

# ALL INDIA BANK RETIREES' FEDERATION(REGD.)

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



**SILVER JUBILEE YEAR (1994-2019)**



**Ref. No 019/306**

**01.09.2019**

Shri C.H. Venkatachalam  
General Secretary  
All India Bank Employees Associations ( AIBEA)  
CHENNAI

Dear Comrade

Re: Renewal of Group Insurance Policy for retirees for 2019-2020  
Re: Increase in premium amount

We have come to know that IBA has since completed process of finalizing terms and conditions for renewal of group insurance policy for the year 2019-2020 for employees as well as for retirees. On the basis of information collected by us we have further come to know as under:

- Renewal premium is likely to increase by 10-15 per cent for retirees for 2019-2020.
- In the bid process carried out for renewal by IBA the existing insurance company United India Insurance Company has emerged as L1 and the renewal contract is likely to be awarded to it again.
- The increase in premium for retirees is mainly due to restoring room rent limit to Rs. 5000/- from Rs. 4000 prescribed last year in order to keep the increase in premium at affordable and reasonable level.
- Restoring room rent limit to Rs. 5000 by IBA this year is because of representations given by some in-service unions insisting for restoration as reduction to Rs 4000 done last year is violation of the provisions of the settlement dated 25.05.2015.

2. While we agree that increase in benefit is welcome sign for the beneficiaries, but top most priority for retirees is to keep the rates at affordable level. As you know premium rates have gone up in last 4 years by more than 4 times and you will kindly appreciate that they have reached to the level which is now just becoming unaffordable for majority of retirees irrespective of attractive terms and conditions available in the scheme.

3. You will kindly appreciate that large number of retirees receive very limited pension. The following categories of retirees are worth noting.

CATEGORY	NUMBER	A. PENSION	PREMIUM	BURDEN
(a) Those retired prior to 2002 and not getting 100 % DA	1.20 Lakhs	1.50 Lakhs	30000	20 %
(b) Family Pensioners	0.50 Lakhs	0.95 Lakhs	30000	30 %
(c) Pre-1986 Retirees	900 persons	0.40 Lakhs	30000	75 %

3. Consequence of continuous increase in premium rates is that in last 3 years, large number of retirees with great reluctance have been forced to opt out of the scheme year after year. Again this year reported increase for renewal will drive away many more out of the scheme and we are afraid the continuance of the scheme may come under serious threat. If, God forbids, due to high premium, the scheme collapses it will be serious

causality not only for retirees but for the entire work force in the banking industry. Retirees from the above categories are the most venerable class and need support from all of us for continuance of the scheme for them at the reasonable and affordable rates. AIBRF is committed to take all possible organisational steps to ensure that they continue to get health cover at the affordable premium.

4. We note that banks are not in mood to consider sharing of some portion of premium of retirees citing the reason of their poor balance sheet. We note with dismay the bank managements are not ready to show any gesture even towards 900 pre- 1986 retirees by paying their premium from bank's profit loss account though amount involved for each bank may not be more than 1-2 lakhs annually and despite the facts that these banks have huge budgets under Corporate Social Responsibility.

5. Considering the above position and attitude of IBA and bank management in sharing premium burden of retirees and the fact that addressing these issues for solution may be time consuming, we decided to make sacrifices and agreed for reduction of bed charges to Rs. 4000/- Last year it worked well and some reduction in premium could be ensured with the support and help of you. But we do not find any logic in again increasing to Rs. 5000 in particular for retirees though they have not demanded for it and they are ready to manage in Rs. 4000 to keep the premium at reasonable level. Why some unions are insisting for increase in it retirees and ultimately UFBU agreeing for it.

6. In order to ensure continuance of policy and its sustainability in long term for all section of retirees in particular of vulnerable section of the retirees, we had offered you many suggestions like creating 4slabs from 1lakh to 4 lakhs instead of present two slabs of 3 & 4 lakhs, introducing package system for specified treatments, giving one more option to left over retirees etc. during our meeting in your office in Chennai on 04.06.2019 and by subsequent communication with the request to take up with IBA/ UFBU for favorable consideration so premium for retirees at least do not go up next year.

.7. But we find that none of our suggestions has been considered by UFBU and pursued with IBA and further insisted for increase in room rent to Rs. 5000 and accepted increase in premium. The apparent reason coming out for it according to some unions is that last year reduction in room rent is violation of the provisions of the settlement and it should be restored. In this process we find that interest of most vulnerable section of retirees will be completely damaged. In this regard we wish to draw your kind attention that many provisions of the settlement in this area have been violated for retirees year in the past. In first year, insurance cover for domiciliary treatment was not extended to retirees despite specific provisions in the settlement, in second and subsequent years premium rates were differentiated for employees and retirees despite provisions of uniform rates for employees and retirees in the settlement. But we have taken them as pinch of salt to give fair trial to the scheme. But instead of appreciating need of retirees and support them in providing much needed social welfare , issue of technical violation is being raised on behalf of retirees.

8. We therefore humbly request you as the largest and key union in banking industry and champions of retiree cause to immediately take up with UFBU/ IBA for considering the suggestions given by us and ensure appropriate reduction in premium for it. We also seek your support for the organisational steps also to be taken by us at various level in this regard.

9. We are ready to meet you/ UFBU leaders for discussion on the issue if required for getting some acceptable solution.

With Revolutionary Regards,

Yours Sincerely,



(S.C.JAIN)

GENERAL SECRETARY

