

ORGANIZATION OF
AFRICAN UNITY
SECRETARIAT

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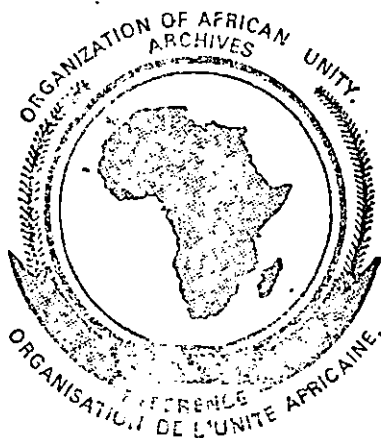
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B. P. 3243

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COUNCIL OF MINISTERS
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PROPOSALS ON INSURANCE AND SOCIAL SECURITY



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Section V, para.3 of the O.A.U. Staff Rules and Regulations approved by the Council of Ministers at its Fourth Ordinary Session at Nairobi, contains the following provision:

"Insurance: The Organization shall establish a comprehensive insurance scheme for members of the Secretariat whilst employed by the Organization."

2. In order to implement this, extensive enquiries and studies have been undertaken by the General Secretariat with a view to establishing the basis and an appropriate formula for insurance against death, disablement and illness of O.A.U. staff members. Consultations have been held with other international institutions and the specialized agencies of the United Nations, in order to ascertain their experience and practice in these matters. In view of the intricacies and complexities of this subject, it is proposed that this memorandum should contain the elements of such a scheme and should seek the decision of the Council of Ministers on the basic principles involved. On the strength of these decisions, the General Secretariat would then produce detailed regulations and full estimates of financial costs of an appropriate insurance scheme at the next budgetary session of the Council of Ministers.

3. There are two distinct aspects of this social insurance scheme. The first concerns compensation against death, injury, accident and disablement arising from, or incurred during, service with the O.A.U. The second relates to insurance against illness of all types during the normal service of a staff member.

4. Regarding compensation for "service-incurred" death, injury, accident, etc., the practice adopted by almost of all international organizations is to arrange insurance coverage with commercial insurance company. It is understood that the United Nations Organization adopts the following practices: -

- (a) All staff members of the U.N. are encouraged to insure their lives. The U.N. negotiates the insurance policy for each staff member and this enables him to secure reasonable life insurance policies at a very low premium of 9.60 U.S. dollars per month. This premium is, however, paid by the staff member and not by the U.N. Moreover, the accumulated premium is not refundable at any stage and the dependents of the staff member can only benefit at his death. It should be pointed out that participation in this scheme is optional.
- (b) The U.N.O also insures the lives of its regular staff members on a comprehensive basis against fatal air accidents. For instance, it would insure the lives of all its regular staff members with one insurance company and would pay the combined annual premium involved. If a U.N. staff member dies in an accident during air travel, while he is travelling on official duty or on other journeys for which the U.N. has paid, the Organization automatically receives 15,000 U.S. dollars from the insurance company. This sum is, however, paid into the pension fund of the U.N. and is not paid to the dependents of the staff member. These dependents benefit in the form of widows' and orphans' benefits or pensions which are granted under a separate scheme.
- (c) In case of disablement arising from the official duty of a U.N. staff member, awards are made under the Staff Members' personal insurance policy according to the scale of "loss of functions."

5. With regard treatment of illness and other health services and benefits, most international organizations arrange group insurance policies for its staff. An elaborate set of rules is drawn up to cover all types of illness, from minor ailments to surgical, orthopaedic and other serious treatments. In the case of the U.N., the insurance policy covers the family of the staff member. As a result of the group insurance arrangements, the U.N. pays 50% of the cost of the health insurance of all its staff. The other half is paid by the members of staff themselves, on a sliding scale, according to their salaries.

6. After carefully examining all the available information on this subject, the General Secretariat wishes to make the following proposals in regard to health of its employees. In making these proposals, the Secretariat would wish to invite the attention of the Council of Ministers specifically to the urgent necessity for such an insurance scheme for the staff of the Headquarters Secretariat and of the other offices outside Addis Ababa. The difficulties confronting staff members from different and varied geographical backgrounds, when come to work in the Secretariat, are well known and do not need any elaboration here.

(i) Life Insurance:

It is proposed that the O.A.U. Secretariat should automatically insure with a commercial agency, the lives of its staff who travel on official duty. Compensation obtained from the commercial insurance company would be paid, in the event of fatal accidents, to the dependents of the staff member.

(ii) Injury, Accident & Disablement:

If an OAU staff member should be seriously disabled or injured in an accident in the course of his duties, he should be compensated according to a scale to be established on expert advice. The compensation, in such cases, would be commensurate with the disability suffered according to whether or not the injury could result in preventing the staff member from further gainful employment.

(iii) Treatment of minor ailments:

For minor ailments which require immediate and local treatment such as can be accommodated by out-patient attendance at a hospital or dispensary, it is proposed that the O.A.U. should organize a comprehensive group insurance scheme with appropriate hospitals or medical institutions. Thus, for the payment of specifically negotiated sum every year, the hospital would provide necessary medical attention for minor ailments on attendance by staff members.

(iv) Hospitalization, Surgical and Orthopaedic Treatment:

For more serious illness which requires hospitalization or specialist treatment of a surgical or medical nature, a separate insurance policy should be arranged for all staff members of the O.A.U. This group insurance policy should be non-contributory or, if it is desired that it should be contributory, the amount to be paid by staff members should be a token sum. It is usually the practice all over the world, if the scheme is contributory it should be optional to staff members.

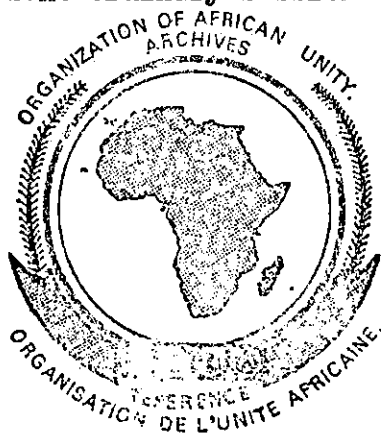
7. It will be noted that the suggestions in the preceding paragraph clearly require the O.A.U. to meet the cost of insuring the health and the lives (against death and injury during official duty) of its staff members. It is well known that the salary scales and other perquisites of O.A.U. staff members are considerably lower than those paid by the U.N., the specialized agencies, and most other international institutions. Consequently, it would be unfair and burdensome for the O.A.U. staff members, who are already comparatively poorly paid, to have to insure their own lives as part of an O.A.U. scheme, or to contribute to a group insurance scheme against illness. Nothing, of course, stops a staff member from making his own private arrangement for additional life insurance on the regular commercial basis, but that would not be an arrangement

of the Organization itself. The General Secretariat is convinced that, contrary to the practice in the United Nations Organization, the O.A.U. should not emulate the alternative practice of the U.N. whereby the organization, and not the staff member's dependents, benefits from his death while travelling on duty.

8. Regarding the processes of paying for such insurance, the estimates will be incorporated in the annual budget of the Organization. Should any additional payments become necessary, they should be met from the Working Capital Fund and reported in the succeeding regular Budget or in an appropriate Supplementary Budget.

9. The proposals in this memorandum are intended as a basis of a scheme for the statutory personnel of the Organization. The case of non-statutory staff, especially those recruited locally on contract, will be examined separately and proposals for compensation for injury incurred in the service of the Organization will be submitted later.

10. As stated at the beginning of this memorandum, the intention of the General Secretariat at this stage is to present the foregoing proposals and to seek the decision of the Council of Ministers on the principles. The financial implications of such decisions and the detailed regulations for implementing them will then be drawn up and laid before the next Ordinary Session of the Council of Ministers.



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