



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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Ref: 2022/ 674

02.10.2022

The Office Bearers/Central Committee members/ State Committee Chiefs

A.I.B.R.F

Dear Sir,

Re: Grievances of Retirees on Group Medical Insurance Scheme

Re: Application to Chief Labour Commissioner, Central, New Delhi

Indian Banks' Association has since announced premium rates for renewal for 2022-23 for retirees. There is steep increase in rates again resulting in to the policy becoming out of reach for more retirees this year. **The maximum premium rates have reached to the level of Rs. 72988 (without domiciliary) and Rs. 115956 (with domiciliary).**

2. The Group Medical Insurance Scheme was introduced in 2015-2016 by way of industry level settlement dated 25.05.2015 basically for the employees. Simultaneously, it was extended to retirees as welfare measure by way of making specific provision in the settlement. It is stated in the settlement that the scheme is extended to the retirees on the same terms and conditions except that cost of premium will be borne by the individual retirees. **In fact premium rates charged to employees and retirees were the same for the year 2015-2016 and 2016-2017.** But from 2017-18 onwards, in gross violation of provision of the settlement and also against the spirit of welfare for which it was introduced, premium rates for retiree were fixed at much higher level than rates applicable to employees. **This gap continued to increase year after year and this year (2022-23), while retirees are required to pay Rs. 57808 for 4 lakhs sum insured premium for the same amount for employee is fixed at Rs.27676/- almost 100 per cent less than retiree despite the fact that employees are eligible to get additional coverage like inclusion of children, parents and coverage of maternity expenses in the policy.** This is the position in other slabs too.

3. AIBRF is making all sincere efforts for finding logic and reasons as to why whole situation in insurance has reached to this position while beginning was made 7 years back with the uniform premium rates for retirees and employees. We find that at the launching of the scheme it was tilted and loaded with the spirit of welfare of retirees with noble and honest intention. But we find with disappointment that there is complete go by to the spirit of welfare during last seven years and now it is being handled purely on commercial consideration. **Everybody who matter in this regard talks of inflation, higher incurred claim ratio, overall increase in cost of service products etc. But hardly there is any discussion on how premium rates can be reduced for retirees and why so much gap in employee and retiree rates.** Insurance company raising premium rates on commercial consideration can be understood but those who are responsible to take care of retiree interest and to preserve element of welfare also only talking about commercial parameters is not understandable. **If under the same challenging situation, SBI can offer affordable product to its retirees with lot of initiative and innovation (even after ignoring subsidy element) why IBA policy is not able to achieve it offering affordable policy to retirees is a question which is bothering to AIBRF.** If you see policy of LIC for its retirees, policy in RBI, you will find that they are affordable and with element of welfare fully loaded in them

4. In AIBRF, we are fully conscious that premium cannot remain stagnant and have tendency to go up. We are not raising this issue in isolation. Our grievance is that retiree policy is being handled with highly closed and indifferent manner. We have offered several practical suggestions to make the policy affordable for retirees. For example, in last 4 years we have been giving suggestion that Room rent entitlement can be reduced to 4000 which will help in reducing premium. We feel it is very practical suggestion to reduce the premium though knowing very well that it will adversely affect retirees at the time of claim, in order to reduce premium rates without putting pressure on banks. But on this suggestion too which do not involve financial burden on the management, there is no response from any level during this period. **Every year, suggestions given by AIBRF remain unanswered, un- responded and unconsidered.** Every year, at the last movement, time constraint is quoted as the hurdle in considering our suggestions. Another biggest grievance AIBRF has is that IBA is not ready to have any sort of dialogue with retirees on the subject and doors of any sort of consultation, discussion, written response to the communications on the subject with representatives of retirees are completely closed with no sign of any positive development on it despite all out efforts of AIBRF made so far to make the scheme reliable and sustainable.

6. As you are aware, AIBRF took several steps at the organizational level this year with the object to reduce the premium and make the scheme affordable for retirees by offering various suggestions to the parties of the settlement. We were quite hopeful that in view of overall positive improvement in environment, our suggestions will be considered in the right earnest and retirees will be given much needed relief. In fact, initially, there were signals to this effect. But final outcome are highly disappointing. There is wide spread anger, disappointment and frustration among lakhs of retirees for whom health insurance is matter of survival. AIBRF is having serious concern on the outcome. This situation is also raising several basic and fundamental questions on role and responsibility of IBA in this regard and rights of retiree organizations to deal with the situation.

5. The issues identified by AIBRF to be taken up at appropriate level to address concern of retirees and find out some acceptable solution on urgent basis, are as under

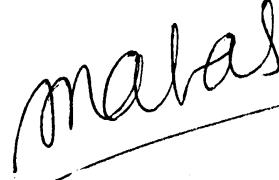
- (a) Role and responsibility of IBA as Administrator, Monitoring and Nodal Agency at apex level under the scheme.**
- (b) Legal position of the retirees as beneficiaries and customers under the scheme.**
- (c) Status of retiree movement and retiree organizations as independent group as determined by Parliamentary Committee on Public Grievance in 2009 and accepted by Managing Committee of IBA and asking member banks to recognize retirees as independent group and hold discussion with them as contained in IBA circulars issued in 2009 and 2016.**
- (d) IBA continuous refusal to recognize retiree organizations as independent entity and hold various implementation problems under the scheme with them in contradiction of their own communications and Parliamentary Committee directives.**
- (e) To examine IBA accountability in refusing to entertain grievances of retirees having direct stake as beneficiary and customer in group medical scheme in any form and not discharging their responsibility as Monitoring and Nodal Agency at the apex level.**
- (f) What are the legal rights of retirees as independent group for resolution of their grievances in this regard.**
- (g) Other several connected issues.**

6. Considering the above, to pursue the issue vigorously, as per the decision taken in Core Committee, application has been filed with Chief Labour Commissioner (Central) New Delhi on 30.09.2022 to seek their

intervention in resolving grievances of lakhs of retirees on this count so unrest among them do not spread further.

With Warm Greetings

Yours Sincerely

A handwritten signature in cursive script, appearing to read 'mabas', written over a horizontal line.

(S. C. JAIN)
GENERAL SECRETARY