



ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION



(A.I.B.P.A.R.C.)
C/O BANK OF INDIA OFFICERS' ASSOCIATION
(EASTERN INDIA BRANCHES)
BANK OF INDIA, KOLKATA MAIN BRANCH
23A, NETAJI SUBHAS ROAD, KOLKATA – 700 001
Mobile : 9674188524, E-mail : aibparc@gmail.com

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06.08.2018

(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)

Dear Comrade,

Sub: Renewal of Medical Insurance Policy for Bank Retirees

We reproduce hereunder the text of letter dated 03.08.2018 written to Chief Executive, IBA on above subject by conveners of CBPRO and GS of AIBRF. This is for information of members.

With bet wishes,

(SUPRITA SARKAR)
GENERAL SECRETARY

Dated: 03.08.2018

Shri V. G. Kannan
Chief Executive
Indian Banks' Association
Mumbai

Dear Sir,

We refer to our various letters on the above subject. We have been hearing disturbing news about proposed exorbitant enhancement in the premium and the move on the part of IBA to abandon the entire medical insurance scheme so as to go back to the earlier hospitalization scheme at the Banks' level. Now that your letter dated 01.08.2018 to the Convenor of UFBU and United India Insurance Company's letter dated 02.07.2018, addressed to IBA are available on social media, our worst fears have come true. The contents of these two letters have shocked and dismayed all the Bank Pensioners and Retirees who are now feeling as if they were trapped 3 years ago by introducing medical insurance scheme for Bank Retirees at reasonable amount of premium which was further subsidized by the individual Banks. On introduction of this scheme thousands of Bank Pensioners and Retirees discontinued their individual medical insurance policies which were taken several years ago. They are now feeling robbed.

In this connection we submit the following for your kind consideration:

Department of Financial Services, Government of India vide its letter no. 14/7/92-IR(Vol-II) dated 24.02.2012 advised IBA to formulate a Medical Insurance Scheme for both serving and retired employees after several representations and prolonged negotiations, IBA introduced Medical Insurance Schemes for both serving and retired employees during 2015 while concluding Bi-partite settlement/Joint Note for Salary revision.

The said letter of the Government did not envisage discriminatory treatment between the serving employees and retired employees with regard to the payment of premium. The settlement of 2015 between IBA and UFBU *providing* for the premium to be borne by the retired employees *was against the spirit of the Government's advice to IBA vide their letter dated 24.02.2012.*

While implementing the Medical Insurance Scheme, the individual Banks decided independently on discriminatory treatment about the premium in case of retired employees vis-a-vis serving employees. Consequently some Banks collected entire premium from their retired employees while few Banks opted to Part-subsidize the premium. In the later years most of the Banks collected the entire premium from the retired employees.

Such collection of increasing premium from the retired employees has resulted in some of the pensioners finding it grossly inadequate to bear the premium out of their meagre pension more particularly the family pensioners. It is worth mentioning here that family pension in some cases is as low as Rs. 4,000/- per month.

It would be appropriate to furnish hereunder the details of Medical Insurance Premium having been charged to the Retirees during last three years :

For Officers:

Sl. No.	Year	Sum Insured (Rs)	Premium Amt.
01	2015-16	4,00,000	7,500
02	2016-17	4,00,000	20,010
03	2017-18	4,00,000 5,00,000 (Super Top Up)	36,998** 3,806

The insurance cover for award staff was for Rs. 3,00,000 and the amount of premium charged were slightly lower than that of the officers.
** Including GST

We understand that United India Insurance Company which has been providing Medical Insurance Policies for last three years both to serving and retired employees has now quoted exorbitant increase in premium amount for the year 2018-19 (proposed renewal) which in case of retired employees is as under :

Category	Sum Insured	Premium	GST @ 18%	Gross Premium
Award Staff-				
Without Domiciliary	3,00,000	21973	3955	25,928
With Domiciliary	3,00,000	57,391	10,330	67,721
Super Top Up	4,00,000	4,112	740	4,852
Officers-				
Without Domiciliary	4,00,000	29,295	5,273	34,568
With Domiciliary	4,00,000	76,516	13,773	90,289
Super Top Up	5,00,000	4,457	802	5,259

The proposed premium mentioned above reflects an increase of around 144% and IBA's request to United India Insurance Company to reconsider their decision on enhanced premium has been turned down by the Insurance Company.

United India Insurance Company is reported to have given the high claim ratio as the reason for such exorbitant increase in the rate of premium. The Insurance Company has also indicated that based on future incurred claim ratio, the loading on premium for the subsequent year (2019-20) would range from 25% to 150% depending on actual claim ratio.

While entire premium in case of serving employees is borne by the Banks, the increase in premium for serving employees may not be a cause of concern to the employees. But in case of retired employees who have been forced to bear the cost of medical insurance, any increase in premium is not only becoming unaffordable but may also escalate the miseries of the retired employees. It is also pertinent to mention here that apart from the serving employees free and full medical reimbursement is available to the retired CMDs/MDs/Dy MDs/CEOs/EDs. This makes recovery of medical insurance premium only from the retired officers and award staff beyond comprehension, unequitable, unfair, unreasonable and discriminatory. We believe that while serving employees are provided medical facilities as a component of package for their services, the retired board level appointees are provided full and free medical reimbursements for their past services which in some cases could be as low as 2-3 years. Under these circumstances the retired employees of the Banks, having served the Banks for 30-40 years are unjustifiably denied full free medical reimbursement. It defies logic and appears inhumane.

We are also at a loss to understand as to why the medical insurance to the retired Bank employees should be restricted to United India Insurance Company alone. It would have been more appropriate to invite quotes from other Public Sector Insurance Companies before releasing the premium rates quoted by United India Insurance Company on social media.

Such a release on social media may tend to make the proposed rates fait accompli even if the quotes are invited from other companies at this stage.

It is more appalling that the prohibitive cost of medical insurance may drive many retirees out of the scope of even the medical insurance otherwise available for individuals as the last three years medical insurance coverage under IBAs policy has rendered them ineligible for cover due to the age bar, pre-existing diseases, discontinuation of old individual medical insurance policies etc. In view of the great emphasis by the Government on medical insurance, IBA/Government should not drive senior citizens – Bank retirees to land into such a helpless situation with nowhere to go for their medical needs.

In view of the foregoing facts, we request you to initiate necessary steps to ensure that Bank retirees are provided medical reimbursement facility at par with retired board level appointees and serving employees.

We also request you to call our organizations which represent all the Bank Retirees for a meeting to discuss and settle the issue of Medical Insurance Scheme at the earliest.

Thanking you

Yours faithfully



Ramesh Babu) (K.V. Acharya)
Joint Conveners, CBPRO



(S.C. Jain)
General Secretary, AIBRF

