

ALL INDIA BANK RETIREES' FEDERATION (REGD.)

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

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Ref: 2021/ 582

13.10.2021

Shri Sunil Mehta
Chief Executive, Indian Banks' Association (IBA)
MUMBAI

Respected Sir,

Re: Group Health Insurance Policy for 2021-2022**Re: Frequent Changes in terms and conditions in retiree policy**

We have come to know yesterday that **National Insurance Company has again made changes in terms and conditions of group insurance policy meant for retirees for 2021-22**. As you must be aware, the change announced by NIC is that officer retiree will be eligible to exercise option for Super Top up policy if he/she opts for basic policy of Rs. 4lakhs only instead of earlier provision of permitting officer retirees to become eligible for super top policy even one opts for base policy of Rs. 3 lakhs.

2. This is not the only modification / changes introduced by Nation Insurance Policy for retirees this year but it is the third change so far made by the company in retiree policy. Similar was the phenomena last year when National Insurance Company announced **SEVEN modifications/ changes** in terms and conditions in policy for retirees within period of 20 days. We do not know what is the system in place in National Insurance Company to take decision on this size of business and at what level these decisions are taken. But certainly, it does not speak well on corporate governance policy of the company. By all standard, bank retiree health insurance business given to NIC was of the order Rs. 500 crores premium last year and cannot be treated as small one. In this scenario , the very relevant issue crops up that then why it is being handled in such casual manner necessitating so many frequent changes putting innumerable inconvenience and difficulties to seriously physically impaired senior citizens who are passing otherwise also through one of the most difficult and challenging time of their lives due to Covid pandemic. Further, **We note that this year, National Insurance Company has fixed rates of premium purely on commercial consideration based on incurred claim ratio (ICR) instead of giving due weightage to element of social welfare and the government policy to treat covid as national disaster. Further, the company which belong to public sector is adding woes of the senior citizens making unfavorable changes in the terms and conditions.**

3. On making discreet enquiries from our reliable sources, we learn that recent change from Rs. 3 lakhs to 4 lakhs for super top up is due to some remarks on the policy made by some individuals in social media which was not liked by the authorities in NIC and hence change. If it is decision taking process in NIC, it is really unfortunate.

4. We also wish to mention that this year also IBA carried out due process of inviting tenders from qualified bidders to **determine L-I bidder** for GMIS and as NIC was found lowest bidder in the process, the contract was awarded to NIC. We are sure all relevant non-financial parameters must have been discussed and finalized before approving the contract putting restriction on the company to make unilateral modifications in the terms and conditions.

5. It may be mentioned that several bank managements based on the communications issued by IBA and National Insurance Company have already issued circulars in the matter inviting applications from retirees and **thousands of retired officers have exercised option of Rs. 3 lakhs for base policy and Rs 4 lakhs for super top policy and submitted duly filled up applications to bank authorities and now waiting for issuance of group policy on the due date. They**

have created sufficient balances in their account to enable them to debit the premium. But in view of recent communication from NIC, if their acceptance to bank's proposal is rejected in view of NIC communication, **it may create several legal complications resulting in to unpalatable and avoidable situation.**

6. We lodge strong protest against this unilateral and illegal decision of NIC and make humble request to IBA to effectively intervene in the matter and see that above modification in terms and condition is immediately withdrawn. AIBRF is determined to fight out this issue to protect interest of its members

With Respectful Regards,

Yours Sincerely



(S. C. JAIN)
GENERAL SECRETARY

C.C. to

- 1. Srimati Suchita Gupta**
Chairman cum Managing Director, National Insurance Company Limited
Kolkata
- 2. Srimati S. M. Geetha**
Deputy General Manager (Chief Financial Officer), National Insurance Company, Kolkata
- 3. The Convener, United Forum of Bank Unions and its all affiliates.**

