



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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Ref: 2022/ 703

25.12.2022

The Chief Executive,
Indian Banks' Association
MUMBAI

Respected Sir,

Re: Group Health Insurance Policy for Retirees

Group Health Insurance Policy was introduced by IBA for retirees effective from 1.11.2015. We find that during first 3 years, premium rates were negotiated by IBA with the help and advice of the broking firm namely K.M. Dastur Reinsurance Pvt. Limited. Thereafter, services of this broking firm were terminated for negotiating premium rates for group insurance policy for retirees.

2. Instead, IBA adopted practice of floating tenders in the open market to invite quotes of premium for retiree policy. Since then, this practice is in existence.

3. We find that after introducing system of floating tender route, premium rates for retirees have been on increase year after year. In this regard, we wish to invite your kind attention on unstarred question No. 1488 raised in Rajya Sabha and replied on 20.12.2022. While replying to the question, the honorable Minister has informed that as per IRDAI guidelines, insurance company will not ordinarily change premium rates for a period of 3 years after the product has been cleared by the authority. It seems this aspect was not taken into consideration while floating the tender and negotiating and finalizing rates of premium for retirees as substantial increase were approved by IBA year after year. Non- observation of the relevant guidelines of IRDAI in fixing premium has adversely affected the retirees' interest. **We shall be glad if you will kindly advise specific reasons for allowing higher premium rates which were apparently in violation of IRDAI extent guidelines in this regard. Details of the above referred question are given in the enclosed sheet.**

3. We also find that retirees are permitted to avail domiciliary benefits only to the extent of 10 percent of sum assured. Though this 10 percent limit for domiciliary benefit is within overall limit of Rs. 3 or 4 lakhs fixed for retirees, to avail benefit of sub limit, retirees are required to pay additional premium. Further, this additional premium fixed is abnormally higher than sum limit amount for domiciliary benefit which appears to be unusual and looks illogical. This situation has seriously affected retirees' interest. **We shall feel highly obliged if you will kindly advise us specific reason for approving the above stated high rates of premium for domiciliary benefits. Our membership is anxious to know the reason in this regard.**

4. It may be mentioned that AIBRF is body registered under Trade Union Act and enjoys the right to raise issues/ grievances concerning of its members to protect their interest, before the concern authorities. We find that under the provisions of Wage settlement, 2015 extending benefit of Group Health Insurance Policy to

retirees too, IBA has assumed responsibility of handling the scheme at the apex level and is expected to reply our above queries.

5. We shall be grateful to you to receive replies of our above queries.

With respectful regards,

Yours Sincerely

A handwritten signature in cursive script, appearing to read 'S. C. Jain', is written over a horizontal line.

(S. C. JAIN)
GENERAL SECRETARY

c.c. to The Convenor, UFBU & its Constituents.

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

RAJYA SABHA
UNSTARRED QUESTION NO. 1488

ANSWERED ON – 20.12.2022

INCREASE IN HEALTH INSURANCE PREMIUM BY INSURANCE COMPANIES

1488 Shri Naranbhai J. Rathwa:

Will the Minister of Finance be pleased to state:

- (a) whether it is a fact that all insurance companies are continuously increasing health insurance premium for the past 3 to 4 years;
- (b) if so, the details and reasons therefor with the percentage of increase in premium of health insurance;
- (c) whether there are no regulations on increase of health premium of senior citizens; and
- (d) if so, the reasons thereof and steps being taken to reduce the health premium of senior citizens?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)