



Bank's have totally disregarded Directive from the Chairman of 2009 Parliamentary Standing Committee on Personnel Public Grievances Law and Justice; "that a medical scheme for retirees should be on the same lines of the one for serving employees "

AND

Directive of Department of Financial Services, Govt. of India, bearing letter no f.no 4/1/7/92-IR(Vol-II) dated 24<sup>th</sup> February,2012 addressed to Mr. K. Unnikrishnan, Deputy Chief Executive, Indian Banks Association, Mumbai on the issue of staff welfare fund in public sector banks, in terms of which bank may consider the option of group insurance policies for both serving and retired employees instead of direct payment of benefit from the fund. It is requested that IBA may take appropriate steps to inform all concerned banks accordingly

It can be inferred from above two directives that Bank has to pay the insurance premium in respect of the retirees also out of the staff welfare fund in the same manner in which they are paying for the existing service employees

- No sooner Staff Circular No. 6212 dated 30<sup>th</sup> June, 2015 was issued by our Bank, we had addressed a letter under Ref: GS: 124 10<sup>th</sup> August, 2015 to our Chairman & Managing Director, urging upon him to waive payment of Insurance Premium by the Retirees due to the following reasons:
- Under the existing Staff Welfare measures, allocation of funds for welfare activities of Retirees has not been in consonance with the Khandelwal Committee recommendations, i.e. that 25% of the funds allocated for Staff Welfare measures should be earmarked for the Retirees
- In this regard, we had, vide our letter No. GS;151 dated 10<sup>th</sup> April, 2014 already submitted a representation with a request to direct the Department of Personnel to adhere to the above stipulations
- Many Retirees have paid one-time membership fee under UBIREMAS and over the years, substantial funds have been accumulated on this score. Further, the Bank has also been contributing funds from the Staff Welfare Fund for meeting the claims under the scheme
- Since it is stipulated that premium will have to be paid by the Retirees under the new Medical Insurance Scheme, this major issue was discussed in the Fourth Executive Committee Meeting of our Federation held on 12<sup>th</sup> July, 2015 at Jalandhar. **The Committee unanimously passed a resolution urging the Bank's Management not to insist on payment of premium by the Retirees and to meet such commitments out of the funds accumulated by way of collection of membership fee under UBIREMAS and out of allocations to be made to Staff Welfare Fund.** A communication to this effect was also sent to Chairman & Managing Director
- With galloping inflation and reduction in interest rate on deposits, the financial position of many retirees is not sound. Added to these, many Senior Citizens are forced to incur substantial expenses towards medical treatment for themselves/their spouse
- The Second Triennial Conference – General Body of our Federation which met at Patna on 14<sup>th</sup> November, 2015 discussed this issue threadbare and passed the following

- **MEDICAL INSURANCE SCHEME**

- UNDER STAFF WELFARE SCHEME, THE BANK HAS IMPLEMENTED UBIREMAS – UNION BANK RETIRED EMPLOYEES MEDICAL ASSISTANCE SCHEME. THE MAXIMUM AMOUNT OF REIMBURSEMENT UNDER THE SCHEME IS RESTRICTED TO RS.1.25 LACS DURING THE CURRENCY OF MEMBERSHIP. THE SCHEME ALSO PROVIDES FOR PAYMENT OF RS. 2000/- PER ANNUM TOWARDS REIMBURSEMENT OF EXPENSES INCURRED FOR UNDERGOING DIAGNOSTIC TESTS.**
- **THOUGH NONE OF THE DEMANDS MADE BY THE RETIREES WAS CONSIDERED BY IBA, THE SILVER LINING WAS THE INTRODUCTION OF MEDICAL INSURANCE SCHEME FOR THE RETIREES, SUBJECT TO PAYMENT OF ANNUAL PREMIUM.**
- **WHILE THE BANK HAS RETAINED UBIREMAS, IT HAS, HOWEVER, INTRODUCED MEDICAL INSURANCE SCHEME, SUBJECT TO PAYMENT OF ANNUAL PREMIUM.**
- **THE BANK IS HOLDING SUBSTANTIAL FUNDS UNDER UBIREMAS WHICH WAS INTRODUCED IN 2001 WITH ONE TIME MEMBERSHIP FEE. THE CLAIMS MADE BY THE MEMBERS UNDER THIS SCHEME WAS MET OUT OF ALLOCATION OF FUNDS FOR STAFF WELFARE ACTIVITIES AND THE CORPUS FUND IS AVAILABLE IN TACT. WITH THE INTRODUCTION OF MEDICAL INSURANCE SCHEME, THE OUTGO FROM WELFARE FUND TOWARDS RETIREES WOULD BE LIMITED TO REIMBURSEMENT OF EXPENSES FOR DIAGNOSTIC TESTS. SINCE KHANDELWAL COMMITTEE RECOMMENDATIONS PROVIDE FOR ALLOCATION OF 25% OF STAFF WELFARE FUND FOR RETIREES, WE REQUESTED THE BANK NOT TO INSIST PAYMENT OF INSURANCE PREMIUM BY THE RETIREES.**
- **FURTHER, PUNJAB NATIONAL BANK, PUNJAB & SIND BANK AND SYNDICATE BANK HAVE GRANTED 50% SUBSIDY TOWARDS PAYMENT OF INSURANCE PREMIUM.**
- **THIS GENERAL BODY OF AIUBPARF WHICH MET ON SATURDAY, THE 14<sup>TH</sup> NOVEMBER, 2015 AT PATNA RESOLVED THAT THE BANK MAY NOT INSIST ON PAYMENT OF PREMIUM BY THE RETIREES OR IN THE ALTERNATIVE TO PROVIDE A MINIMUM OF 50% SUBSIDY.**
- A copy of this Resolution was sent to our Chairman & Managing Director for his perusal and necessary action
- Even our Apex level Organisation – All India Bank Pensioners & Retirees Confederation – AIBPARC and AIBOC have consistently taken up this issue with Indian Banks' Association and the Government of India drawing their attention to the directives given by the latter to Indian Banks' Association (quoted by you) and called for waiver of premium to be paid by the Retirees. However, there has been no response from Indian Banks' Association and there was no communication from them to individual banks either to waive payment of premium or to consider subsidizing such payment
- Banks like Punjab National Bank and Punjab & Sind Bank have subsidized to the extent of 50% of the premium payable by the Retirees, possibly out of the allocation from Staff Welfare Fund carved out for Retirees. Even after drawing attention of this fact to our Central Office, there was no response and finally the retirees had to pay the Insurance Premium. Instances have come to our notice that in one of the peer Bank, 50% of the subsidy on the Insurance Premium has been credited to the account of the Pensioners as they had earlier paid the full premium
- Action Programmes have been launched by the Co-ordination Committee of Bank Pensioners & Retirees' Organisations ( COBPRO) to press the demands of the Pensioners & Retirees of the Banking Industry and the waiver of payment of Insurance Premium is also one of the demands

- Suggestions have been received to press upon Bank Management for clinical audit of Staff Welfare Fund so as to ensure that the recommendations of the Khandelwal Committee for allocation of 25% of the funds for Retirees are met. We will pursue these suggestions with the Central Management of our Bank.

**Exclusion of reimbursement of expenses incurred for domiciliary treatment by the Insurance Company after agreeing to the same**

- Our Apex level Organisation – All India Bank Pensioners & Retirees Confederation – AIBPARC and AIBOC have taken up this issue with the Chairman, Indian Banks’ Association on a very serious note as it tantamount to renegeing on the terms of agreement between IBA & the Insurance Company – United India Insurance Company Ltd.,
- Action Programmes have been launched by the Co-ordination Committee of Bank Pensioners & Retirees’ Organisations ( COBPRO) to press the demands of the Pensioners & Retirees of the Banking Industry and the issue of exclusion of reimbursement of expenses incurred for domiciliary treatment by the Retirees is also one of the demands
- AIBOC has also raised this issue and the Statement of Case for the Strike Call scheduled on 11<sup>th</sup> December, 2015 contained this issue.
- AIBOC has issued Circular No. 2015/81 dated: 09/12/2015 wherein the following statement has been made:
- “Comrades, positive developments like IBA agreeing to take steps for removal of anomalies due to stagnation increments, to start discussions on all pending unresolved issues within a month time, **clarifying that Hospitalization scheme for retirees will cover domiciliary treatment**, assuring that the existing bank level medical benefits for serving employees will not be affected due to new scheme based on Insurance Policy, agreeing to consider the issues of Retirees despite virtually closing the issues in Record note and starting action of calculations through actuaries”
- From the above statement, it will be evident that Hospitalisation Scheme for Retirees would cover domiciliary treatment. However, a categorical communication from Indian Banks’ Association would be essential to rest this issue in peace. We will take up with our Apex level Organisation – AIBPARC to pursue this matter with AIBOC and come to a favourable finality.

Sr. No	Circular REF: CO: 1096: 2015 dated 28 <sup>th</sup> Sept 2015	Circular REF:CO:HRD: :2015 dated 20 <sup>th</sup> Nov 2015
1	5.2 Every notice or communication regarding hospitalization or claim to be given or made under this Policy shall be communicated to the office of the Bank, dealing with Medical Claims, and/or the THIRD PARTY ADMINISTRATOR office as shown in the Schedule. Other matters relating to the policy may be communicated to the policy issuing office.	Every notice or communication regarding hospitalization or claim to be given or made under this Policy shall be communicated to the THIRD PARTY ADMINISTRATOR office as shown in the Circular
2	5.4 Notice of Communication: Upon the happening of any event which may give rise to a claim under this Policy notice with full particulars shall be sent to the Bank or Regional Office or THIRD PARTY ADMINISTRATOR named in the schedule at the earliest in case of emergency hospitalization within 7 days from the time of Hospitalisation /Domiciliary Hospitalisation .	No such mention is made in the Circular. Matter taken up with representative from the TPA available in HR Department, Central Office Ms. Jayshree Bandarkar awaiting reply. In normal mediclaim policies intimation is to be given on toll free no within 24 hours else claim is rejected.

3	<p>5.5 All supporting documents relating to the claim must be filed with the office of the Bank dealing with the Claims or THIRDPARTYADMINISTRATOR Within 30 days from the date of discharge from the hospital.</p>	<p>In case of claiming reimbursement of medical expenses, the claim form along with all original medical bills / receipts along with medical reports, x-rays, etc. is to be sent by the retiree directly to the TPA's office at Thane mentioned above. No mention of time limit from date of discharge is made in the Circular. Matter taken up with representative from the TPA available in HR Department, Central Office Ms. Jayshree Bandarkar awaiting reply.</p>
4	<p>5.8 Claims will be managed through the same Office of the Bank from where it is managed at present. The Insurance Companies/third party administrator will be setting up a help desk at that office and supporting the bank in clearing all the claims on real time basis.</p>	<p>Claims to be lodged and settled at the TPA's office at Thane mentioned above. Matter taken up with representative from the TPA will be available in HR Department, Central Office Ms. Jayshree Bandarkar awaiting reply.</p>
5	<p>5.9 In case of rejection of claims it would go through a Committee set up of the Bank, Third Party Administrator and United India Insurance Co Ltd. Unless rejected by the committee in real time the claim should not be rejected.</p>	<p>No such mention is made in the Circular.</p>
	<p style="text-align: right;"><b>Appendix II</b></p> <p><b><u>Mapping the underwriting, process, servicing and claims for the Medical Scheme of the Officers / employees and their family members of Indian Banks' Association Member Banks</u></b></p>	<p>Circular REF:CO:HRD: :2015 dated 20<sup>th</sup> Nov 2015</p>
6	<p>7.The claim settlement of the member banks would be done in the same process as followed in the past, by each individual member banks.</p>	<p>No such mention is made in the Circular.</p>
7	<p>8.The Third Party Administrator, appointed by the lead insurer, viz. United India Insurance Co. Ltd. will station their representative at the banks regional/ nodal offices from where these banks have been settling medical claims of their officers / employees.</p>	<p>No such mention is made in the Circular.</p>

- The points raised by you are valid and our Central Office should come out with unambiguous guidelines and there should not be any deviation from the guidelines already contained in the Medical Scheme enshrined in Joint Note dated 25<sup>th</sup> May, 2015. We will take up the matter with our Central Office and request them to issue specific guidelines, keeping in mind the original guidelines contained in Joint Note.

**It seems that whatever understandings As per Annexure IV of the 10<sup>th</sup> B.P.S. ...."The new Scheme would also cover the existing retired officers/ employees of the Banks. Are not being extended to existing retired employees/officers and there are two different parameters and conditions for medical assistance scheme extended to existing employees/officers and the retired ones**

- It is true that a statement has been made that the new scheme would also cover the existing retired officers/employees of the Banks. However, various limitations have also been indicated in the scheme and they are as under:
- In case of serving employees, the scheme covers Employee + Spouse + Dependent Children + any two of the dependent Parents/Parents-in-law. However, in case of retirees, the benefit is extended only to the Retiree and his/her Spouse. Though dependency clause was included in the original circular, it was later modified and now the scheme covers both the Retiree and his/her spouse
- In case of serving employees, the premium payable is borne by the Bank whereas in case of Retirees, the premium has to be paid by them.
- Additional Ex-gratia of Rs.1.00 lac for critical illness is permitted for the serving employees and the same is not extended to the Retirees
  
- **Save for the above deviations, the Scheme is applicable to both the serving employees and the retirees. If the guidelines in points raised by you are in conformity with those mentioned in the Joint Note dated 25/05/2015, by and large, we can state that the Scheme would cover both the serving employees and the Retirees in letter and spirit**

**"Retirees are requested to take out copy of E-card from the site of the TPA which will give their details. Copy of the E card and the admission forms for Cashless as well as Reimbursement facilities referred above along with all required documents, are uploaded in the Bank's Corporate Website."**

1. The option for downloading E Card from Bank's website is not available.
2. From the information posted on Bank's website 10000+ employees have opted for the medical insurance scheme.
3. It is a matter of debate how many of the said employees have access to computers and are technologically competent enough to take photographs of themselves and their spouse, take it on pen drive upload it on TPA website, down load the E-Card and then get it printed.
4. Help from Regional Offices would also be difficult as not all retirees would be staying in the vicinity of RO's.
5. It would have been appropriate for the TPA Paramount to send Photo Identity Cards to the scheme optees as normally done in case of regular mediclaim scheme.
6. The said issue may please be taken up with appropriate authorities for early redress

The Circular mentions that copies of the E Card and Admission Form for Cashless treatment as well as reimbursement facilities along with all the required documents have been uploaded in the Bank's Corporate Website. Nowhere, mention was made in the circular that the facility of downloading of E Card from Bank's Website would be available. It is necessary that one should access the TPA Website and download the E Card.

- We totally agree with your views that many Retirees may not be in a position to comply with all the formalities enumerated in the circular for downloading the E Card from the portal of Third Party Administrator. In this regard, we draw your attention to the following guidelines:
  
- All the Officers/employees and their family members would be issued ID Cards by the Third Party Administrator of the Insurance Company i.e. United India Insurance Co. Ltd.,

ID Cards will be prepared within 10 working days from the date of receipt of date. These cards can be couriered to the respective branch office in which the employee is located.

The Cards can be distributed at the branch office by the Bank's Branch Manager/any other person who is made responsible for the same

**The above guidelines mainly relate to the serving employees. However, it is obligatory on the part of the Third Party Administrator to issue ID Cards to every Policy Holder. This procedure is being adopted by New India Assurance Co. Ltd., with which our Bank has tied up for providing Mediclaim to our customers. In fact, all the Insured under this Policy receive the Identity Card by Courier/Speed Post.**

We are of the view that the Retirees need not strain themselves to download the E Card from the portal of the Third Party Administrator. We will take up this issue with our Central Office and insist that either the Third Party Administrator or the Bank should ensure that the Identity Card is sent to the Insured by Courier/Speed Post.

**It is mentioned in the Circular Letter dated 20/11/2015 issued by Central Office that while seeking admission to a hospital with cashless facility, care may be taken to know the details of class of the facility, room / bed charges for admitting the patient, etc., as most of the other expenses for hospitalization will be related to this cost. However, in the said Memorandum dated 25/05/2015, ceiling is fixed on Room rent only and other charges are not linked to the same**

- Though there is no mention in the original scheme that all charges are not linked to the Room Rent, in practice, in most of the well established hospitals including those managed by Public Charitable Trusts, the rates for various services offered by them would vary according to the type of room the patient chooses. Even then, no restriction has been placed on the Retirees to choose the room of their choice. Since the total amount of reimbursement under this scheme is restricted to Rs.4.00 lacs for a Retiree Officer per year, Central Office has put the Retirees on caution to be selective about the type of room they choose. For your ready reference, we reproduce the full content of the relevant paragraph as under:

While seeking admission to a hospital with cashless facility, care may be taken to know the details of class of the facility, room / bed charges for admitting the patient, etc., as most of the other expenses for hospitalization will be related to this cost. **It may be borne in mind that the total annual insurance claim for the beneficiary including that of the dependent will be limited only to the sum insured, care may be taken to utilize the sum insured to the maximum benefit during the year.**

**On the subject it is to be noted that no full disclosure is made by the Insurance Co, Bank as the Administrator on what is the policy, its contents, ceilings and sub ceilings if any (before granting membership which is violation of IRDA norms). Till date none of we members have knowledge of the exact contents of the policy**

- We full agree with your observation. We will take up the matter with Central Office and impress upon them to disclose the Insurance Policy in total. In case of non-compliance, we may refer the matter to IRDA for their suitable intervention.

Dear Comrade, while the Medical Insurance Scheme had been introduced without doing adequate ground work, we, the Retirees, welcomed it for the simple reason that this was the only demand made by us which was conceded by IBA. With a view to signing the Bipartite Settlement, not much thought was put into the framing of proper guidelines by the Insurance Company/Third Party Administrator/Banks/Indian Banks' Association before making public the

scheme. The fact that this was the first time such a scheme was introduced in the Banking Industry, many grey areas crept in and contradictions became a sore point. Ultimately, we, the Retirees, are forced to face the consequences. In fact, in one of our communications addressed to General Manager (HR), we had mentioned that the Scheme should not be closed without removing the deficiencies pointed out by us and that closure of the Scheme otherwise would be against the principles of natural justice. But be rest assured that we and the leadership of AIBPARC, AIBOC and CBPRO are seized of the many pitfalls of this scheme and our attempts are focused in salvaging them to our advantage.

To enable you to understand the efforts put in by all of us, we have sent by separate mail various letters, circulars addressed by us, AIBPARC, AIBOC, CBPRO on this subject. Please keep in touch for our mutual benefit.

With kind regards,

Yours faithfully,



**(N. GOVINDRAJULU)**  
**GENERAL SECRETARY**

cc: Com. P.B. Thomas, Chairman, AIUBPARF, Thiruvananthapuram  
Com. Bihari Patel, President, AIUBPARF, Ahmedabad  
Com. S. Bagchi, Working President, AIUBPARF, Kolkata  
For information

Dear Mr. Kasi,

We invite reference to your mail dated 16/12/2015 reading as under:

As per your reply, The premium indicated is restricted for first year of policy only. The premium amount of Rs. 7,493/- paid by us covers the period 01.12.2015 to 30.09.2016 only and it do not cover one year as stated by you. When the period of cover is only 10 months, the excess premium for two months is to be either refunded or appropriated partially towards next year premium due. Please take up the matter with the concerned authorities in this regard.

We have recently perused the E Card generated from the Website of Paramount Health Card and observed that the validity of the Insurance Policy for Retirees is valid from 0.11.2015 to 31.10.2016 covering 12 months. You may, therefore, be rest assured that the premium is paid for 12 months and not 10 months.

With kind regards,

Govindarajulu

ALL INDIA BANK EMPLOYEES' ASSOCIATION  
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AIBEA/GS/2015/97

24th December, 2015

Chief Executive  
Indian Banks' Association

**Reg: Medical expenses reimbursement policy by United India Insurance Co. for bank retirees**

Ref: Our letter No. 90 dt. 16-11-15 and your reply dt. 17-12-15

We thankfully acknowledge receipt of your above letter on the subject stating that the matter has been taken up with the United India Insurance Company.

We wish to emphasise that the matter needs to be sorted out urgently as the TPAs are refusing to entertain the claims of the retirees for domiciliary treatment on the plea of instructions from the UIIC. As already taken up by us and as provided in the Settlement, the benefit of reimbursement of domiciliary treatment expenses as applicable to employees in service is also applicable to the retirees as the same has not been excluded in the Scheme.

Similarly, other than definition of family and ex gratia for critical illness, all other provisions of the Scheme as available to serving employees are applicable to the retirees scheme as well. Thus, the provision of buffer for reimbursement of claims over the ceiling of Rs. 3 lacs an Rs. 4 lacs are very much applicable to the retirees also.

It is not out of place to mention that in all the special workshops conducted by the Insurance Company, the representatives of UIIC as well as of K. M. Dastur Reinsurance Brokers Pvt. Ltd. have categorically clarified that domiciliary treatment and corporate buffer are covered under the retirees scheme also.

Hence it is beyond comprehension and acceptance that these two important benefits can now be excluded from the scheme for the retirees. Domiciliary treatment and corporate buffer are integral part and conditions of the Scheme and cannot be separated for the retirees.

It is clearly an after-thought and cannot be not permitted at this stage. Further such an unilateral and illegal stand of UIIC portends a serious affront to bipartism and legally binding settlements. It is least expected of a reputed public sector organisation like UIIC. Their stand cannot be countenanced by us and the fall-out of such a stand by UIIC will be very serious.

We thank you for having taken up the matter appropriately with UIIC and request you to expeditiously resolve this matter on an urgent basis to avoid the possible repercussions.

Thanking you,

Yours faithfully,

C.H.VENKATACHALAM  
GENERAL SECRETARY

Dear all,

The responses given by our Bank to the retirees issues raised in the IRM of All India Union Bank Empl. Association (AIUBEA) at Central Office are given here under:

- 1) Staff Welfare committee will be held in January as Bank has not been able to collect information on operation of buffer policy and other relevant information, to decide on various staff welfare measures including those being extended to Retired employees.
- 2) Payment of annual health check up bill to retirees will be placed before the Staff Welfare Committee to revise it to authorize the branches to pay the same instead of RO.
- 3) Bank agreed to address all the issues relating to Insurance Linked Medical Scheme. A full-fledged tripod meeting with TPA , Association and the management will be held shortly to iron out the issues.
- 4) Cash withdrawals below Rs. 25000 will be allowed to customers and Pensioners, and Finacle CBS is modified to extend the same.
- 5) Bank has conveyed that *IBA is in the process of finalizing its scheme for extending enhanced amount of relief to flood affected employees of TN and Puducherry States* and awaiting for the same. It will introduce the same as soon as it is received.

Regards

R.K. Powar, GS, UBRA, Maharashtra  
Asst. General Manager(Retired)  
Union Bank Of India  
Tel: (M) 7710030963  
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iamskspatna

Dec 22 (5 days ago)

to ramdeo, Vinay, kapildeo, sanjay1966singh, Union, MANZAR, sunilkumarsinh., me, Saroj, P, Ramesh, Kripa, Bindeshwari, sreenivasulup1., dp207149, P, Bihari, prasad.shivana., Shah, Ramesh, shailendra.jam., prasaddn7, Sudhir, sinhamukul24, Sudhir

Dear sirs.

Today ,we have got details of "GROUP MEDICLAIM POLICY FOR RETIREES "having 18 pages policy no. 500100/48/15/41/00000522.

Anyone can get it by downloading [www.unionbankofindia.co.in](http://www.unionbankofindia.co.in) followed by "Information for retired staff " then select to "Group mediclaim policy for retirees."

On viewing it was found deviation in many clauses circulated by IBA/UNION BANK. Major one is no domicillary / opd treatment.Critical illness has some restrictions as well as no coverage upto full extent.

Members of policy holders must examine the truth.But now they are bound by policy only at the moment.

S.K.Singh.

Gen. Sec. UBPARA.Bihar State.

Dear Com. Govindarajulu,

At the very onset thanks a lot for prompt reply to my emails.

I totally agree with the view quote "while the Medical Insurance Scheme had been introduced without doing adequate ground work, we, the Retirees, welcomed it for the simple reason that this was the only demand made by us which was conceded by IBA. With a view to signing the Bipartite Settlement, not much thought was put into the framing of proper guidelines by the Insurance Company/Third Party Administrator/Banks/Indian Banks' Association before making public the scheme. "unquote

This has now opened Pandora's Box as there in no clear cut and unambiguous clarifications/directives from the IBA and/or the Bank on this subject. The response from the Bank is ambiguous and it is like a knee jerk reaction to the queries raised by individuals and/or retiree organizations.

The said policy has a unique distinction of selling first and informing at a later date. This is a clear violation of IRDA norms on Group policies.

Regarding issues raised by me and replied in detail by you in your e-letter GS: 105/2015 dated 15/12/2015, I have to make certain clarifications to make the issue more clear. Please bear with me for protracted correspondence.

1. The premium indicated is restricted for first year of policy only. The premium amount must have been frozen till review of the Scheme at the time of next Bipartite Settlement

GS reply

We are of the firm opinion that no Insurance Company will agree to freeze the premium payable on a Mediclaim Policy for a long period – say Five years (Effective period of the Bipartite Settlement) and the likely delay in conclusion of the fresh settlement between the parties concerned. We are not aware of any Insurance Company being ready to underwrite such Health Policies. We need to be practical when we raise the demands and have to take into account the prevailing Industry practices.

## Clarification

There are Mediclaim policies marketed by Bank's for its clients. These also are Group policies like the one IBA has opted for. I am a member of one such policy marketed by Bank of India as Bol Swasthya Bima for last 15 years. The premium has remained constant for last 15 years only service tax component has changed. It may be that they are renewing the terms each year. Reliance General was issuing policies for a period of 2/3 years at a time but they were taking premium upfront.

2. Income Tax benefit. - As the said policy is Master Policy in nature, whether the Insured retiree will get the benefit of Section 80D is not clarified.

## GS reply

Though the Scheme as well the Communications received from Central Office are silent on this point, we have to bring to your notice that the Insurance Premium of Rs.7493/- (for Officers) debited to our Savings Bank Account clearly mentions that it was in relation to United India Mediclaim Policy. As a result, we will be justified in claiming exemption under Section 80 D of Income Tax Act.

## Clarification

For claiming Income Tax deduction U/S 80 D following documents have to be maintained by assesee

- Photocopy of the receipt and insurance certificate issued by the Insurance Company
- Receipts should be of the current financial year only.
- Receipt / Certificate should specify that benefit eligible u/s 80D (Mediclaim Insurance)

The policy issued to the retirees is non-employer-employee one and for your ready reference I am quoting below provisions of Group Insurance policy issued by IRDA vide letter no.Ref/015/IRDA/LIFE/Circular/GIGuidelines/2005 dated 14/07/2005 and Ref/IRDA/LIFE/CIR/MISC/001/01/2011 dated 04/01/2011

"In a non-employer-employee case, the individual group member would be treated as the insured beneficiary and the group organizer will only be the holder of the group policy. In such cases every care should be taken by the Insurer in matter of issuance of certificate of insurance to the members of the group, who are the truly insured. It is necessary that such certificate consists of information on the schedule of benefits, the premium charged and important terms and conditions of the insurance contract.

The certificate should also state the procedure to be followed to register a claim with the insurer including the full address of the office of the insurer where the claim should be registered."

3. Bank has to pay the insurance premium in respect of the retirees also out of the staff welfare fund in the same manner in which they are paying for the existing service employees

Your detailed comments on the same are appreciated. Time has now come to seek information from the Bank management regarding

- a. Amount of allocation for staff welfare fund from the profits of the Bank.
- b. Amount of allocation from staff welfare fund to the benefit of retiree

- c. Breakup of amounts incurred for medical expenses of retiree officer/employee prior to implementation of 10th Bipartite Settlement.
- d. Number of members enrolled under UBIREMAS.
- e. Corpus under UBIREMAS.
- f. Payouts under UBIREMAS per year.
- g. No. of members who have utilized the limit of Rs 1.25 lacs under UBIREMAS. (so that this much of members are not required to be paid in future).
- h. Contributions made from staff welfare fund to meet the shortfall under UBIREMAS (if any).
- i. Number of Retirees enrolled for the new mediclaim scheme. Present figures on UBI website is 10K+.
- j. Many more would have been members of the scheme if premium was subsidized. Data of total retirees to be collected.

The said data would be readily available with the Bank however it is a possibility that the same would not be given to AIUBPRF. Advice is to be sought on whether the said information can be sought under RTI.

k. For rough calculation Union bank has a business mix of more than 3.00 lac Crore business mix and employee strength of +30K for two consecutive years. As per Khandelwal Committee it is due to make provision of Rs 25.00 Crores towards staff welfare scheme. From the same it should allocate 25% for the welfare of retired employees. That roughly leaves a corpus of Rs 6.25 Crores. If we deduct the amount transferred towards UBIREMAS (if any), we can easily derive at the balance left for distribution for the welfare of retirees. At present as per the figures given on the website 10K+ have opted for the scheme. From the above it can be easy for the Management to subsidize the scheme by more than 50%.

On this subject I personally feel that many of the retirees have not participated in the Scheme because of high outgo. If the same was subsidized by 50% many of them could afford to be members of the scheme. However an early decision has to be taken by the UBI Management as after 31/01/2016 no new members can be added as per IBA understanding.

#### 4. Procedure of filing claims

GS Reply

The points raised by you are valid and our Central Office should come out with unambiguous guidelines and there should not be any deviation from the guidelines already contained in the Medical Scheme enshrined in Joint Note dated 25th May, 2015.

We will take up the matter with our Central Office and request them to issue specific guidelines, keeping in mind the original guidelines contained in Joint Note.

Clarification

Nothing more to add.

5. Retirees are requested to take out copy of E-card from the site of the TPA which will give their details.

## GS Reply

We are of the view that the Retirees need not strain themselves to download the E Card from the portal of the Third Party Administrator. We will take up this issue with our Central Office and insist that either the Third Party Administrator or the Bank should ensure that the Identity Card is sent to the Insured by Courier/Speed Post.

## Clarification

Paramount which is also a TPA for Bol Swasthya Bima sends ID Cards to all its members. There is no question of them not sending them to retirees.

6. It is mentioned in the Circular Letter dated 20/11/2015 issued by Central Office that while seeking admission to a hospital with cashless facility, care may be taken to know the details of class of the facility, room I bed charges for admitting the patient, etc., as most of the other expenses for hospitalization will be related to this cost.

However, in the said Memorandum dated 25/05/2015, ceiling is fixed on Room rent only and other charges are not linked to the same

## GS Reply

- Though there is no mention in the original scheme that all charges are not linked to the Room Rent, in..... Since the total amount of reimbursement under this scheme is restricted to Rs.4.00 lacs for a Retiree Officer per year, Central Office has put the Retirees on caution to be selective about the type of room they choose. ...

While seeking admission to a hospital with cashless facility, care may be taken to know the details of class of the facility, room I bed charges for admitting the patient, etc., as most of the other expenses for hospitalization will be related to this cost. It may be borne in mind that the total annual insurance claim for the beneficiary including that of the dependent will be limited only to the sum insured,

## Clarification

As per the Memorandum there was a ceiling on room rent and ICU charges. All other charges had no sub ceilings. Now the latest clarification indirectly points out to sub ceiling. Lets say my entitlement for room charges is Rs 5000 and ICU is Rs 7500. In a cashless hospital if the rates are more then I will be paid as per the entitlement only.

No Procedure If room taken

1 Room Charges 6000 5000 5000

2 ICU Charges 9000 7500 7500

3 Surgeons fees 50000 30000 30000

4 OT Charges 10000 7000 7000

5 Anesthetist 15000 10000 10000 above entitlement

If room taken as per entitlement

Total 90000 59500 59500

Even if all other charges like Surgeons fees, OT charges etc are Rs 0.75 lac for the procedure for which I am admitted for room rent above my room entitlement and they are Rs 0.295 lacs for room rent as per my entitlement then I will be paid Rs 0.0295 lacs because that becomes my entitlement under the scheme and even though my policy is of Rs 4.00 lacs I will not be paid Rs 0.90 lac. That is how mediclaim policies with ceiling work.

There is no clarification if Bank's have opted for such type of policy. Inference from Memorandum of Understanding can be drawn that there is no ceiling for hospitalization excluding room rent & ICU but the circular dated 20/11/2015 is ambiguous on the topic.

Dear Comrade when the policy was declared, the advantages before us was a. Mediclaim policy irrespective of age. b. Coverage of Pre Existing diseases. c. Domiciliary hospitalization which is very much essential in the fast spreading Parkinson's, Alzheimer like neurological diseases. d. No sub ceiling on other charges.

Now except the first two benefits other benefits are shrouded with uncertainty. Unless and until we get the draft of the Mediclaim policy the entire issue is shrouded in confusion.

Most important issue concerning Retired Officer/Employee is what has transpired between the Joint Note dated 25/05/2015 and signed agreement dated 27/05/2015.

#### ANNEXURE I

· Medical Scheme for the Officers/ Employees of IBA Member Banks, Parties to the Bipartite Settlement/ Joint Note dated 25th May 2015 in lieu of the Existing Hospitalization Scheme.

· 1.1. The Scheme Covers Employee + Spouse + Dependent Children + 2 dependent Parents /parents-in-law.

· 1.2.2 Continuity benefits coverage to officers/employees on retirement and also to the Retired Officers / Employees, who may be inducted in the Scheme.

#### MEMORANDUM OF SETTLEMENT dated 25th May 2015

· Clause 20. Hospitalisation

· In substitution of Clause 20 of the Bipartite Settlement dated 27th April 2010, the reimbursement of hospital expenses shall be as per the Medical Insurance Scheme detailed in Schedule IV to this Settlement.

· The Scheme covers Employee + Spouse + Dependent Children + any two of the dependent Parents /Parents-in-law.....

· Newly inserted clause....."The new Scheme would also cover the existing retired officers/ employees of the Banks and dependent spouse subject to payment of stipulated premium by them."

· It is to be enquired as to what transpired in a span of 2 days from signing of Joint Note to signing of final draft which required insertion of this clause.

This insertions made has caused immense harm to the cause of retired officers/employees having spouse not dependent on them as well as other dependents like challenged unmarried children/old parents have to be answered by " the apex level leaders" .

Just my two cents on this issue.

Regards,

Prashant Sukhtankar