

ALL INDIA BANK RETIREES' FEDERATION(REGD.)

D/1/ Sector C Scheme No. 71 Indore 452009



SILVER JUBILEE YEAR (1994-2019)



Ref. No 019/302

15.08.2019

The Convener
United Forum of Bank Unions (UFBU)
Chandīgarh

Dear Comrade

Re: Renewal of Group Medical Insurance
Re: Retirees' Issues

As you are aware Group Medical Insurance Policy for retirees will be due for renewal on 1st November 2019.

2. We understand that IBA has already initiated steps to secure competitive rates for renewal and would be finalizing it shortly after discussion with UFBU.
3. We once again convey our thanks to UFBU and its leadership for including retirees also in group medical insurance scheme introduced in settlement of 2015.
4. On the basis of feedback received from our members during last 4 years, we find that the scheme by and large has worked well and helped large number of retirees in handling health related issues of self and spouse effectively as and need had arisen. In view of this, AIBRF would like that group insurance scheme continue next year as well as in coming years. We are also happy to see that claim ratio under retiree policy has started showing declining trend now.
5. However we would like to bring to your kind notice that the premium rates for retirees have increased year after year and last year it reached to the level of almost 4 times than charged in 2015. It is becoming unbearable for all section of retirees. Result of this increase is that large number of retirees were forced to reluctantly withdraw from the scheme for financial reason in subsequent years. We find that in first year when more than 3 lakh retirees opted for group insurance, number has come down to less than 2 lakhs at the time of last renewal.. If this trend continues possibly the scheme itself may come under serious threat.
6. AIBRF feels highly concerned on this trend and is committed to take all possible and manageable steps to ensure that not only increasing trend in premium rates are arrested but there should be reasonable reduction in the present rates so the scheme remains in the reach of each every section of retirees like family pensioners, pre-1986 retirees, those retired long back who have limited pension so they can afford to pay the premium without much financial strain on them and take benefit of group medical

scheme to address their health related issues at the advancing age. AIBRF as an organisation of pensioners and senior citizen feels that it is its primary responsibility to work for it.

6. Last year in order to keep the increase in the premium at the lowest level in the joint meeting held in Mumbai we suggested for some reduction in room rent to Rs. 4000/- . We are happy to find that IBA/UFBU considered the suggestion favorably while finalizing terms of renewal for 2018-2019.

7. In order to keep the premium at the reasonable level with some reduction in it for next renewal we offer the following suggestions for your kind consideration and for taking up with IBA :

- (a) We feel that room rent may continue to be at the level of Rs. 4000/- per day as determined at the time of last renewal.
- (b) In order to ensure some reduction and based on last 4 years' experience we are of the view that packages for specified deceases like cataract operations , by-pass surgery etc. for settlement of claim may be introduced which will help in reduction in premium and also in fast settlement of claims.
- (c) In order to increase the membership, we are of the view that one more option should be given to the left over retirees.
- (d) In order to make the premium affordable for each section of retirees instead of present slabs of Rs. 3 lakhs for award staff and Rs. 4lakhs for officer staff , 4 slabs from Rs. 1 lakh to 4 lakhs may be introduced and selection of slab may be left to the individuals irrespective his/ her grade depending on requirement and paying capacity.
- (e) We suggest that some rebate may be considered to single policy holder.

8. We hope that our above suggestions will be considered and pursued with IBA/ Insurance Company for including them in the final terms and conditions of the renewal

With Warm Greetings

Yours Sincerely,



(S.C.JAIN)

GENERAL SECRETARY

c.c. to UFBU Constituents.