

# 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 019/324

14.10.2019

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

Dear Comrades

**RE: CORECOMMITTEE MEETING HELD INMUMBAI ON 13.10.2014**

**RE: PROCEEDINGS**

Core Committee Meeting of AIBRF was held in Mumbai on 13.10.2019 to discuss the issues related to group insurance policy for retirees and to consider offer received from New India Assurance Company Limited.

2. Comprehensive and detailed deliberations took place on the above issues in which all core committee members participated. The following unanimous views emerged.

- (i) The concern was expressed on further increase in premium rates by about 15 per cent by UIICL for renewal of retiree policy for 2019-2020 **despite the fact that there has been substantial decrease in claim ratio for 2018-2019 compared to previous year 2017-2018.** The committee was of the view that considering reduction in claim ration there was no logic and justification in increase in premium by 15 per cent.
- (ii) The committee analyzed the consequences of such unabated increase in premium year after year by UIICL and found that large number of retirees who have limited source of income are being forced to opt of the scheme despite the need and importance of health insurance in the life of senior citizens. Last year out of 436502 retirees, only 170 150 availed UIIC policy . In terms of percentage, it comes to 38.98% and presently almost 71% are out of coverage in the 4<sup>th</sup> year of policy. It was felt that this trend is highly disturbing and the very purpose of introducing group health insurance is under serious threat.
- (iii) It was also noted that majority of those who are out of the scheme have been made ineligible to rejoin the scheme as per the terms and conditions stipulated IBA/ UIICL. For these retirees IBA scheme has become irrelevant and meaning less. It was also noted that these large number of ineligible retirees do not have any option for health

insurance because of age factor. Most of them are family pensioners, retirees from sub staff etc. It was felt that these large number of retirees need some alternate option on urgent basis.

- (iv) The committee noted with concern that various suggestions given by AIBRF to reduce the premium with continuous follow up at various levels and efforts made by UFBU in particular by AIBEA could not bring the desired results in the matter. IBA/ UIICL remained unmoved on our suggestions.
- (v) It was felt by every one in the meeting that consequence of these developments that number of renewal this year may go down further and the number of uncovered retirees may increase.
- (vi) It was noted that the suggestions given by AIBRF were rejected in the name of violations of provisions of the settlement though they were logical and with no additional financial burden on IBA/ UIICL. It was noted that in the past many deviations were allowed in the policy which were not in conformity of the provisions of the settlement. Examples are reduction in room rent to Rs. 4000 in 2018-2019, not giving domiciliary benefits to retirees in first year, introducing super top policy for retirees. Etc.
- (vii) It was noted with concern that no serious voice was raised at any level against increase in premium for domiciliary benefit to the illogical and unimaginable level by UIICL for last 2 years resulting in to death of the benefit even before the expiry of the settlement.

3. Based on the above analysis, it was unanimously felt and decided that there is need to create ADDITIONAL WINDOW OF HEALTH INSURANCE for retirees in view of the following

- (i) 266352 retirees have been thrown out of IBA scheme and today they have no option to join it if they so desire. All the benefits of IBA scheme or future improvements in it have no meaning for them.
- (ii) Therefore it was strongly felt that there is urgent need to create another window of health insurance comparable to IBA scheme on urgent basis to protect interest of this group who are the most venerable among retirees.
- (iii) It was felt necessary to clarify to remove the misplaced conception being spread that new window to be considered will be Supplement to IBA scheme and not in competition of it.
- (iv) AIBRF is committed to take care of interest of not only those who are members of IBA scheme but also of those who are out of it not by choice but by compulsion.
- (v) The AIBRF decision to consider alternate option is completely as per the Resolution No. 01 on health insurance passed in 5<sup>th</sup> National Conference held in Delhi.

4. After considering the above points the house examined the proposal received from New India Assurance Company Limited and made the following observations

- (i) It was found that the proposal given by New India is more or less on the lines of IBA scheme
- (ii) Some dilution made in the proposal is as per the suggestions given by AIBRF to reduce the premium.
- (iii) Proposed Reduction in premium by 33 percent meets our core demand and as per our expectations.
- (iv) In offer, clause to give flexibility in selecting slabs of 3 or 4 lakhs as per the requirement and capacity meet our demand and is likely to induce many retirees to go for this policy.
- (v) It was noted that our earlier experience in dealing with New India Insurance Company in the matter of launching independent super top policy has been quite satisfactory. Because of support of New India, AIBRF could successfully introduce concept of Super Top policy 2017-2018 which IBA/ UIICL were not ready to introduce despite persistent demand from retirees. Due to this action UIICL was also forced to introduce Super Top policy without waiting for modification in terms of the settlement. AIBRF can take all legitimate credit for bringing concept of super top policy for retirees. AIBRF experience in settlement of claims under New India insurance policy has also been highly satisfactory.
- (vi) New India is No. 1 insurance company of the country. It belongs to public sector.

**5. Based on the above analysis the house was unanimous view that further steps should be taken to give final shape to the proposal to take it to logical conclusion to introduce it as additional window for retirees.**

6. New India has informed that some gap noticed in the proposal need to be sorted out till then it may be treated as withdrawn. The committee decided to take immediate steps to sort out the gap to give final shape so that it can be launched at the earliest.

7. The Committee also considered the objections / apprehensions being spread in social media by some individuals/ retiree organisations. The views of the committee are as under

- (i) New India may increase the premium steeply next year. This risk exists in UIICL policy too and is grater one in view of our past experience and out of two NIC is financially sound and reliable and better than UIICL.
- (ii) New India may withdraw the scheme in future. This possibility exists in UIICL that too in greater proportion as this company may not be in existence by next year as per the merger plans announced by the government.
- (iii) Why New India has not participated in tender process of IBA. The house was of the view that it can not be concern of AIBRF in taking decision on the proposal. However we understand New India did participate in the bid but because of common quote given by them their bid was not considered by IBA.
- (iv) For dealing this this type of proposal AIBRF need services of some qualified brokers. KMD is one of the oldest broking firm in insurance sector. They have experience of structuring and handling IBA scheme and was broker of IBA for 3 years. It was found that various apprehensions being expressed on this aspect are baseless with no logic.

**8. It was noted that the proposal from New India has come very recently and will not be able to match the dates fixed for renewal of UIICL policy. The house was of the unanimous view that this year the existing members who are eligible for the scheme should take action to renew UIICL policy without waiting for finalization of the scheme.**

**9. This year New India scheme is targeted to provide much needed window to those retirees who are already out of the scheme and ineligible for renewal and those who take decision to opt out of UIICL scheme due to paying capacity constraint.**

10. We shall roll out New India scheme with finality after doing fine tuning needed with the approval of both parties in coming days.

12. The committee took special note of the continuous efforts made by AIBEA in pursuing the retirees issues for improvement in terms of the policy and conveyed thanks to AIBEA and its leadership.

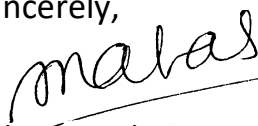
13 The committee also took note of the very harsh letters written by a retiree organisation opposing AIBRF initiative in the matter. The committee was of unanimous view that such outbursts were uncalled for and not warranted. AIBRF believes in coordination and not confrontation with sister organisations. Unmindful of such remarks/ observation AIBRF is committed to take necessary action for those retirees who are not part of the IBA scheme.

14. The committee also took decision to approach UFBU to take up the with IBA to approve as additional window outside the settlement as done by IBA for super top policy of UIICL though not part of the settlement.

13. We request all our office bearers/ central committee members/ state Body chiefs/ affiliates/ activists to take careful note of the above decisions and do its large circulation to remove all sort of doubts in the minds of the members so they can appreciate the stand taken by AIBRF.

With Warm Regards,

Yours Sincerely,

  
(S.C.JAIN)  
GENERAL SECRETARY