ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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Together for A Better Tomorrow"

Ref No. 2026/0191 **Date: 19.07.2026**

The Chief Executive
Indian Banks' Association
Mumbai

Respected Sir,

Sub: Representation of AIBRF on the Memorandum of Understanding dated 17.07.2026 executed between IBA and the In-service Unions regarding modification of the Group Medical Insurance Scheme for employees and retirees for the ensuing policy renewal

We understand that the Indian Banks' Association (IBA) recently held discussions with the representatives of the in-service unions on the suggestions received from them for the renewal of the Group Medical Insurance Scheme for employees and retirees for the ensuing policy period. Pursuant to these discussions, a Memorandum of Understanding (MOU) dated 17.07.2026 has been executed incorporating certain modifications in the terms and conditions of the Scheme.

2.At the outset, we wish to submit that the retirees are significant stakeholders in the IBA-sponsored Group Medical Insurance Scheme. For nearly a decade, around on an average **1.75 lakh retired employees and family pensioners** have been continuously participating in the Scheme every year. The annual premium contributed by retirees is estimated to be in the range of **₹500–700 crore**, entirely paid from their own resources without any financial support from the banks.

3.This distinguishes retirees from serving employees in a fundamental way. While the premium payable in respect of serving employees is borne by the respective bank managements, every increase in premium or modification in the Scheme directly impacts retired employees, many of whom are senior citizens living on fixed pensionary incomes. Any enhancement in premium or alteration in benefits, therefore, has serious implications on the affordability and sustainability of the Scheme for retirees.

4.Keeping these concerns in view, AIBRF had submitted a detailed representation vide our Letter No. **2026/286 dated 06.07.2026**, containing several constructive suggestions aimed at protecting the interests of retired employees and improving the functioning of the Scheme. In the said representation, we had specifically requested IBA to grant an opportunity for a personal discussion with AIBRF before finalizing any modifications in the Scheme.

5.It is a matter of deep disappointment that while IBA considered it appropriate to hold discussions with the in-service unions before finalizing the changes, no such opportunity was extended to AIBRF, despite our specific request and despite the fact that retirees constitute one of the largest contributors to the Scheme.

6.We have noted from the MOU that, among other changes:

- The room rent limit for treatment in the four metropolitan cities has been enhanced from **₹5,000 to ₹7,000 per day**.
- Provision has been made dispensing with the requirement of inviting fresh tenders if the existing insurer, National Insurance Company Ltd., agrees to continue the Scheme on the existing premium together with the additional premium required for the newly introduced facilities.

7.While these and other modifications may have been considered appropriate from the perspective of serving employees, no assessment appears to have been made regarding their financial implications for retirees. Every enhancement in benefits inevitably results in an increase in premium, and unlike serving employees, retirees are required to bear the entire additional financial burden themselves.

8.**Many retired employees may prefer a more affordable policy rather than enhanced benefits carrying substantially higher premiums. Such issues can only be properly evaluated after meaningful consultation with the representatives of retirees.**

9.The continued exclusion of AIBRF from the consultative process is difficult to understand. On one hand, IBA readily engages with the in-service unions on every aspect of the Scheme, whereas on the other hand, it remains unwilling to hold even a single formal discussion with the representative organisation of lakhs of retired employees whose interests are directly and substantially affected.

10.This differential treatment is not only discriminatory but also contrary to the well-established principles of fairness, transparency and natural justice. Stakeholders who bear the entire financial burden of the Scheme deserve to be heard before decisions affecting their rights and financial obligations are taken.

11.We may also respectfully point out that during the last seven to eight years, AIBRF has submitted numerous representations to IBA highlighting various deficiencies in the implementation of the Group Medical Insurance Scheme, including issues relating to premium structure, claim settlement, Third Party Administrators (TPAs), network hospitals, reimbursement delays, and policy conditions. Unfortunately, none of these representations has received any meaningful response or resulted in any structured dialogue.

We, therefore, earnestly request IBA:

1. **Not to finalize or implement the modified terms and conditions of the Group Medical Insurance Scheme until discussions are held with AIBRF.**
2. **To convene an early meeting with representatives of AIBRF** so that the concerns, suggestions and expectations of retired employees can be placed before IBA.
3. **To institutionalize a regular consultative mechanism** with AIBRF on all matters relating to the Group Medical Insurance Scheme, recognizing retirees as an important stakeholder whose financial interests are directly involved.
4. **To ensure that future modifications in the Scheme affecting retirees are made only after meaningful consultation with their representative organisation.**

We sincerely hope that IBA will appreciate the genuine concerns of retired employees and adopt an inclusive and consultative approach while finalizing the Scheme. Such a course would strengthen confidence among retirees and contribute towards making the Group Medical Insurance Scheme more equitable, transparent and sustainable for all stakeholders.

We look forward to your positive response and an early opportunity for discussion.

With respectful regards,

Yours Sincerely

(S. C. JAIN)
GENERAL SECRETARY

C.C. to General Secretaries, AIBEA, AIBOC, NCBE, AIBOA, BEFI, INBEF, INBOC, NOBW, and NOBO.