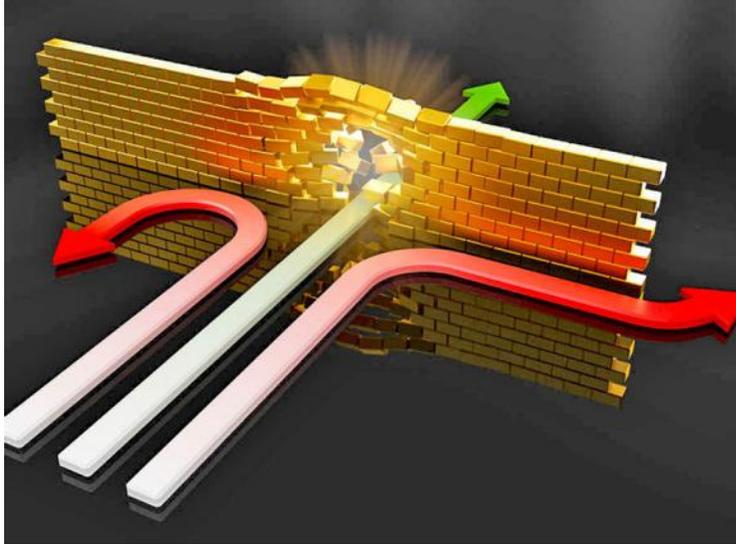


The Big Story

The obstacles in their path

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Planning your finances is no easy task, more so for families that include people with disabilities. To start with, there are not enough products designed specifically for their needs.

For instance, to secure the future of differently-abled children, long-term annuity products are helpful. But products that provide inflation-adjusted returns do not exist currently, says Tarun Mathur, Associate Director, Policybazaar. Schemes designed for the disabled from LIC — Jeevan Aadhar and Jeevan Vishwas — have been discontinued and are yet to be replaced with similar products, says Jitendra Solanki, a financial planner.

Second, there is limited awareness even of the few products that are currently available. Census data on disability certificates — which are required to avail loans and tax benefits — shows that only 40 per cent of the disabled people have the certificate.

Also, loan schemes from NHFDC and insurance schemes from government are not well advertised and many people are not aware of them. Loan providers indicate that the number of applicants has not been growing in the last few years. Insurance coverage among persons with disability tends to be low, notes Adhil Shetty, CEO, Bankbazaar.

Similarly, to encourage private sector employers to recruit persons with disabilities, the government contributes to the Employees Provident Fund and Employees State Insurance for the first three years (for employees with salary of up to ₹25,000 a month). However, these benefits are not widely known. Three, even if the disabled person is aware, there are many practical impediments. For instance, availing many of the government schemes such as loans and insurance is not easy due to red tape and long delays. Likewise, while opening a bank account may be simple, visiting a branch or accessing an ATM may be difficult for many. Although the RBI has issued a circular to improve accessibility of banks, the ground reality may not change overnight.

Unfavourable terms

The government offers excise duty exemption for vehicles used by the differently-abled and customs duty exemption for import of aids and appliances. But the process to avail these benefits is very cumbersome and time-consuming, says Chirag Chauhan, a Chartered Accountant. And when employment opportunities in the government or PSUs come up, the exam centres may only have stairs and narrow doors through which wheelchairs cannot enter. Many of them also face similar difficulties when navigating government offices and railway stations.

Four, the products, purchased with difficulty in many cases, do not offer favourable terms. For instance, insurance premiums for term or health insurance tend to be high and have many exclusion clauses.

And given that the earning ability of the differently-abled may be lower, they are not offered higher interest rates on deposits or lower rates of interest on personal loans.

Five, there are many practical issues when claiming benefits. Take the case of health benefits through employer group insurance schemes. Employees with disabilities say that their claims are often rejected due to the pre-existing condition of their disability, notes S Vaidyanathan, Secretary, The Spinal Foundation.

And the government's health insurance scheme Niramaya offers cover for only up to ₹1 lakh with sub-limits for different expense categories. There is no cashless option and one has to submit a number of documents to get reimbursements. These reduce attractiveness of the policy. Also, there are no common standards for issuing disability certificates across the country.



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