



## **ALL INDIA BANK RETIREES' FEDERATION (REGD.)**

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**6<sup>th</sup> Conference Slogan- Pension Updation is Right of Bank Retirees**

Ref: 2023/ 022

22.03.2023

Shri Brajeshwar Sharma  
Senior Advisor (HR&IR)  
Indian Banks' Association (IBA)  
MUMBAI

Dear Sir,

Re: **AIBRF Representation on Group Medical Insurance Scheme for retirees to be placed before Committee of CGMs/GMs for consideration as per decision of Joint Meeting convened by Dy. CLC on 14.03.2023**

We wish to invite your kind attention on the proceedings of the Joint Meeting convened by Deputy Chief Labour Commissioner (Central) New Delhi on 14.03.2023 to hold discussion on AIBRF representation on group Medical Insurance Scheme for the retirees. At the conclusion of the meeting, as per the minutes of the meeting drawn, it was decided that AIBRF would submit memorandum on the issues raised in 4 Joint Meetings held on the subject and other suggestions to improve the scheme which would be placed before the Committee of Chief General Managers/ General Managers and 3 members from United Forum of Bank Unions (UFBU) with an outside Expert being constituted to suggest terms and conditions for next renewal, for its consideration. It was further agreed in the meeting that AIBRF may directly give suggestions to IBA who has assured to put forth those points before the committee for discussion and consideration and next Joint meeting would be convened by CLC after getting outcome of meeting of this committee.

2. In this connection, we also request you to refer IBA letter no.HR & IR/GOVT/Q/2022-23/ dated 14.03.2023 addressed to The Chief Labour Commissioner (Central) copy of which was made available to us during the above referred meeting.

3. Accordingly, we are pleased to submit the following issues and suggestions on GMIS for the consideration of the Committee of CGMs/ GMs and 3 representatives from UFBU with humble request to you to kindly arrange to place this communication in the meeting of the committee as and when held.

**AIBRF Suggestions & Issues on Group Medical Insurance Scheme for Retirees for consideration of Committee of CGMs/ GMs & UFBU Representatives:**

- (a) **Welfare Element for Retirees:** It was a good gesture on the part of IBA and UFBU to extend Group Medical Insurance Scheme (basically designed for employees) to retirees on the same terms and

conditions as welfare measure to help them to manage health related issues in effective manner at the advancing stage, with stipulation that insurance premium will be borne by the individual retiree as per provisions of the Bipartite Settlement/ Joint Note dated 25.05.2015. It was welcome step and greeted by lakhs of bank retirees as a first significant step towards realization of demand of Uniform Medical Scheme for retirees.

AIBRF was quite happy on this development and in fact, the scheme worked very well during first 3 years (2015-16 to 2017-18) as the premium fixed for employee policy and retiree policy during this period was identical and uniform as per provisions of the settlement and spirit of welfare towards retirees. Increase in premium rates during this period were uniform for both the policies irrespective of claim ratio for employees and retirees and number of participants. However, from 4<sup>th</sup> years the practice of uniform premium was discontinued and under tender process introduced first time, separate premium rates were fixed for employee policy and retiree policy. It has resulted that in last 5 years, premium rates for retirees have increased by **645 per cent against increase of 323 per cent only for employee policy**. This trend indicates that spirit of welfare for which it was extended to retirees was completely diluted and commercial consideration approach appears to have been adopted in fixing premium for retirees making insurance policy unaffordable for large number of retirees.

As you all are aware that bank retirees include various sections and groups. Those who retired 20 years back get very limited monthly pension in the absence of benefit of updation and benefit of 100 per cent Dearness Relief. Retirees also include sub- staff people and those retiree before 1986 whose quantum of pension is meager. They can not afford to pay the prevailing rates of premium though health insurance is necessity for them.

We are fully conscious that premium rates are determined by market conditions. But it is equally necessary to keep in mind welfare of all sections of retirees while deciding terms and conditions of the tender documents with necessary fine tuning to draw balance between market conditions and welfare of the venerable section of beneficiaries with effective helping hand from employer wherever necessary and fine tuning of terms and conditions of the policy to ensure that retirees are not forced to opt out of the scheme for the reason of affordability. In renewal exercises carried out for retirees during last 5 years, this aspect appears to have been lost sight off.

It will not be out of place to invite attention of honorable members of IBA Committee that SBI has responded on welfare issue very effectively during last 5 years in fixing premium rates for retirees making its policy affordable for all section of retirees. **We make humble appeal to the committee that SBI retiree policy can be taken as model for finalizing terms and conditions for next year renewal.**

**It is our humble request to the honorable Members of the Committee to keep in mind welfare aspect as paramount consideration while deciding terms and conditions for the next renewal of retiree policy.** Welfare aspect can be ensured by drawing fine balancing by some dilution in terms of claim and helping hand coming from banks.

- (b) **Sound & Responsive Grievance Redressal Mechanism at Apex level for GMIS for Retirees:** As per the provisions made in Settlement dated 25.05.2015 introducing group medical insurance scheme for retirees, IBA was given role of functioning as Nodal Agency to administer and implement the scheme for retirees at the apex level. This role of IBA include discussion and negotiation with Unions on the scheme, finalization of terms and conditions of each year renewal, inviting tenders from insurance companies, negotiation with insurance companies to finalization of premium rates, approval of premium rates, advising premium rates to member banks, maintenance of record etc.

Attention of the honorable Committee Members is invited on the fact that while introducing health insurance scheme for retirees, new class of retiree beneficiaries came into existence who have been conferred certain rights and benefits under the scheme. Retirees, as per law of the land have organized themselves through all India Retiree organizations at the apex level. AIBRF is one such apex level retiree organization of bank retirees with membership of more than 2.6 lakhs. Considering nature of the scheme and requirement of annual exercise to review terms and conditions and to deal with other allied matters, **we encounter several implementation related issues which can be resolved only at IBA level in view of role and responsibility given to IBA as per provisions of the settlement. These issues can not be settled by holding discussion with individual bank managements.**

But at IBA level , no forum is available to retiree organizations to represent grievances of retirees on the scheme. This situation is leading to huge disappointment , confusion and practical problems to lakhs of retirees who have opted for the scheme. We find that in the present world of technology, all organizations who have public dealings take extra initiative in establishing Grievance Redressal Mechanism. PMO office has online redressal forum for 140 crores citizens of the country to represent their grievances on line. This is one example. There are hundreds of such examples which can be quoted. Establishing some Grievance Redressal Forum at IBA level for the scheme will create very good and healthy atmosphere and help in resolution of the issue.

We appeal to the honorable Members of the Committee to consider our above request which will help in resolving the issues related to implementation besides giving extra satisfaction to retirees

( C ) Having presented our views on the above two points, we below submit our specific suggestions for next renewal for the favorable consideration of Honorable Members of the Committee

#### **SPECIFIC SUGGESTIONS OF AIBRF FOR NEXT YEAR RENEWAL OF HEALTH INSURANCE POLICY FOR RETIREES**

- (1) **Base Policy of Rs. 2 lakhs for Retirees:** As explained in above Paras, large number of retirees who can not afford insurance premium are not able to take health insurance though it is necessity for them. **Number of such retirees who are without health insurance is more than 3 lakhs (excluding SBI).** As welfare measure, IBA should consider giving **Base Policy of Rs. 2lakhs covering** some specified illnesses to all retirees free of cost. Cost may be borne out of staff welfare funds as per the government guidelines. It will provide confidence among retirees to face emergency situation on health front. **We understand UFBU had submitted this proposal to IBA last year where full discussion could not take place due to paucity of time.** We appeal sympathetic consideration on this suggestion this year.
- (2) **Clubbing Claim Ratio:** As per the provisions and spirit of the settlement, claim ratio of employee policy and retiree policy should be clubbed and uniform rates of premium should be fixed for employee and retiree policies.
- (3) At present, health insurance in case of retiree is available for self and spouse. **We request that dependent physically handicapped children should be covered in the policy.**

- (4) **In order to make the policy affordable for all section of retirees, we suggest that fine tuning may be done in room rent entitlement for retirees, some capping on specified surgeries etc.**
- (5) **Super top policy may be made available to all those who opt for base policy of Rs. 3 lakhs.**
- (6) Presently, many banks are extending subsidy to retirees at different rates for payment of insurance premium. We request that uniform subsidy should be given to all retirees opting for insurance policy.
- (7) All retirees irrespective of the cadre one retired should be allowed to avail insurance up to Rs. 4 lakhs.
- (8) TPA should be nominated for period of 3 years instead of rotating them frequently to have consistency in dealing claim proposals.

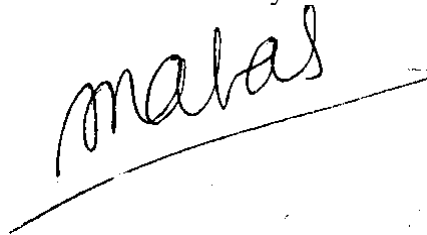
4. We humbly request honorable Members of the Committee to consider our above stated specific suggestions favorably. We will be glad to provide more information/ data on the above suggestions if need by the committee.

5. In addition to the above we submit the following communications which were placed before Chief Labour Commissioner (Central) based on which AIBRF was asked to submit suggestions for consideration of the committee. We request the committee to take contents of these communications in to consideration while disposing this representation.

- (a) AIBRF Letter No. 2022/ 673 dated 27.09.2022 addressed to The Chief Labour Commissioner (Central) New Delhi.
- (b) AIBRF Letter No. 2022/685 dated 07.11.2022 addressed The Chief Labour Commissioner (Central) New Delhi.
- (c) AIBR Letter No. 2023/020 dated 11.03.2023 addressed The Chief Labour Commissioner (Central) New Delhi.

With Respectful Regards,

Yours Sincerely

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

(S. C. JAIN)  
GENERAL SECRETARY

C.C. to The Chief Labour Commissioner (Central), New Delhi. For information and record.