



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

Flat No 101, Block C Shivom Residency, M. G. Road Indore- 452001

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6th Conference Slogan- Pension Updation is Right of Bank Retirees

Ref: 2023/ 111

09.10.2023

The Secretary
Department of Financial Services
Government of India, New Delhi

Respected Sir

Re: Dispute of Grievances of lakhs of bank retirees in the matter of Group Medical insurance Scheme administered and managed by Indian Banks' Association as Nodal Agency & other retiree issues.

Re: CLC Ref No: F. No. 10 (20/2022-IR)

We wish to invite your kind attention to our following two representations submitted to your office on the above subject for your kind consideration and response from you as agreed in the Joint Meeting convened by Chief Labour Commissioner (Central), New Delhi on 25.09.2023.

- (a) AIBRF letter No. 2023/ 103 dated 28.09.2023 addressed to your office with copy to Indian Banks' Association, Mumbai
- (b) AIBRF letter No.2023/107 dated 03.10.2023 addressed to Indian Banks' Association with copy to your office

2. We are waiting for the response from your office/IBA or giving opportunity to our representatives to place our views on the issues raised in the above representations. As you are aware, renewal of insurance is time bound program. In case of IBA policy for retirees, last date of renewal is 31.10.2023. Therefore, there is hardly any time left for taking corrective steps as suggested by us and agreed by your good selves to consider after hearing our views. In view of this you will kindly appreciate that urgent meeting/response is needed without loss of any more time. In the absence of it, we are of the view that many vital issues raised by us will remain unresolved without their due examination and which will adversely affect health issues of 5 lakhs bank retirees. Therefore, it is our humble appeal for early action on our above representations.

3. In the meantime, your kind attention is invited on one of the important grievances raised by us that this year while inviting tenders by IBA for retiree policy, laid down procedure was not followed. Major value of the tender was kept outside L1 norms. With this freedom, successful bidder, National Insurance Company Limited could ensure unprecedented increase in renewal rates from 300 per cent to 700 per cent compared to last year in case of top up policy without disclosing claim ratio incurred last year etc. and could become successful bidder. This unusual increase in premium rates approved in violation of laid down norms have seriously affected interest of 1.56 lakhs bank retirees in particular who participated in

the scheme last year and 5 lakhs bank retirees in general. We are afraid because of unusual increase in premium rates this year for retirees, many may not be able to afford renewal of the insurance. They all are senior citizens and many of them are 80 plus.

4. In the context of the above, after securing contract for IBA policy at much higher premium, we have come to know that **National Insurance Company Limited, Kolkata Division III (same service provider who is successful bidder in IBA policy for retirees this year)** has launched another group insurance policy for retirees which we find is comparable to the terms and conditions stipulated in IBA policy and settlement dated 25.05.2015 applicable to bank retirees and much cheaper than the rates quoted by it while bidding in IBA tender and approved by IBA. In fact, some of the terms of Kolkata Division policy are better than IBA policy and still cheaper in rates. Some of the features of Kolkata Division policy are worth mentioning:

- (a) No age bar for joining the policy. Retiree of any age can join it (same is the stipulation in IBA policy)
- (b) No waiting period for claim (same is the stipulation in IBA policy)
- (c) No capping on claim (In case of IBA policy, capping has been fixed in IBA policy)
- (d) With these favorable terms for retirees in Kolkata Division policy, premium rates for 2 lakh policy are Rs. 24675 (inclusive of GST) compared to IBA rate for similar amount is Rs. 26454/-. IBA policy is costlier by Rs. 1779/-
- (e) This is the position at all stages of sum assured. At sum assured of Rs. 10 lakhs, Kolkata Division policy will cost Rs. 71735/- IBA policy will cost Rs. 113524/-. IBA policy is costlier by Rs. 41789/- for this amount.

5. We enclose details of Kolkata Division policy in the enclosed sheet for your ready reference, dealing this aspect.

6. The above facts only confirms our stand that tender procedure has not been followed by IBA and it has resulted in to illogical increase in premium rates for retirees. Another question is that same Insurance company for the same target group and for similar terms and conditions can quote differently. **At this stage, our humble request to you to aske IBA to discuss with National Insurance Company and offer the policy designed by their Kolkata Division to all bank retirees which will be beneficial to the retirees this year which also meet and confirm all provisions of the settlement. Early decision on this will be highly appreciated.**

With Respectful Regards,

Yours Sincerely



(S. C. JAIN)
GENERAL SECRETARY

c.c. to:
Shri Brajeshwar Sharma
Senior Advisor (HR)

Indian Banks' Association, Mumbai.