



## **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/ 085

20.07.2023

The Office Bearers/ Central Committee members/ State Committee Chiefs  
A.I.B.R.F

Dear Sir,

**Re: Settlement dated 19.07.2023 on Group Insurance Policy for Retirees**  
**Re: New terms & Conditions**

We find that as per the minutes of the meeting dated 19.07.203 between UFBU & IBA, IBA has revised scheme of Group Medical Insurance Scheme for retirees effective from 1.11.2023.

### **2. Main features of the revised scheme are as under**

- (a) It will be **separate scheme** exclusively for retirees in place of the group medical scheme for employees which was extended to retirees on the same terms and conditions as per the settlement 25.05.2015.
- (b) Under the revised scheme, concept of base policy of Rs. 2 lakhs has been introduced. Sum of Rs. 2 lakhs under base policy will be uniform for all categories of retirees.
- (c) There has been substantial reduction in the benefits available to the retirees in the event of claim which ranges from 40 per cent to 60 per cent on many items.
- (d) The above reduction in claim amount by stipulating ceilings on major items has been done with the object of reducing premium burden and make it affordable. While reduction has been specified in the settlement, Settlement/ UFBU communication do not provide indicative reduction in premium cost to the retirees. It has been completely left on tender process.
- (e) Super top policy will be available to the retirees from Rs. 1 lakh to Rs. 10 lakhs where there will not be any ceiling on benefits/ claim amount as stipulated in uniform base policy and as provided in the minutes of 19.07.2023 under the caption "Top Up facilities."
- (f) In the other words, retiree will have option to go for health insurance from minimum Rs. 2 lakhs to maximum Rs. 12 lakhs according to paying capacity of individual.
- (g) Benefit of discount to single person is likely to continue under the revised scheme.
- (h) It appears from relevant provisions of the minutes that premium of even base policy of Rs. 2 lakhs will be required to be borne by the retirees.
- (i) All other terms and conditions of the existing scheme like no waiting period, no age bar will continue to be operative.

## AIBRF Comments

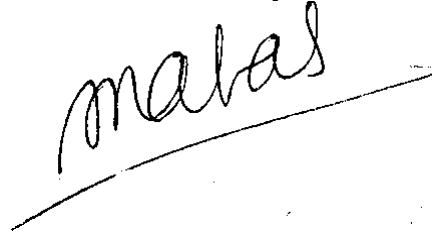
- (a) Separating retiree policy from employee policy and setting separate terms and conditions for retirees is very important change in the scheme which will have serious consequences on the terms of policy, its pricing and challenges the senior retirees would be facing in health management who have already committed themselves based on settlement of 2015.
- (b) We find that 3 Member of Committee of UFBU had suggested vide letter dated 2.6.2023 that uniform premium should be worked out for retirees and employee policy by clubbing claim ratio. But now UFBU has agreed for separating the retiree policy.
- (c) The base policy was recommended by the committee of UFBU with certain capping so insurance cover can be provided at reasonable cost to all retirees and cost to be borne by banks. But from the settlement it appears the retirees will be required to bear premium cost. If so, no relief is likely to accrue to retirees out of this exercise.
- (d) We will have to wait for floating of tenders by IBA and quotation given by the insurance companies to know that what would be cost of base policy and super top policy to ascertain whether it has provided much needed relief to the retirees to make it affordable.
- (e) We hope that super top policy from 1 to 10 lakhs will be part of tender document to be floated by IBA as provided in the settlement of 19.07.2023. After knowing terms of the super top policy and its premium rates, there will be more clarity on it and will be able to assess whether it has given needed relief.
- (f) We expect that premium for Rs. 2 lakh base policy would be substantially low compared to present rates because of several capping on claim amount have been stipulated. But real relief would come only when premium cost is borne by banks.
- (g) We expect that terms and conditions of Super Top policy would be at par with the existing policy designed for retirees.
- (h) We are of the view that clarity in the matter would come after some time when more details on the scheme and tender terms and conditions becomes known to us.
- (i) We hope now CLC would convene the Joint Meeting in the matter shortly where we can seek clarifications/ details from IBA representative on the relevant points.
- (j) AIBRF shall continue to work to bring improvement in the scheme to make the policy affordable for all.
- (k) We propose to hold Office Bearers Meeting in **last week of July, 23 to discuss** the issue to decide our future course of action.
- (l) Copy of the settlement is enclosed for the ready reference.

## 100 Percent DA to Pre-2002 Retirees

We understand that payment of 100 per cent DA to pre- 2002 retirees is under active consideration of IBA and formal announcement may be made in the matter soon. It will provide much needed relief to pre-2002 retirees who have been suffering on this count for last several years and will become launching pad for achieving updation of pension.

With Warm Greetings,

Yours Sincerely

A handwritten signature in cursive script that reads "mabas". The signature is written in black ink and is positioned above a single, slightly curved horizontal line that extends across the width of the signature.

(S. C. JAIN)  
GENERAL SECRETARY