



ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION (A.I.B.P.A.R.C.)



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Circular No. 35-24

Date: April 10, 2024

For circulation among members of the Governing Council, State Secretaries, Special Invitees, Advisors, Affiliates, Constituents of CBPRO and members.

Dear Comrades,

Sub: Group Medical Insurance Scheme for Bank Retirees (GMISR) for the year November, 2024 to October, 2025.

1. Please refer to our earlier circular no: 15-24 dated: February 28, 2024 wherein we conveyed that a 6 – man committee was formed by the GC with Com. P.S. Patki, Working President, as the convener to have a relook into the GMISR and to suggest ways and means to make a Retiree –Friendly Mediclaim policy within 31st March, 2024 and submit the same to the organization for taking up with GOI/IBA.

2. We are happy to convey that the said committee has done the task conferred upon them within the definite time frame and submitted the report to the organization. We are forwarding herewith the 5 – page report to all the GC members and advisors for perusal.

3. We request the GC members hailing from the affiliate to forward their views/ comments on the report and submit the same to the General Secretary of the said affiliate within a period of 10 days i.e. within 20th April, 2024.

4. The General Secretary of each affiliate will kindly send a brief report compiling the suggestions received from the GC members of the said Bank to the General Secretary of AIBPARC **within next 10 days i.e. within 30th April, 2024**. In case, however, no feedback is received from the GC members of the said Bank, a nil report may please be sent to the GS, AIBPARC by the General Secretary of each affiliate.

5. Our organization will try its level best to submit the formal views of AIBPARC on GMISR for the year November, 2024 to October, 2025 to IBA preferably within 15th May, 2024 by the latest.

With best wishes and regards,

Comradely Yours,

K.V. Acharya.
President, AIBPARC
& Jt. Conveners, CBPRO
Encl: As stated

Suprita Sarkar
General Secretary

Senior Office Bearers
PRESIDENT SHRI K.V. ACHARYA, MOB - 9868220338
GENERAL SECRETARY SHRI S. SARKAR MOB – 9674188524
WORKING PRESIDENTS: =====
1. SHRI C. GANGADHAR Yadav MOB – 9440528806
2. SHRI P.S. PATKI MOB – 8805607239
3. SHRI S.B.C. KARUNAKARAN, MOB – 9444772016
4. SHRI A.N. KRISHNAMURTHY, MOB NO. 9845697198
5. SHRI S. KUPPUSWAMI MOB- 9444315928
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1. SHRI M.R. GOPINATH RAO. MOB – 9886309244
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REPORT OF THE COMMITTEE APPOINTED BY AIBPARC TO SUGGEST MODIFICATIONS / IMPROVEMENTS IN IBA'S GROUP MEDICAL INSURANCE SCHEME TO MAKE IT AFFORDABLE TO RETIREES.

1. PREAMBLE

Governing Council of AIBPARC which met at Chennai on 29th & 30th October, 2023 expressed serious concern over the retrograde changes year after year in the IBA's Group Medical Insurance Scheme for Retirees causing miseries, frustration and deep sense of anguish to Bank Retirees. Taking a serious note of the pent up feelings of Bank Retirees and highlighting the paramount need to provide relief to them, the Governing Council decided to appoint a Committee of the following senior office-bearers to review the entire prevailing perspective of the scheme suggest ways to make the scheme affordable to the senior citizen Bankers.

1. Com. P.S. Patki - - Working President - Convener
2. Com. Gangadhar Yadav - Working President - Member
3. Com. A.N. Krishnamurthy - Working President - Member
4. Com. S.B.C. Karunakaran - Working President - Member
5. Com. Ashok De - Jt. General Secretary - Member
6. Com. K. Chandrasekharan - Vice- President - Member Secretary

The Committee elicited views of the General Secretaries of affiliates as well as other Office-bearers of AIBPARC and received response from the following:

1. Com. K. Chandrasekharan - Vice- President, AIBPARC
2. Com. S.B.C. Karunakaran - Working President, AIBPARC
3. Com. S. Kuppuswamy - Working President, AIBPARC
4. Com. Prakash Karotya - Senior Vice- President, AIBPARC
5. Com. Shivarama Alva - Vice- President, AIBPARC
6. Com. R.L. Gupta - Vice- President, AIBPARC

To deliberate on the suggestions received and to make final recommendations, the Committee held its virtual meeting on 30th March, 2024 which had the presence and participation of the following:

1. Com. P.S. Patki -
2. Com. Gangadhar Yadav
3. Com. Kuppuswamy
4. Com. K. Chandrasekharan
5. Com. Ashok De
6. Com. Prakash Karotya

Com. Subhash Ch. Ahuja – the Working President by invitation also participated in the meeting and made value addition to the deliberations. Based on all the inputs & deliberations, the Committee reviews the present scheme and submits its Report/ Recommendations

2. GROUP MEDICAL INSURANCE SCHEME FOR RETIREES & HISTORIC PERSPECTIVE.

Pursuant to the Government of India communication dated 24-02-2012, Group Medical Insurance Scheme for Working employees as well as Retirees was introduced under the 10th Bi-Partite Settlement / 7th Joint Note signed on 25.05.2015. While the premium for working employees was borne by Banks, Retirees were singled out to bear the cost of annual premium by themselves. None the less, the scheme offered many positive aspects which made it a unique one and attracted the Retirees to join the scheme.

The premium prescribed at the time of introduction for the Base Policy of Rs.4 lakhs were Rs.7454/- for Officer Retirees and Rs.5621/- for the Award Staff Retirees. And there was uniformity in the premium amount for working employees and Retired employees. These Premium Rates were very catchy for the Retirees, coupled with the comfort that the coverage of



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the Policy would be from Day One and that there is no condition of pre-existing diseases etc. Hence many Retirees who were otherwise subscribing for one or other kind of Health Insurance Policy over a period of time discontinued the said Policies and joined the GMISR. None of the Retirees even in their dreams would have expected that Shock after Shock Awaits them and that they will be taken for a ride in the years that followed.

Right from the year 2016, when the Policy became due for Renewal, the Premium Rates were Skyrocketing and the Expectations of the Retirees that some relief would be forthcoming next year, next year and so on, was of no avail and thus they were faced with a helpless situation. It would not be out of place to mention here that this was happening despite the Best and Relentless efforts put in by AIBPARC by taking up the matter in all possible ways such as writing of letters to Convener UFBU and its constituent unions, IBA and raising the issue in all the informal meetings with MOF / DFS, IBA and so on.

With the passage of time, the Premium for the Base Policy for Officer Retirees which was Rs.7494/- when the GMISR was introduced in 2015 had gone up-to Rs.57808/- (without domiciliary) and for Award Staff Retirees it has gone up-to 41334/- (without domiciliary) in the year 2022, i.e., Policy Period from 01. 11. 2022 to 31. 10. 2023. For the purpose clarity it may be submitted here that we are not discussing the Premium Rates with domiciliary cover as we hold the firm view that Retirees in the present context should not opt for the domiciliary coverage for the reason that the Amount of Eligible Reimbursement (10% of Base Policy Limit) is lower than the prescribed Premium Amount to be borne by the Retiree.

At the same time following developments took place in the intervening period from 2015 to 2022 which deserve careful consideration of the Committee:

1. When the GMISR was introduced in 2015 through 10th Bi-Partite Settlement /7th Joint Note, the services of the Insurance Broker M/s. K. M. Dastur & Co were engaged by IBA to convince the UFBU that opting for Medical Insurance in lieu of the Service Condition i.e., Reimbursement of Hospitalization Expenses will be beneficial and hassle free. It is learnt that many PowerPoint Presentations were shown by them in this regard. It is also learnt that the said Insurance Broker was paid a brokerage of Rs.15 crores or so for successfully piloting introduction of the Group Insurance Scheme. His services were continued for a few more years. Later, citing the reason that CVC objected to the engagement of Insurance Broker, the services of M/s. K. M. Dastur & Co was disengaged. This move of IBA had opened the floodgate for various spoil sport actions by M/s. K. M. Dastur & Co which has totally unsettled the GMISR.

2. In continuation of Point No 1, it is to the knowledge of all affiliates that M/s. K. M. Dastur & Co had started reaching many Retirees Organisations and started brokering the Group Medical Insurance Policies provided to the Retiree Organisations, by playing the role of collecting the Premium and ensure the total remittance of the Premium to them and they in turn will deal with the Insurance Company. The New India Assurance Co. Ltd., played a major role in this regard. The question that remains unanswered is why M/s. The New India Assurance Co. Ltd., did not offer the quotes to IBA when the tenders were floated. Later on, other Insurance Companies joined the fray and offers were for Basic Insurance, Top-Up/ Super Top- Up and so on.

3. As a positive development, Single Person Policy was introduced with reduced Rate of Premium thereby the compulsion to go in for Family Floater has been done away with.

4. The provision of Super Top-Up was introduced with the condition that only those who are subscribing to the threshold limits of Rs.4 lakhs in case of Officer Retirees and Rs.3 lakhs in case of Award Staff Retirees can opt for the same i.e., Officer Retirees with threshold limit of Rs.4 lakhs can opt for Super Top-Up of Rs.1 lakh to Rs.5 lakhs and Award Staff Retiree with threshold limit of Rs.3 lakhs can opt for Super Top-Up up-to Rs.1 lakh to Rs.4 lakhs.

5. In 2021, AIBPARC formed a Two-Man Committee composed of Com. P. S. Patki, Working President and Com. K. Chandrasekaran, then Deputy General Secretary. The Committee submitted its report and a comprehensive communication was sent by AIBPARC General Secretary, Com. Suprita Sarkar to the Chairman, IBA vide letter dated 21.07.2021. It was circulated vide Circular No. 35-21 dated 21.07. 2021.Major recommendations in brief were as under:

a) Retiree Organisations should be consulted before finalising the terms and conditions of the Policy.



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- b) The Policy for Working Staff and Retired Staff should be merged and the Policy amount should be One and the Same for both the Groups.
- c) The base limit for providing Super Top-Up should not be cadre based and it should be based on the coverage limit.
- d) IBA should insist on the Government for Waiver of GST.
- e) Provision of Super Top-Up to be extended to all slabs of Base Policy.
- f) Domiciliary Provision should be dispensed with and the word Domiciliary should not find a place anywhere in the policy as it leads to confusion.
- g) There were other recommendations with regard to Policy Administration, financial aspects, etc.

6. While the events and developments ever since the introduction of the Policy are broadly covered as above, it will be pertinent to mention here as to what was the view of UFBU during the relevant point of time. A sub-committee was formed comprising Com. C. H. Venkatachalam (AIBEA), Com. Sanjeev K. Bandlish, (NCBE) and Com. Dilip Kumar Saha (AIBOC) It was informed that the objective of this Committee was to cause reduction in Premium on GMISR and the Committee submitted their recommendations on 02.06.2023. The salient features of the recommendations are as under:

- a) The GMISR should be a Composite and Combined Policy comprising of the Policies applicable to the In-Service Employees and Retirees and the IBA should call for the quotations for the Combined Composite Policy.
- b) There should be a Base Policy with Top-Up provision from Rs.1 lakh to Rs.10 lakhs. It is mentioned that the Base Policy may be Rs. 2 lakhs.
- c) The premium for the Base Policy to be borne by the respective Bank Managements.

In the above background, AIBPARC and other Retired Organisations putting their efforts for reducing the Premium for GMISR and the UFBU seemingly toeing the line, the much-awaited breakthrough was expected to happen, but what had really happened was a rude shock as revealed by the Minutes signed between IBA and UFBU on 19.07.2023, though both the parties claimed that the Premium was reduced to an affordable extent by the introduction of Base Policy of Rs.2 lakhs. After the signing of the minutes dated 19.07.2023 and after the finalization of the quotes offered by the M/s. National Insurance Company, as a lead insurer, the position deteriorated further as under, leave along any relief to Retirees:

Base Policy Rs. 2,00,000/-, Premium Rs.26,454/- for Family Floater with capping on Room Rent, ICU charges and various other treatment charges. In reality, it turned out to be that the Retirees who had opted for this Option could get only one third or even less as Reimbursement in case of Hospitalization. The catch or the hidden agenda that has come open as a consequence to the Minutes signed on 19. 07. 2023 was, the premium for the Top-Up was more than the Base Policy as demonstrated hereunder (Family Floater Rate)

Premium for Base Policy Rs.2,00,000/- is Rs. 26,454/-
For Top-Up Limit of Rs. 1,00,000/- the Premium is Rs. 27,159/-
For Top-Up Limit of Rs. 2,00,000/- the Premium is Rs. 50,919/-
For Top-Up Limit of Rs. 3,00,000/- the Premium is Rs. 58,014/-
For Top-Up Limit of Rs. 4,00,000/- the Premium is Rs. 60,860/-
For Top-Up Limit of Rs. 5,00,000/- the Premium is Rs. 70,078/-
For Top-Up Limit of Rs. 6,00,000/- the Premium is Rs. 77,130/-
For Top-Up Limit of Rs. 7,00,000/- the Premium is Rs. 80,684/-
For Top-Up Limit of Rs. 8,00,000/- the Premium is Rs. 87,070/-
For Top-Up Limit of Rs. 9,00,000/- the Premium is Rs. 93,456/-
For Top-Up Limit of Rs. 10,00,000/- the Premium is Rs. 1,01,966/-

Thus, if a Retiree wants to subscribe to Base Policy of Rs. 2,00,000/- and opts for super top up cover of Rs. 10,00,000/-, he has to pay an exorbitant premium of Rs.1,28,420/-which a retiree can ill afford.

The distortion becomes crystal clear if the Premium Rates applicable just during the immediate preceding year 2022-23 are broadly compared. For the Base Policy of Rs. 4 lakhs +Top-Up Option up-to Rs. 5 lakhs, the total amount comes to Rs. 72,988/- (Base Policy Premium for Rs. 4,00,000/- Rs. 57,808/- and Top-Up Premium Rs. 15,180/-)

Thus, the entire claim of achieving an affordable Premium turned out to be a FARCE. While Top-Up Premium for Retirees had gone up by leaps and bounds, the same Insurance company i.e., National Insurance Company had offered the following



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Top-Up Option to Serving Employees i.e., Officers Rs. 5,00,000/- the Premium is Rs.10031.18 and for Award Staff Rs.4,00,000/- the Premium is Rs. 9,323.18 (Both Rates Inclusive of GST). The difference is glaring and incomprehensible.

While the fate of proclaimed objective of providing affordable policy stood as above, to ascertain exactly what was the response from the Retirees, an application under RTI was filed by AIIBPARA through its Com. C. Sundararajan, Treasurer & DGS, AIBPARC to get the number of Retirees who had opted GMISR for the year 2022 and 2023, and the data so far received from Banks, unequivocally prove that in every Bank, there was decline in the number of Retirees joining/ renewing GMSIR. Bank wise details are as under:

BANK	TOTALNUMBEROF RETIREESOPTEDFOR GMISRFORYEAR2022-23	TOTALNUMBEROF RETIREESOPTEDFOR GMISRFORYEAR2023-24
1 INDIANBANK	10612	9472
2 UCOBANK	9327	7192
3 CENTRALBANKOF INDIA	9496	9031
4 INDIANOVERSEASBANK	7709	7024
5 BANK OF BARODA	27151	22456
6 BANK OF INDIA	13067	11051
7 CANARABANK	22290	20403
8 PUNJABNATIONALBANK	21546	17713
9 BANK OF MAHARASHTRA	3872	3433
10 UNIONBANKOFINDIA	Data Not Received	Data Not Received
11 PUNJAB&SINDBANK	Data Not Received	Data Not Received

From the above data, conclusion is inescapable that the claim of IBA and UFBU on the modifications effected in the terms and conditions of GMISR were to make the scheme affordable to Retirees proved as a total distortion.

Above state of affairs highlights an urgent need to revamp terms and conditions of GMISR and formulate a Comprehensive Scheme eliminating the degradation, quality wise and quantum wise which has caused untold sufferings to Bank Retirees.

3. SUGGESTIONS & RECOMMENDATIONS

The Committee having critically pondered over the objective of the scheme, present state of affairs and paramount need to provide concrete & urgent relief to Retirees makes the following recommendations to regain trust of Retirees in the utility of the scheme and make it affordable to them:

- The Committee is of the firm view that the Group Medical Insurance Policy has to survive and cannot be allowed to be dispensed with. However, every possible effort is needed to bring about improvement therein to make it user friendly;
- Retirees of the Banking Industry are those who subscribe to the GMISR and are the main stake holders. It is genuine expectation and requirement too that their voices are heard Hence, IBA should give opportunity to AIBPARC and other apex level Organisations of Retirees to present their suggestions for improvements in the scheme before finalizing the terms and conditions of the Policy every year;
- The Policy of the Working Staff and the Retirees should be combined and made as a Single Policy and the Insurance Companies should be asked to submit their quotes for a Single and composite policy covering working as well Retired employees, thereby ensuring that Premium for Working Staff and Retirees are one and the same.



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- iv) The Base Policy Coverage limit should not be cadre based such as Officer Retiree and Award Staff Retiree. It should be minimum Rs.4 lakhs for both the cadres.
- v) The premium for the Base Policy Limit of Rs. 4.00 lakhs in respect of Retirees should be borne by respective Banks. Super Top up premium should be less than the premium for base Policy. The premium for base and super top up should remain the same for 3 years;
- vi) The Domiciliary Policy should be dispensed with as the Reimbursement amount limit is less than the Premium amount. The Reimbursement should not be restricted to hospitalization and it should be made available for out-patient treatment also.
- vii) There should not be any Threshold Limit Ceiling for Option to Top-Up Policy. Super Top-Up should be made available for all slabs.
- viii) IBA should insist on the Government to waive the GST for the Insurance Premium payable by the Retirees.
- ix) The directive of IRDA that cashless facility should be provided at all Hospitals should be incorporated in the terms of the Policy and insisted upon by IBA.
- x) Frequent changes in TPA should not be made by Banks. For the sake of continuity and effective follow up, the tenure of TPA should be at least 3 years.

While the Committee has confined its suggestions only to the basic nature/important ingredients of the scheme, issues pertaining to operative part can be taken up separately either through correspondence and additionally at the time when IBA affords us an opportunity to have formal / informal dialogue with IBA. The suggestions in this behalf will be separately shared with the President & General Secretary of AIBPARC.

4. ACTION POINTS:

In order to pursue the important issues relating to Group Medical Insurance Scheme following action points are suggested:

- i) It is reported that Parliamentary Committee has suggested reduction in GST on Health Insurance Policy of Senior Citizens. Taking a clue from this, appropriate communication be addressed by AIBPARC to the Chairman of GST Council and preferably such communication be handed over in Person to the proper authority so that opportunity can be utilized to present this matter to the authority in proper perspective;
- ii) Finance Ministers of States are the members of the GST Council. Hence such communication on GST may also be handed over by Office-bearers from States in similar manner to them;
- iii) In view of the directive of IRDA on providing Cashless facility at all Hospitals, a communication from AIBPARC be addressed to IRDA to cause implementation of these guidelines by all Hospitals in the larger interest of the patients in general;
- iv) In view of our general experience, despite our presentation of suggestions, we are not certain how our suggestions will receive response from IBA and whether any relief will in fact be available from IBA. Bank Retirees are restive with continued miseries to no end. Hence avenues for supplemental (And Not Alternative) Insurance cover but without involvement of Broker need to be explored. To that end, it would be worthwhile to explore such arrangement with SBI General Insurance. To facilitate this, good Offices of SBI Pensioners Federation may be utilized.

The Committee expresses its grateful thanks to the President, General Secretary and the Governing Council of AIBPARC for affording it an opportunity to present its views/suggestions/recommendations on the subject matter of vital interest and importance to Retirees.

Convener & Working President