



ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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

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Ref: 2021/ 571

17.09.2021

The Chief Executive
Indian Banks' Association (IBA)
MUMBAI

Respected Sir,

Re: Renewal of Group Medical Insurance Policy for retirees for 2021-22

Re: Premium Rates

We refer to IBA Circular letter No. HR&IR/MBR/MEDINS/10340 DATED 17TH September, 2021 advising rates of premium for renewal of group insurance policy for retirees for the year 2021-2022.

2. We find that rates of premium rates will go up from Rs. 20508 plus GST to Rs. 28715 plus GST in case of award staff retirees, for Rs. 3 lakhs and from Rs. 27342 plus GST to Rs. 36652 plus GST for officer staff retirees for Rs. 4 lakhs under option no. 1 (without domiciliary). **The above revised rates translate in to increase in premium by 40.02 % in case of award staff retirees and 34.05% in case of officer staff retirees.** You will kindly agree that the increase is very steep by any standard and beyond paying capacity of large number of retirees considering their present pension income. Reason given in the circular for this level of increase in premium rates is high incurred claim ratio of 147.21 % under option No.1.

3. As we all know 2020-2021 has been exceptionally unusual year not only in India but in the entire world when more than 221 nations got affected from Corona Virus. Such extra ordinary situation arises once in 100 years period. Government of India notified Corona as pandemic as National Disaster under National Disaster Act, 2005 and took several steps to provide financial help to the citizens of the country at very liberal terms like food subsidies, soft loans, cut in tax rates etc. Government of India announced relief packages of the order of 20.00 lakh crores to fight Covid Pandemic effectively. **In providing several financial packages by the government, the central and underlying object has been to save human life at any cost.**

3. But we find that while fixing revised increased premium rates for next renewal by NIC and IBA, the only consideration has been the commercial one and it is seen, completely ignoring the fact of extra ordinary situation prevailing in the country in 2020-21 and government decision of declaring Covid as pandemic under National Disaster Act, 2005 and the government was preparing to face all financial odds like unprecedented reduction in GDP, violating all acceptable parameters in management of fiscal deficit etc.

4. In case amount of claims settled due to Covid are removed from calculating claim ratio for 2020-21, we are sure claim ratio will be much below 100 per cent. **You will kindly agree that claims under Covid should not be treated as normal claims and should be treated like one time claims which has happened once in several decades if not centuries. They must be considered and treated as a part of managing National Disaster.** But incidentally, we note that this spirit and magnanimity in approach is completely missing in fixing premium rates.

5. In case the revised rates as mentioned in the above referred circular persist, most of the following section of retirees will have no choice but to opt out of from the group medical scheme in the highly critical year of 2021-22 putting their life at the mercy of the destiny. This very vital aspect of human value needs to be taken in to consideration by IBA, NIC and bank managements.

- (a) Pre- 1986 Retirees and spouses
- (b) Part-time retired sepoy
- (c) Staff retired from sub staff category
- (d) Retired staff who are not getting 100 per cent DR.

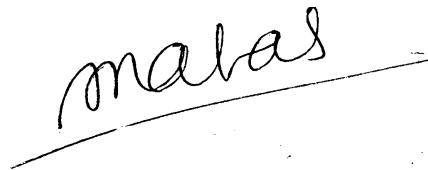
6. Whilst on the subject, we would like to invite your kind attention on the fact that on several occasions AIBRF has sent suggestions for keeping premium rates at reasonable level and for this purpose retirees have shown their willing ness to accept dilution in terms of the policy so it becomes affordable for all section of retirees. But what is the fate of our most logical and which do not put any financial burden on the management, we do not know. Because system of reply and consultation by IBA/ Management to retirees/ retiree organizations is not in place and is yet to come in to existence despite all out efforts for last one decade in this regard.

7. At this crucial juncture, we once again below offer the following suggestions for your kind consideration

- (a) **Room rent may be reduced from Rs. 5000 to 4000** (Note: This was done 3 years back which helped in reducing in premium rates that year.) Though we know it will adversely affect retirees but in the present situation as pinch of salt we are ready to bite bullet. In accepting this suggestion given by the beneficiaries, there will not be any financial burden on the management. But still its consideration is being blocked somewhere. But due to this situation. sufferings of retirees is seriously increasing and seriously damaging human values in the most difficult year in human history.
- (b) Some capping may be fixed for specified ailment like cataract etc.
- (c) In this difficult year some ,portion of staff welfare funds should be diverted to subsidize payment of premium for retirees.
- (d) Clubbing employee and retiree health insurance scheme
- (e) Reduction in GST
- (f) Providing cost free insurance to pre-1986 retirees and spouses and part time retired sub staff.

8. It is our humble request to you Sir to consider our above suggestion on urgent basis and negotiate with NIC to roll back the increase which is need of hour.

Yours Sincerely,



(S. C. JAIN)

GENERAL SECRETARY

C.C. to The Convener , UFBU and all constituents of UFBU.

