



Indian Banks' Association

HR & INDUSTRIAL RELATIONS

No.HR&IR/BRK/2018-19/Med Ins/ 5702

August 18, 2018

CEOs of All Member Banks party to 10th Bipartite Settlement/Joint Note dated 25.5.2015

Dear Sir/Madam,

Renewal of Group Health Insurance Policies for Employees'/Retirees 2018-19

The Managing Committee of IBA at its meeting held on 29.06.2018 approved a proposal to call for quotes on premium to be charged for renewal of the Medical Insurance Scheme on the existing terms and conditions directly from the Public Sector Insurance Companies and SBI General Insurance Companies who are the insurers of the present Scheme, without engaging the services of Insurance Brokers.

2. Accordingly, United India Insurance Co. the Lead Insurer provided the quotes vide its letter dated the 2nd July, 2018 (Annexure I). New India Insurance Co. & SBI general Insurance Co. also provided the quotes as mentioned below. Other Insurance Companies didn't respond.

Proposed Premium for 2018-19						
Medical Insurance Scheme Premium - Per Family (Rs.) with GST (Rs.)						
	Employees		Retirees option 1 (Without Domiciliary)		Retirees option 2 (With Domiciliary)	
	Award staff. Insured Amount (Rs.3 Lakhs)	Officer Insured Amount (Rs.4 Lakhs)	Award staff	Officer	Award staff	Officer
UIC	15,851	21,133	25,928	34,568	67,721	90,289
New India Insurance	17,228	22,774	28,202	37,170	72,570	96,052
SBI Gen Insurance	16,738	22,316	NA	NA	NA	NA

Current Medical Insurance Scheme Premium - Per Family (Rs.) with GST (Rs.) (2017-18)						
	Employees		Retirees option 1 (Without Domiciliary)		Retirees option 2 (With Domiciliary)	
	Award staff.	Officer	Award staff	Officer	Award staff	Officer
UIIC	12333	16443	12333	16443	27750	36998

3. We observed that UIIC have increased the base premium of employees' policy by around 29% as compared to existing premium. Similarly, for retirees' Policy without domiciliary, the increase in base premium is around 110%. Increase in base premium of retirees' policy with domiciliary is around 144%. We immediately took up the matter with UIIC vide our letter dated 9th July, 2018 (Annexure II) to reconsider their decision regarding the quotes.

4. In response, UIIC vide their letter dated 12th July, 2018 (Annexure III) showed their inability to reduce the premium they had already quoted.

5. We convened a meeting of GM HRs of all PSBs along with representatives of United India Insurance Co. on 4-8-2018 to discuss the matter. All the participants from PSBs were of the view that Quotes given by UIIC, the lead insurer are very high and are not in accordance with the matrix given by them in existing Policy.

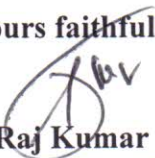
6. We also convened a meeting with representatives of United Forum of Bank Unions (UFBU) to discuss the renewal of the Medical Insurance Scheme on 08.08.2018. On sharing the quotes for premium (for 2018-19) submitted by UIIC with them, they also vehemently opposed the steep increase in premium and advised that the proposed Premium has come as a huge shock to them.

7. We again took up the matter with UIIC vide our letters dated 7th August, 2018 & 9th August, 2018 (Annexure IV) and requested them to revisit their stand. As suggested by the Unions, it was also requested that as the renewal is fast approaching, the present policy may be continued for three more months i.e. till 31.12.2018 for the serving employees and two more months for the retirees. Pro-rata Premium as per the current rate may be charged for 3 & 2 months for Employees & Retirees Policy respectively so that both the Policies continue till 31.12.2018 hassle free.

8. In response, UIIC, vide their letter dated 10th August, 2018 (Annexure V) has shown their inability to consider our plea to reduce the premium and extend the Employees as well as Retirees Policies upto 31-12-2018 on existing premium.

9. Please advise us if you have any observations to make. Kindly send the responses at hr@iba.org.in

Yours faithfully,


B Raj Kumar
 Deputy Chief Executive

Copy for information to Secretary, DFS