



## 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/ 106

01.10.2023

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

Dear Sir,

### Re: Renewal of Group Insurance Policy for 23-24

Indian Bank Association announced premium rates for renewal of health insurance policy for retirees for 2023-24 on 19.07.2023. It has come as shock to entire bank retiree community. In case of top policy renewal, increase is very steep and irrational and it is as high as 900 per cent. IBA has not shared claim ratio incurred on retiree policy for 22-23, while approving and announcing unusual increase in rates of top policy, but under any circumstances we do not think that claim ratio have gone so high justifying increase of 500 to 900 percent in one go. In fact, we were expecting considerable relief in premium rates from IBA by expanding element of social measures. But reality has come just contrary to retiree expectations. The following changes/modifications made in the scheme this year is completely against the interest of retirees and have put them to highly disadvantageous position. Following are the examples

- (a) Slab of Rs. 100000/- under base policy which was available to retirees last year without any capping at Rs. 15308 (Single person Rs. 10333) has been withdrawn and it will **hit most venerable section of retirees like part- time sub staff, pre-1986 retirees, sub-staff retirees etc. and setback to efforts of affordable policy.**
- (b) Base policy of Rs. 200000/- has been introduced with several capping on claim benefits. Premium of Rs. 26454 compared to last year premium of Rs. 27557/- for this slab resulting in to hardly any relief in premium rates while claim benefits have been considerably reduced.
- (c) It was expected that some financial support will come from banks to fund base policy to make it affordable for all section of retirees and the purpose for which it was designed. However, no such announcement is seen in IBA circular fixing new rates. **This situation has also resulted in to huge disappointment among retiree community.**
- (d) From IBA circular it is seen that base policy will have two set of terms and conditions (a) with stipulated capping if one avails only base policy (b) without capping if one avails top policy. This appears to be highly confusing scenario and it is likely to create several difficulties to the disadvantage to retirees at the implementation stage. Further, due to stipulating this term, premiums of top policy have gone up skyrocketing and completely unbearable for retirees and which is also main cause of their anger, rightly so, for this situation. This situation has put the retirees to highly disadvantageous situation.
- (e) Terms of tender documents floated by IBA keeping quotes of top policy out of L 1 stipulation has provided full liberty to the successful bidder to quote any rate for top policy. Because of this stipulation in

tender document, rates of top policy for Rs. 1 lakh has gone up from Rs. 3730/- to Rs. 27159 (728 per cent increase), for Rs. 5 lakhs sum assured from Rs. 15180 to Rs. 70078 (461 per cent increase) without any apparent logic and rationality. This is the position in all slabs. According to us this has happened mainly due to the above clauses of the scheme and tender document. It has also put unbearable financial burden on retirees.

- (f) We find that IBA & UFBU signed MOU on 19.07.2023 separating retiree policy from employee policy without giving notice to beneficiary group of 1.56 retirees to react and adjust themselves. It has come as big setback to the retiree community. The Group Insurance scheme was extended to retirees on the same terms and conditions applicable to retirees as welfare measure as per the advice of DFS given in 2012.

**2. These adverse developments have come as rude shock to retirees. It has gone completely contrary to our expectation and against the direction in which we have been working at the organizational level. There is huge disappointment, anger and frustration among lakhs of retirees whose health management issue is likely to become more challenging. We fully share concern of retiree community on this count.**

3. After announcement of rates by IBA, at AIBRF have taken several steps at the organizational level to overcome the situation which can be summarized as below

- (a) Core Committee meeting was convened on 21.09.2023 and office bearers meeting on 26.09.2023 to discuss the development and decide future course of action to overcome the situation. In these meetings, several organizational steps like launching protest rally, meeting delegations to MDs of banks, approaching to Ministers and M.Ps. highlighting the above steep increase in rates and demand relief in rates to make the policy affordable for all section of retirees were deliberated and final decision to be taken in the next meeting.
- (b) It is seen that till the date of this circular, **no bank has so far issued circular for implementation of IBA policy.** We are eagerly waiting for bank circulars in the matter. **We feel banks circular will bring more clarity on the issue and will give idea on the subsidy if any given by banks to meet cost of base policy and whether it will be meaningful for retirees.**
- (c) After issuance of the circular by banks, office bearers meeting will be convened to take decision on the organizational course of action on this issue.
- (d) As you are aware, AIBRF has been pursuing issue of improvement in group medical insurance scheme for last several years. One of the steps taken was in approaching to CLC for redressal of our grievances on group medical insurance scheme. After announcement of rates by IBA on 19.07.23, 7<sup>th</sup> Joint meeting was convened by CLC on 25.09.2023 to discuss the issues on AIBRF grievances in the matter. On the basis of deliberations in the meeting, CLC advised to IBA & DFS to give opportunity to AIBRF representatives to place their views on premium rates and other connecting points and IBA should take steps to rationalize the premium rates with positive mind. Thereafter AIBRF has submitted Representation No. 2023/103 dated 28.09.2023 (copy enclosed) for consideration of IBA & DFS. **We expect that DFS/IBA would call for discussion as agreed in the Joint Meeting.**

4. AIBRF is committed to continue its fight for bringing improvements in the insurance scheme despite the adversities under which we are placed this year. As you know Uniform Group Medical Scheme for retirees is dream project of AIBRF as it concerns to health of our members. Because of organizational efforts, several improvements have come in IBA scheme like introduction of super top concept, multiple slabs, single premium at discount etc. in the past. The scheme is in existence for last 8 years with average participation of 1.6 lakhs retirees every year. Claim settlement system is quit streamlined benefitting retirees at the time of need. Backing of bank management and government is added feature of the scheme. Our fight will continue to bring improvement in the scheme making IBA management accountable for improvement. These aspects will be

discussed in the forthcoming central committee meeting to take long term view on this scheme and decide AIBRF stand on it.

**5. AIBRF suggestions to take decision on next renewal:** It may be retreated that each member is free to take decision on health insurance and to which scheme one should go is absolute prerogative of individual. However, as per the policy decision taken, AIBRF will continue to work for Health Insurance Scheme as group and also continue its fight for improvement.

In the present situation till our efforts bring desired result, we suggest as under for consideration of our affiliates

- (a) Members may consider taking base policy of Rs. 2 lakhs which will **cost individual Rs. 26454**. Cost will come down to the extent of subsidy which is already in existence or some subsidy is announced by banks to meet the cost in coming days.
- (b) As per the terms of the settlement, capping prescribed in base policy will stand removed once one opt for top up policy of minimum Rs. 1 lakh which will cost Rs. 27159/-
- (c) AIBRF is looking for alternate top policy from other service provider like SBI General as combo of above two. On the basis of initial quote received for 5 lakhs, this alternate top policy will cost around Rs. 15000/- (Single premium about Rs. 9000/-). The proposal will be placed in next office bearers meeting for discussion and approval. We will take final view shortly and advise all details by 15/ 20 October, 23. Window of top policy will be available for next 2/3 months and therefore members will have sufficient time to take view on it. Otherwise also till one take view on top policy, he /she will have cushion of Rs. 3lakhs for initial period.
- (d) The above combo will cost as under that too without any capping either at base policy and top policy of IBA and also alternate policy.

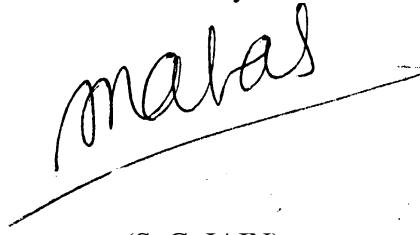
<b>(i) Base Policy of IBA</b>	<b>Rs. 26454</b>
<b>(ii) Base policy of IBA</b>	<b>Rs. 27159</b>
<b>(iii) Alternate top policy</b>	<b>Rs. 15000</b>
<b>Total</b>	<b>Rs. 68613</b>

- (e) In this way, one may continue with IBA policy for which we have been fighting for improvement and expect to achieve many improvements in coming years.
- (f) We understand that some of our affiliates have been working on some other alternate policy/ scheme as they have done in the past. They may continue to do so if they so choose.
- (g) If affiliates have other options available, they may opt them as per their convenience and requirement.

6. Incidentally, it may be mentioned that 52<sup>nd</sup> meeting of GST Council is scheduled to be held on 7<sup>th</sup> October, 2023. One of the items on its agenda is to consider reduction in GST rates on premium payable by senior citizens on health insurance. If some reduction comes in rate, it may be additional relief.

With Revolutionary Greetings

Yours Sincerely

A handwritten signature in cursive script that reads "mabas". Below the signature is a single horizontal line that extends across the width of the signature.

(S. C. JAIN)  
GENERAL SECRETARY