

ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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

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SILVER JUBILEE YEAR (1994-2019)



Ref. No 019/319

07.10.2019

The Office Bearers/ Central Committee members/ State Body Chief
A.I.B.R.F

Dear Comrades

Re: Proposal of New India Insurance Company for base policy

We have circulated offer received from New India Insurance Co. for base policy for retirees among Core Committee members, Office Bearers and Central Committee members for seeking their views/ comments/ suggestions. It may be clarified that the some procedure mentioned there in to implement the scheme is only by way of example and nothing more than that at this stage.

2. To take view on the proposal, it has been decided to convene emergency meeting of Core Committee at **Mumbai on Sunday 13.10.2019**. We will be able to convey official position of AIBRF as per the decision taken on it in 13th meeting which kindly note.

3. The proposal at this stage was not intended to be widely circulated but it has happened. We are getting lot of feedback from various quarters on it. We are taking note such comments/ suggestions for consideration . We agree that there is delay in getting proposal . But this aspect was not under our control. However there are many positive and attractive features in the proposal which we thought need careful scrutiny though received late for short term as well as long term benefits expected from it for retirees.

4. As you all know AIBRF is committed to work and achieve reliable and creditable insurance policy at the affordable and reasonable premium so its benefits are availed by one and all retirees. In our 5th National Conference held in Delhi in the month of March 2019 we had passed unanimous resolution on health insurance to this effect. Since then AIBRF has been continuously working in this direction.

5. It will not be out of place to mention that AIBRF consistent stand has been that group health insurance for retirees is very good move for effective health management at the advancing stage. AIBRF expresses its gratitude towards UFBU and its constituents for making all efforts and taking pains in including retirees in the group insurance policy scheme in 2015. We have no hesitation that it has helped large number of retiree for getting timely treatment for their illness.

6. But at the same time the biggest concern which has emerged in last 4 years for retirees is due to continuous increase in premium year after has made the policy unaffordable for large number of retirees and they have been and are being forced to opt out of it. Today number of retirees who opted out of the scheme during the period is more than 60000. To reduce the premium at affordable level for 2019-20 AIBRF had given many suggestions so maximum retirees can go for renewal under IBA scheme. But incidentally our suggestions have not been considered and premium rates have been increase by 15 per cent this year again.

7. We would like to mention that the New India proposal if implemented will benefit the retirees as under

(a) As on 31.03.2019, there are about 436502 retirees (358176 pensioners+ 72895 family pensioners+ 5431 pre-1986 retirees and their spouses.) Out of this, in 2018-2019, only 170150 retirees purchased group insurance policy of IBA. In terms of percentage it comes to 38.98 % only. Almost 61 percent of retirees are still out of the scheme. They are not able to join the scheme mainly due to high premium.

(b) Out of left over as above, 65to 70000 retirees who left the scheme after joining initially have been made ineligible to join the scheme this year as per terms and conditions of the policy offered by UIIC and approved by IBA.

(c) The above left over belong to venerable class without any voice in public. AIBRF is committed to work to ensure reliable insurance at affordable premium.

(d) New India proposal quotes are cheaper by more than 33 percent.

(e) There is flexibility in exercising the option according to need of individual and paying capacity.

(f) UIIC & Member banks provide period of hardly 10/ 15 days period to exercise the option to retirees who are scattered and having limited paying capacity and top of it offer comes in month of festival season. Against this New India offer will remain open for 3 months giving sufficient time for reaching to remotely located retirees, time required for taking decision and arranging funds.

(g) In case all present member opt for New India policy hypothetically saving to 1.70 retirees would be whopping 170 crores in one year alone.

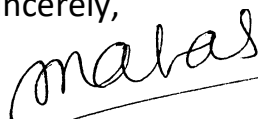
8. Considering the above very favorable terms and conditions offered by New India which is No. 01 insurance company in the country and which may become reliable and creditable window needed for health insurance policy to large number of retirees, AIBRF has decided to examine the proposal on urgent basis and take decision on it.

7. The immediate challenges in its implementation are first IBA & UFBU support is needed and secondly the offer has come very late for the next renewal. We know it may create confusion among existing retirees when most of banks have already issued circulars and put last dates for exercising the option. Despite this we have decided to consider it that it may become **another window for 266352 retirees who are presently out of the scheme . In view of time constrained the existing members have to take their own decision for the renewal. But next year it may help them too substantially.**

8. We again seek crucial help and support of UFBU and CBPRO in examining the scheme and making it reality if found favorable for retirees.

With Warm Regards,

Yours Sincerely,


(S.C.JAIN)
GENERAL SECRETARY