fund Manager shall decide the manner for splitting of fixed deposits among the bankers, the maximum and minimum limit and period of such fixed deposits.

(4) The interest on the Relief Fund shall be quarterly cumulative and shall be reinvested. The full maturity value on the fixed deposits also shall be reinvested.

(5) The Board of the Fund Manager shall approve the policy as to placement of fixed deposits and its monitoring.

(6) The Fund Manager shall submit to the Central Government the annual statement of accounts on the management of funds.

(7) The recovery of tax deducted at source on account of credit in the Relief Fund, conditions of Permanent Account Number and the legal status of funds from the point of taxation shall be decided in consultation with the Central Board of Direct Taxes and shall be binding on the Fund Manager.

7. Disbursement of relief.—(1) An application for claim for relief shall be made to the Collector in

form-I and the Collector shall award the amount of relief to the claimant in Form-II.

(2) The payment of claims shall be made to all the affected persons on first come first serve basis or as may be decided by the Collector from time to time.

(3) The insurance company or Fund Manager shall ensure that the sum awarded is deposited with the Collector within thirty days of the receipt of the demand or as directed by the Collector.

(4) In case of claims exceeding the insurance liability and the Relief Fund money, the Collector shall demand the remaining relief money from the owner as arrears of land revenue or of public demand.

(5) In case the amount of award exceeds the amount payable under the insurance policy of the occupier or exceeds the liability of the insurance company, the Collector shall order the Fund Managerto pay the assessed amount from the Fund.

(6) The amount in excess of the policy so demanded shall be transferred by the Fund Managerto the Collector within a period of fifteen days or within such specified period as may be decided by the Collector. The owner shall be required to reimburse the money which was paid from the Relief Fund within a period of six months to the Collector who in turn will remit it to the Relief Fund and the Collector shall be responsible for the recovery of the amount from the owner along with interest as aforesaid as arrears of land revenue or of public demand.

(7) The Collector shall disburse this money among the claimants after taking a receipt from them in

Form IV.

(8) The Collector shall furnish accounts relating to the disbursement of relief amounts under the Relief Fund within forty-five days to the Fund Manager.

(9) The Collector shall disburse the money to the claimants as soon as he receives it from the Fund Manager, and in any case not later than fifteen days from the receipt of the amount.

(10) In case where the liability is higher than the total assets or where the owner is declared insolvent, the matter shall be referred to the arbitrator to be appointed by the Central Government who would decide about the liabilities and the recovery of amount from the owner.

(11) The amount under the Relief Fund shall be used exclusively for claims admissible under the scheme.

8. Accounts and audit.—(1) The Fund Manager shall maintain proper accounts and other relevant records and prepare an annual statement of accounts for each State and Union Territory up to 31st March of every year showing the collection of amounts by them for crediting the said amounts into the Relief Fund.

(2) The Statement of accounts in respect of all the insurers shall be consolidated and a statement of investment and receipts shall be maintained by the Fund Manager.

(3) The accounts of the Relief Fund shall be audited by the auditor appointed by the Fund Manager in consultation with the Comptroller and Auditor-General.

(4) The Fund Manager shall prepare and forward a consolidated statement of accounts and investment details along with the audit report thereon, to the Central Government by 30th June of every year.

9. Power to relax.— Where the Central Government is satisfied that the operation of any of the provisions of this scheme causes undue hardship to the claimants, it may, by order, for reasons to be recorded in writing, relax the requirement of that provision in a manner not inconsistent with the provisions of the Act or the rules made thereunder.

[F.No. 18-3/9 -HSMD]

Dr. G. K. Pandey
Adviser

FORM-I

(Under section 7A of the Public Liability Insurance Act, 1992)

I / we---------- -as legal representative(s) of the deceased/injured---------- hereby give undertaking that I / we shall refund the amount of relief awarded to me/us under this Act by the Claims Settlement officer to the owner in case I / we am/are awarded any other compensation or amount in lieu of or by way of satisfaction of –a claims for compensation in respect of death or grievous hurt to----------under ***other provisions.***

Signature of the legal representatives of the deceased/injured person.

F 0 R M - II

SERIAL NO:
Collector:
Date :

O R D E R

I hereby sanction Rs.---------- (Rupees.---------- ---------- as an interim relief in respect of thedeath/injury Of Shri/Shrimati/Km. _____resulting from chemical accident which took place at---------- (Name of the unit & Place) on ---------- to Shri/Shrimati/Kumari ----------as the legal representative of the deceased or to ----------(Name of the injured).

Signature of the Collector

Copy to:
1. Fund Manager
2. Office of the Insurance Company
3. The Claimant
4. Collector office file
5. The Owner concerned

F 0 R M - III

ERF Scheme under the Public Liability Insurance Act 1991

1. Control No. (To be Allotted by Fund Manager)
2. Name of Insured Owner
3. Business
4. Address
5. Territorial Limits
6. Name & Quantities of hazardous substances handled by owner 7. Address of Collector under which Territorial limit is the unit handling hazardous substance falls.

8. Annual turn-over
9. Paid up capital as defined Sec.4 (2A) of the Act (as on the date of the policy).
10. Policy Period
11. Indemnity Limit
12. Premium
13. Contribution to the Environment Relief Fund
14. Date of proposal and declaration.
15 Address of Policy Issuing: office to whom payment has been made
16. Date and particulars of payment to insurer

Date:

Place: For .....{ owner }

Name & Designation Authorised Signatory

form is to be sent directly to the General Insurance Company, the District Collector or District Magistrate and Ministry of Environment and Forests by the owner and two copies are to be submitted to the 'Insurer. The insurer will send one copy to the Fund Manager duly signed along with contribution towards ERF.

F 0 R M - IV

Sanction Order NO.

Dated :

DISCHARGE RECEIPT

Received with thanks from----------

Insurance Co. Ltd. a sum of Rs.----------being the interim relief under the Public Liability Insurance Act,1991 in part/full settlement of the claim for accident occurred to me/to the, deceased person---------- ----------(Name of the deceased) on ----------

(date of accident) at----------(Name of the Place). The amount has disbursed to me vide cheque / challan No.---------- Dated------- ----- --- drawn on----------from (Name of Collector's Office).

Signature on revenue Stamp
by beneficiary/victim

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