

**ALL INDIA BANK RETIREES' FEDERATION (REGD.)
(A.I.B.R.F.)**

**IBA GROUP MEDICAL INSURANCE SCHEME FOR BANK RETIREES
WITH UNITED INDIA INSURANCE COMPANY LIMITED
(YEAR 2015-16 TO 2017-18- REVIEW)**

Ref No. 2019/ 62

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PRILIMINARY

AIBRF has been consistently raising important and critical issue of UNIFORM MEDICAL SCHEME for bank retirees for effective health management at the advancing age for self and spouse. We received partial success when Indian Banks' Association introduced Group Medical Insurance Scheme for bank retirees w.e.f. 01.11.2015 for a period of 3 years on liberal terms and conditions. Period of 3 years will come to end on 31.10.2018. Therefore it is time to do comprehensive review of its performance and to take steps for its renewal for future on improved terms and conditions. Accordingly, we present detailed note on it.

SPECIAL FEATURES

- (1) No Age bar for joining the policy
- (2) No waiting period for claims
- (3) Domiciliary Cover from 2016-17 on optional basis.
- (4) Coverage for almost all deceases

PRESENT PLAYERS

Designing & Administration: IBA, Bank Managements, UFBU & Broking Firm

Service Providers: United India Insurance Company, Bank Managements & TPAs.

Beneficiaries: Bank Retirees & their spouses on group concept basis.

AIBRF and other apex level retiree organisations were not kept involved at designing and administration stage though it played crucial role in canvassing the scheme among retirees and very effectively and successfully handling post sale issues like issuance and delivery of health cards, guiding members for hospitalization under cashless scheme, in preparing and submission of claim forms, live contacts with TPAs etc.

PARTICIPATIONS OF RETIREES IN THE SCHEME (COST TO RETIREES)

Amt. in crores

YEAR	NO. OF RETIREES		PREMIM PAID		TOTAL
	NON-DOM	DOM	NON-DOM	DOM	
2015-16	219833	NA	129.26	NA	129.26
2016-17	104388	89427	134.36	150.02	284.38
2017-18	161191	37563	202.61	106.93	309.54
		TOTAL	466.23	256.95	723.18

CLAIMS SETTLED (BENEFITS RECEIVED)

YEAR	NO. OF CLAIMS		CLAIMS SETT LED		TOTAL
	NON-DOM	DOM	NON-DOM	DOM	
2015-16	57236	NA	326.24	NA	326.24
2016-17	37487	353538	174.60	313.25	484.85
2017-18	39038	162261	203.87	127.65	331.52
TOTAL			704.71	440.90	1142.61

CLAIM RATIO (NON-DOMICILIARY)**Amt. in Crores**

YEAR	PREMIUM PAID	CLAIM RECEIVED	RATIO
2015-16	129.36	326.24	252%
2016-17	134.36	174.60	130%
2017-18	202.61	203.87	161%

(Note: Proportionate up to May 2018)

CLAIM RATIO (WITH DOMICILIARY)

2016-2017	150.02	313.32	209%
2017-2018	106.93	127.65	191%

(Note: Proportionate up to May 2018)

CLAIM RATIO (COMBINED)

2015-16	129.26	326.84	252%
2016-17	284.38	484.85	170%
2017-18	309.54	331.52	

OVERALL REVIEW

- (1) Non-coverage of domiciliary in first year despite commitment and specific provision in IBA Scheme for retirees**
- (2) Steep hike in premium in second and third year.**
- (3) Fixed sum assured plans in the scheme and consequently high premium rates coupled with several complaints/ grievances in servicing the policy deprived many retirees in particular family pensioners and low income from joining the scheme or compelled them to withdraw from the scheme. It can be seen from the above tables that almost 26000 retirees net withdrew from the scheme in second year.**
- (4) Serious hurdles/ bottlenecks in post-sale services like non-issuance / non-delivery of health cards, undue delay in settlement of claims, long delay in conveying approvals under cashless scheme, rejection of claims on technical pretext, long gap in approval and release of funds actually basis etc.**
- (5) No involvement of representatives of retirees who are ultimate customers and who bear cost the scheme. No formal consultation/ discussion with apex level retiree organisations by any of the four players namely IBA, Bank Managements, UFBU, Brooking Firm who designed and administered the scheme and implemented during last 3 years despite the fact that retirees paid considerable amount from their pension income by way of premium.**
- (6) Despite the above, it may be seen that Group Insurance policy for retirees have been able to meet its objective to the large extent to deal with health related issues. In last 3 years, about 1.33 lakhs retirees have received claims of Rs. 704.71 crores.**
- (7) IBA/ UFBU has played critical role in designing the scheme.**
- (8) Bank Managements have also contributed significantly in processing large number of applications , debiting premium and remitting it to the insurance company along with handling post sale service issues of**

retirees. This contribution is very critical for successful implementation of the scheme and will be required in future too.

PRESENT STATUS FOR EXTENDING THE SCHEME

We find that for last some time, the matter for extending the scheme is under active negotiation between UFBU and IBA. It is also learnt that some constituents of UFBU have made demand to revert to the old system(Pre-2015) for extending medical aid to employees. Simultaneously, role of brooking firm, change in insurance company etc. are also under active consideration of the negotiating parties. We also get unconfirmed news that IBA is not interested in negotiating renewal for the retirees. In nutshell, there is lack of clarity.

IMPROVEMENTS NEEDED IN THE SCHEME AND FOR WHICH AIBRF WILL TAKE ALL POSSIBLE STEPS.

- 1. We want that the scheme should be extended for next 10 years**
- 2. IBA should play active role in designing the scheme in consultation with apex level retiree organisations and UFBU.**
- 3. Member banks should be asked to continue to take responsibility of collecting the applications, processing them and debiting accounts of retirees and remitting the premium amount to the insurance.**
- 4. In the event of IBA/ UFBU go for alternative option for employees and do not agree to handle retiree policy, AIBRF should coordinate with other apex level retiree organisations for other options jointly including direct negotiations with brooking firm/ insurance company.**
- 5. Negotiation should be primarily restricted to public sector insurance companies.**

- 6. In any event, retiree organisations should persuade IBA to ask member banks to debit accounts of retirees for premium and remitting it to the insurance company.**
- 7. Instead of present fixed sum assured of Rs. 3/ 4 lakhs, it should be flexible in the range of Rs. 1 lakh to Rs. 5 lakhs to suit the paying capacity and need of the individual retiree to attract more participation in the scheme.**
- 8. At present domiciliary is optional creating situation of cross subsidy and indirectly affecting members of non- domiciliary option adversely. Therefor domiciliary option should be available either to all or it should be completely scrapped to ensure meaningful reduction in overall premium.**
- 9. Premium should be fixed based on number of members in the family. In other wards , lower premium should be charged for family pensioners with single number.**
- 10. Coverage should be extended to physically handicapped children along with the retiree and spouse with some additional premium**
- 11. Some coverage should be provided for dental treatment**
- 12. Specific provision should be made for BUFFER for retirees on the lines of employees under IBA scheme.**
- 13. Risk Coverage of Rs. 1 lakh should be provided for personal accident.**
- 14. Retirees should have say in selecting TPAs under the scheme**

- 15. There should be uniform network hospitals under the scheme irrespective of the TPA.**
- 16. No claim should be rejected by TPAs on the ground of no prior intimation or late submission.**
- 17. Specific penalty should be imposed for delay in payment of the claim beyond 30 days. This clause should be specifically incorporated in the policy.**
- 18. Eligible retiree should be given option of 3 months to join the scheme instead of one month being allowed at present.**
- 19.. Super top up policy should continue in future. Its performance may be reviewed separately**

We invite suggestions/ comments on the above proposal from office bearers/ central committee members/ affiliates and state bodies to take the matter forward in the best interest of retirees.