

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

Health Insurance – Operation of Aarogyasri Health Care Trust - Deed of Trust of Aarogyasri Health Care Trust – Certain modification, inclusions and deletions to the Original Deed – Orders Issued.

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**HEALTH MEDICAL AND FAMILY WELFARE (K2) DEPARTMENT**

**G.O. Ms. No.116**

**Dated: 21-4-2007**

**Read: -**

G.O. Ms. No. 227, HM & FW (K2) Department, dated 9-6-2006.

**ORDER:-**

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*S. Ravi*

Vide Government Orders read above, Government have issued orders to introduce a Health Insurance Scheme called Aarogyasri in the State along with certain Guidelines and also registered the Trust Deed of Aarogyasri Health Care Trust.

2. Government have since launched the Community Health Insurance Scheme by name "Aarogyasri" to provide health coverage to the families living below poverty line (BPL) for the treatment of major ailments such as Cancer, Kidney failure, Heart and Neuro Surgical Diseases, Trauma and Burns etc. The Star Health and Allied Insurance Corporation Limited, was selected through a competitive bidding process to implement the scheme on pilot basis w.e.f.01-04-2007 in the most backward districts of Andhra Pradesh viz., Anantapur, Mahaboobnagar, Srikakulam. In order to implement the scheme, Government have issued the orders appointing Sri Babu.A, IAS as the Chief Executive Officer of the Aarogyasri Healthcare Trust and he has taken, charge w.e.f. 21.2.2007. The Community Health Insurance Scheme now being implemented is materially different from the scheme proposed at the time when the trust was registered. Hence, it is decided to make certain modifications, inclusions and deletions in the earlier Deed. In order to finalise these items, the Board of Trustees meeting was convened on 12.3.2007 at 4.00 P.M. in the conference hall of Health Medical and Family Welfare Department. The Trustee members have agreed to make certain modifications, inclusions and deletions in the trust as was originally registered.
3. Government after careful examination of the matter and decided to make the modifications, inclusions and deletions in the originally registered Trust Deed vide Government orders read above as detailed below:-

- I. In supersession of the para 4 (a, b,c,e & f) & para 5 of the Deed of Trust of Aarogyasri Health Care Trust the following shall be substituted:

(Contd..2)

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#### 4. Board of Trustees:

i)	Hon'ble Chief Minister		Chairman
ii)	Hon'ble Minister for Health Medical & Family Welfare		Vice-Chairman-I
iii)	Principal Secretary to Govt., HM&FW Dept		Vice-Chairman-II
iv)	Principal Secretary to Govt., Finance Dept		Trustee
v)	Principal Secretary to Govt., Rural Development Dept.,		Trustee
vi)	Commissioner of Family Welfare, Govt. of AP		Trustee
vii)	Director of Health		Trustee
viii)	Director of Medical Education, Govt. of AP		Trustee
ix)	Commissioner, AP Vaidya Vidhana Parishad		Trustee
x)	Director, NIMS		Trustee
xi)	Financial Adviser, to be nominated by Govt.		Trustee
xii)	Chief Executive Officer, Aarogyasri Health Care Trust		Trustee
			Secretary of the Trust

- a) The Board may also invite other prominent persons in the field of Health, Insurance, Risk Management, Finance etc., from time to time
- b) The individual Trustee shall hold office till the official post is held or until the termination of the Trust or the discharge of the Trustee, whichever is earlier. The Individual trustee may resign, only with the prior approval of the GoAP.
- c) The **Hon'ble Chief Minister, Government of Andhra Pradesh**, shall be the Chairman of the TRUST and in case of difference of opinion arising among the TRUSTEES, the decision of the Chairman shall be final and binding upon the TRUSTEES.
- e) The **Chief Executive Officer / Secretary** of the Trust shall be the executive authority of the TRUST and shall exercise all powers, functions and duties as determined by the BOARD OF TRUSTEES from time to time.
- ii. In supersession of the para 6 (m) Deed of Trust of Aarogyasri Health Care Trust the following shall be substituted and para 6 shall be read as para 5 since the earlier para 5 in the Trust Deed is deleted:

(Contd..3)

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"5 (m) The Trustees in discharge of their duties as trustees aforesaid and in the exercise of all discretionary and other powers hereunder may appoint / employ / retain advocates, bankers, brokers accountants, auditors, registrars, professional advisors and consultants to transact any business required to be done under these presents. The Trustee shall not be responsible for the default or misconduct of any such agent or attorney (excluding officers and employees of the Trustee) appointed by it with reasonable care. The Trustee shall be responsible for performing such duties and only such duties of the Trustees as are specifically provided in this deed and no implied duties or liabilities shall be read into this deed against the Trustee. The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty. Provided that the Trustee shall have performed such duties as are specifically required of it in this deed, the Trustee shall not be liable for any action taken or omitted to be taken on the written advice of counsel selected by the Trustee with reasonable care. The Trustee shall not be answerable for the exercise of any discretionary power in good faith under this deed, or for any error of judgment made in good faith by an officer of the Trustee in exercising such power, or for any discretionary action taken or omitted to be taken in good faith under this deed, excepting only its own misconduct or negligence.

III. Para 5 of the original deed is stands deleted and the following paras are included as paras 6, 7 and 8. Hence the paras 7 to 22 shall be read as 9 to 24

6. The Author being the only contributor to the Trust, this Trust will be fully owned by the Government of Andhra Pradesh.

7. The trust is established as a public trust under the Indian Trusts Act 1882.

8. The GoAP has accorded approval for setting up the Trust under the Indian Trusts Act 1882 vide G.O.Ms.No.227, dated:09-06-2006 of Health Medical and Family Welfare Department.

IV. The para 19 and 20 of original deed stands modified as follows and renumbered as paras 21 and 22.

21. In the event of the Dissolution or Winding up of the Trust, all the properties of the Trust shall be transferred to another Trust, which is registered under the Income-Tax Act, 1961 and having similar objectives of the Trust.

22. Proper books of accounts shall be kept with regard to all the expenses incurred by the TRUST as well as receipts of money including income realized by the TRUST. The Books of Account of the Trust shall be audited by a Chartered Accountant duly appointed as Auditor of the Trust by the Board of Trustees.

- V. The following paras are included as para No. 25 and 26.
25. The Trustee shall be protected and shall incur no liability in acting in good faith upon any requisition, resolution, notice, request, consent, certificate, statement, affidavit, or other document which it shall in good faith believe to be genuine and to have been passed or signed by the proper Board or persons or to have been prepared and furnished pursuant to any of the provision of this Indenture and the Trustee shall be under no duty to make any investigation or inquiry as to any statement contained or matters referred to in any such instruments, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statement


26. The definitions and interpretation and construction of words mentioned in the Trust Deed are elaborated and appended as Annexure.

4. The Chief Executive Officer, Aarogyasri Health Care Trust is requested to take necessary action accordingly. In cancellation of the Original Deed another deed shall be registered duly carrying out the modifications, inclusions and deletions as mentioned above.

P.K.AGARWAL,  
PRINCIPAL SECRETARY TO GOVERNMENT

To  
All Trustees of the Board.  
The Chief Executive Officer,  
Aarogyasri Health Care Trust, HM & FW Department  
All the Departments concerned of the Secretariat.  
All the HODs under the control of HM&FW Department.  
All the concerned District Collectors in the State.  
Copy to:  
The Secretary to Government of India,  
Ministry of Family Welfare, Nirman Bhavan, New Delhi.  
The Secretary to Government of India,  
Department of Economic Affairs, New Delhi.  
The secretary to Government of India,  
Ministry of Finance Department of Banking & Insurance, New Delhi.  
The GA(I&PR) Department.  
The Finance Department.  
The Special Secretary to C.M.  
The P.S. to Minister (Finance & Health).  
SF/SC

//FORWARDED::BY ORDER//

  
SECTION OFFICER.