

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. 2020/116

16.06.2020

Shri S.K. Bandlish
Convener, United Forum of Bank Unions
Chandigarh

Dear Comrade

Re: Renewal of Group Insurance Policy for Retirees for 2020-2021

As you are aware, IBA group insurance policy for bank retirees will be due for renewal on 1st November 2020. This will be 5th renewal after introduction of IBA group policy for retirees at the industry level.

2. On analyzing its overall performance, its relevance and usefulness for bank retirees in addressing their health management issues after 5 years of its existence, we find that, while it has helped the retirees for getting timely treatment, but at the same time some serious negative features have also emerged. During this period, we have witnessed unprecedented spurt in premium rates. They have gone up by more than 400 percent. Rs. 5800 has become 28000 for 3laks and Rs. 7800 has become 34000 for Rs. 4 lakhs.

3. Result of such steep increase in premium rates is that large number of retirees have been forced to opt out of the scheme when they need the insurance most. Such adversely affected retirees are family pensioners, retirees belonging to sub-staff category, pre-2002 pensioners, pre-1986-retirees. Last year, only 32 percent retirees could purchase insurance policy. **68 percent are not able to join the scheme.** They are out of the scheme not because they do not want insurance but they are out because of **UNAFFORDABLE HIGH PREMIUM** which they just cannot afford.

4. You will kindly agree that there is increasing danger that if this trend continues any more the whole scheme may become redundant and irrelevant for retirees. Such situation will be highly shocking and unfortunate. In view of this we all owe duty to this venerable class to take urgent steps to bring down rates of premium before the next renewal due on 1.11.2020. We are sure UFBU leadership is conscious about this aspect.

5. During last two years AIBRF has been offering various suggestions for bringing the premium rates at affordable level for section of retirees. They are in the knowledge of UFBU leadership. . However for your ready reference we below mention our suggestion which will bring down the premium rates

(a) **Four slabs for sum assured starting from Rs. 1 lakh should be introduced instead of present two**

(b) Selection of sum assured should be left to the individual retiree as per the requirement and paying capacity instead of present practice of linking with the grade from which one retired.

(c) Room rent eligibility may be brought down from present Rs. 5000 to Rs. 4000/-

(d) Concept of capping may be introduced for some specified ailments

(e) Subsidy for payment of premium on the lines of SBI should be provided by the bank managements.

(f) UFBU should take up with the government for reduction in GST on insurance premium.

(g) IBA should negotiate the premium for employees and retirees as total package.

6. In case the above suggestions are implemented, where retirees are willing to make maximum sacrifice, premium rates can come down considerably. We find that SBI management has taken suggestions given by us in this regard in the right earnest and have completely revamped the group insurance policy with the **object of providing good health care to retirees at the affordable cost.** Your kind attention is invited on the following features of SBI scheme restructured from January 2020

(a) Slabs of sum assured has been delinked from grade from which one retired.

(b) Concept of capping for specified deceases have been introduced.

(c) In order to make the policy affordable, the bank management has agreed to provide two types of subsidies- cost of super top policy for Rs. 6 lakhs will be entirely borne by the bank and family pensioners and retirees with age above 70 years will be given subsidy of Rs. 8271 for payment of premium.

(d) SBI management has resorted to the practice of negotiated contract with SBI General Insurance Company instead of IBA practice of floating tender for the policy. We find that the change in practice to float tender for group insurance adopted by IBA from last year has failed to serve the purpose. Instead of reduction in premium, they have gone up considerably. Therefore UFBU should request IBA to go back to the practice of negotiated deal.

(e) SBI management has frozen the premium rates with SBI General Insurance company for next 3 years irrespective of the claim ratio.

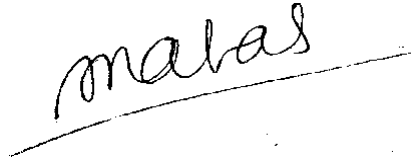
7. In the present environment when there is countrywide spread of Corona pandemic, need of group insurance for senior citizens has become now necessity. Senior citizen cannot afford to live without insurance. **To ensure insurance for one and all, Employer support is very crucial.** Taking this spirit in to consideration, we urge upon the UFBU leadership to immediately take up and negotiate with IBA for group insurance scheme on the above lines on urgent basis delinking it with the wage settlement. It is our humble request that the scheme may be finalized before end of August, 2020.

8. We have been requesting to UFBU leadership to hold joint meeting with the representatives of retirees on the issue of group medical scheme so better understanding can be arrived to address the issue. **Somehow or other it seems that UFBU and its constituents are not convinced to convene such joint meetings.** We feel that this situation creates avoidable gap and confusion among the retirees. In the present difficult time there is need for unity between working class movement and retiree movement. We request you to kindly consider holding joint meeting on urgent basis. **It may be held through video conferencing.**

9. We would like to add that AIBRF fully understand and appreciate the need and importance of group insurance scheme for retirees to be run with the involvement and support of the bank management. UFBU could achieve Group insurance policy for the retirees in the last settlement as a part of Uniform Medical Scheme for retirees for which we convey our sincere thanks. AIBRF has been making all efforts to strengthen with the support of UFBU so it relevant and valid for retirees on long term basis.

With Greetings,

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'mabas', is written over a horizontal line.

(S.C.JAIN)
GENERAL SECRETARY

C.C. to All Constituents of UFBU.

