



ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION

(A.I.B.P.A.R.C.)



C/O BANK OF INDIA OFFICERS' ASSOCIATION
(EASTERN INDIA BRANCHES)
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Circular no. 75-23

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

Dear Comrade,

Sub: Group medical insurance scheme for Bank Retirees for the year 2023-24

Much awaited circular of IBA: HR&IR/MBR/MEDINS/0496 dated September 18, 2023 is now in our hands. Copy of the circular, immediately on receipt, has been sent to the General Secretaries of all affiliates. The circular has already started rotating in different WhatsApp groups and understandably we are flooded with anxious calls from our affiliates/ members expressing their deep resentment and anger.

1. We are indeed seriously worried, anguished and aggrieved to find that the ultimate aim of IBA is to ensure that the retirees of the industry are in very short near future forced to walk out of the Group Medical Insurance Scheme through systematically consistent and unaffordable increase in the annual premium and simultaneous degradation of the already existing facilities & terms and conditions.

2. The minutes signed between IBA & UFBU on 19.07.23 pronounced that the need had arisen to review the scheme for the retired employees and officers with a view to enable possible reduction of premium so as to make it affordable to them. The stated objective of the Committee was apparently laudable but the end result has been, to say the least, disappointing and frustrating. Under this review, a uniform base policy of Rs. 2 lakhs has been thought of and different types of ceilings on reimbursement were proposed which were highly detrimental to the interest of the retirees because in case of hospitalization, the retirees will have to bear a substantial cost from their own resources. The so-called reduction in premium would be neutralized by the difference between the hospital bill and the proposed reimbursement. Moreover, there are reductions/restrictions of entitlement to room rent and ICU rent. The anxiety was, however, slightly mitigated by the later explanation given by IBA that "once the Top up variant is opted by the retiree, the entire policy i.e. Base Policy plus Top up will not have the caps mentioned." But in the same breath, the premium for Top up has been increased in multiples of the amount of premium of base Policy, defeating the laudable objective announced earlier. In ultimate analysis, let us



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examine 3 live cases to see how the situation transpires. It will be clearly evident that in none of the cases, minimum- most benefit has been ensured and the entire trickery lies in exorbitant rise of top ups.

3. Let us first take the case of a person whose financial capability is very low and for whom the policy has been stated to be evolved. He/she will surely not opt for a base policy of Rs. 2 lakhs only because it has ceilings on reimbursement and other detrimental conditions. In order to escape the ceiling, he/she will have to go for a base policy of at least Rs. 2 lakhs plus a top up of Rs. 1 lakh and then the total amount of premium will be Rs. 53,613/-. The paradox lies in the fact that the same aggregate cover of Rs.3.00 lakhs was available to him with a premium of Rs.33,848 this year. Probably, IBA has thought that it is an affordable amount and by evolving the revised scheme, something noble has been Achieved!

*In the previous policy which was prevalent in the Industry, an award staff was entitled to get a maximum cover of base policy for Rs. 3 lakhs plus a top up of Rs. 4 lakhs – total Rs. 7 lakhs. In the present policy, if he/ she has to enjoy the same cover as in previous years, he/ she will have to go for a base policy of Rs. 2 lakhs plus top up of Rs. 5 lakhs. In that event, the premium comes to Rs. 96,532/- as against premium of Rs.53,809 this year. Then where lies the reduction in premium and affordability?

* In the case of an officer retiree, he/ she was entitled to get a maximum cover of Rs. 4 lakhs base plus Rs. 5 lakhs top up – total Rs. 9 lakhs in the existing policy. In the present case, he/ she will have to go for a base policy of Rs. 2 lakhs and a top up of Rs. 7 lakhs. In that event, the annual premium will come to Rs. 1,07,138/- which is much higher in comparison with the current year's premium of Rs. 72,988. What comfort does the revised policy bring?

***We had remained in touch with various signatories of the minutes dated 19.07.23. We had been given to understand that the old policy (the existing one) will run simultaneously with the new one. It appears to us that there was some misconception in their perceptions. Moreover, the clarification given by IBA in the corrigendum to RFP 2023-24, it was stated in point no. 29 that the sum insured for officers, it was Rs. 4 lakhs and for workmen, it was for Rs.3 lakhs. This particular line, stated for serving employees and officers also created a misconception probably in the minds of many about the continuance of the existing policy which ultimately did not materialize.**

We have every reason to believe that something was being cooked behind the scenes to cause great damage to the Government advised IBA Medical Insurance Scheme in the name of offering affordable Medical Insurance Premium but actually trying to kill the IBA Medical Insurance Scheme so that the Private Medical Insurance Brokers can jump into the ring playing further havoc to the plight of Retiree Comrades. Already the private Brokers have come out with their charts as offered by the same public sector General Insurance companies who also participated in the bid that IBA called for quotations. It is a great tragedy that in the bid, the same Insurance companies dictated higher quotations to IBA. This raises serious doubt about the intention and transparency in the whole exercise. Also time has come to look into the role of TPAs, Hospitals and the Insurance Companies in causing artificially inflated claim ratios in case the Retiree chooses to go for cashless facility as against reimbursement mode. So, we have to get to the root of the malady.



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* The duty of the Organisation does not end by asking several questions only. We are duty bound to give vent to the pent-up feelings of the entire class of suffering Bank Retirees and convey to them what they are supposed to do and also to register our voice of protest against the injustice inflicted upon the senior citizens of the industry on a continuous basis.

* We are chalking out protest action programme enlisting participation of all our affiliates and their members and appealing to all Retirees to Join;

* We shall be writing to Government and IBA about the glaring injustice done to the Retirees in the name of making the product affordable. Alternatively, the Banks must think of CGHS type of Medical Reimbursement to Retirees by collecting one-time contribution by the retiree at the time of superannuation which is presently Rs. 120000/- for the Senior Most official of the Government with lifelong Medical Reimbursement to the Retiree Government Official and his Spouse.

*We shall be reiterating our demand for having formal dialogue with the Organisation of Retirees on issues pertaining to Retiree.

*We shall lodge our often-- raised demand that management will have to make full/ substantial subsidisation of premium.

With best Wishes and Regards,

Comradely Yours,

K V Acharya
President, AIBPARC
& JT. Convener, CBPRO

Suprita Sarkar
General Secretary, AIBPARC