



ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION

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

C/O BANK OF INDIA OFFICERS' ASSOCIATION

(EASTERN INDIA BRANCHES)

BANK OF INDIA, KOLKATA MAIN BRANCH

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Circular No. 90/18

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(For circulation among all the members of the Managing Committee as well as the Governing Council of AIBPARC, Special Invitees, State Secretaries and Advisors of AIBPARC.)

Dear Comrade,

RE : RENEWAL OF IBA'S HEALTH INSURANCE SCHEME FOR RETIREES

Though belated because of Puja Holidays, we consider it necessary to bring to the notice of our members the text of a letter written by General Secretaries of 4 officers' organisations to Convenor, UFBU on the abovenoted subject.

With best wishes,

(SUPRITA SARKAR)
GENERAL SECRETARY

Camp: Mumbai
Date: 12.10.2018

The Convenor
United Forum of Bank Unions

Dear Sir,

We refer to IBA's Circular no.CIR/HR&IR/BRK/2018-19/6037 dated 09.10.2018 addressed to the CEO's of All member banks who are party to 10th Bi-partite Settlement / Joint Note dated 25.05.2015 forwarding therewith the revised premium quote received from UIICL for renewal of the health insurance policy of the retirees. We have the following observations / suggestions.

1. We are surprised that in spite of our ongoing discussions on the matter IBA has not consulted /discussed the matter with UFBU after getting revised quote. On the contrary, they have forwarded the same to the individual banks.
2. Though in our meeting held on 14.09.2018 and through the subsequent letter dated 18.09.2018 to IBA, we had given several suggestions to make the health insurance affordable to the retirees and reduce the burden on them, we observe that except for the suggestion to provide flexibility in the insurance amount to the retirees to opt, no other suggestions have been given due weightage by the IBA/ UIICL.
3. Our main suggestion was that the premium should be composite and not segment wise i.e. the premium for the serving employees and the retirees should be calculated as composite group and that the premium of the retirees should be borne by the bank in the same manner as the banks are reimbursing the medical expenses to the Ex MDs and Ex EDs. But we observe that UIICL has quoted substantial higher premium to the retirees. Room Rent ceiling for the retirees is also reduced

from Rs.5000/- to Rs.4000/- but commensurate reduction in premium is not given. For easy reference and understanding, we have tabulated below the various options given to the retirees by UIICL as per your letter :

	For Award Staff		For Officers	
	Amount	Option No.	Amount	Option No.
WITH DOMICILLIARY				
Insured Amount Rs.4 Lakh – With Domiciliary Rs.40000	N.A.		#82373	i
Insured Amount Rs.4 Lakh – With Domiciliary Rs.30000	N.A.		76607	iv(a)
Insured Amount Rs.3 Lakh – With Domiciliary Rs.40000			#78236	ii
Insured Amount Rs.3 Lakh – With Domiciliary Rs.30000	#61784	i	72760	iv(b)
Insured Amount Rs.3 Lakh – With Domiciliary Rs.20000	57459	iv(a)		
Insured Amount Rs.2 Lakh – With Domiciliary Rs.30000	#57647	ii		
Insured Amount Rs.2 Lakh – With Domiciliary Rs.20000	53611	iv(b)		
WITHOUT DOMICILLIARY				
Insured Amount Rs.4 Lakh – Without Domiciliary	N.A.		28792	i
Insured Amount Rs.3 Lakh – Without Domiciliary	21595	i	27745	ii
Insured Amount Rs.2 Lakh – Without Domiciliary	20320	ii		
SUPER TOP UP				
Super Top-up Rs.5 lakh above Rs.4 lakh sum insured			5049	i
Super Top-up Rs.5 lakh above Rs.3 lakh sum insured			7574	iii
Super Top up Rs.4 lakh above Rs.3 lakh sum insured	4657	i		
Super Top up Rs.4 lakh above Rs. 2 lakh sum insured	6986	iii		

Though It is not expressed in the quote, since in option iv(a) and iv(b), Limit of Domiciliary is specifically mentioned as Rs.30000 for Retired Officers and Rs.20000 for Retired Award Staff, we presume that domiciliary limit under option i and ii must be Rs.40000/- and Rs.30000/- for the retired officers and retired workmen respectively. The written confirmation of the same needs to be obtained from UIICL.

4. We also observe that for the same cover, UIICL has quoted different premium for the retired award staff and retired officers, leading to anomalies, as given below:

a. Insured Amount Rs.3 Lakh – With Domiciliary Rs.30000
For Officers Rs.72760/- Option “ iv(b)”
For Award Staff Rs. 61784/- Option “ i “
(Officers are charged Rs.10976/- i.e. nearly 18% more than the award staff)

b. Insured Amount Rs.3 Lakh – Without Domiciliary
For Officers Rs.27745/- Option “ ii ”
For Award Staff Rs.21595/- Option “ i “
(Officers are charged Rs.6150/- i.e. nearly 28.5% more than the award staff)

IBA has to discuss the issue with UIICL and sort out to avoid the anomaly. Further the retired officers may be permitted to opt for any scheme offered to the award staff.

5. Similarly, the premium for domiciliary policy of Rs.400000/- is higher by Rs. 53581/- over premium for the policy of Rs.400000/- without domiciliary. In other words, to get Rs.40000/- domiciliary benefit one has pay additional premium of Rs.53581/-. It only indicates that the IBA & UIICL want to discourage the retirees from availing domiciliary policy.

6. Further anomaly observed is that the premium for Rs.400000/- + top up of non domiciliary for 500000 (total Rs.900000/-) is lesser than the premium for Rs.300000/- + top up for Rs.500000 (Rs.800000/-).

7. In view of the exorbitant increase in the premium, large number of retirees may not afford the same and hence may think of opting out of the health insurance. Many of them must have had earlier availed the health insurance under floater policy sold

by their respective banks to the customers in tie up with some insurance company and subsequently opted out of the same to join IBA's Health Insurance policy. Now many of them wish to shift to earlier bank's policy, may not be in a position to go back to the same i.e. the bank's floater insurance in view of their crossing the maximum age criteria for entry. And even those who can join the bank's floater insurance will not get the benefit of continuity of insurance cover which entitles them the coverage of existing decease. It is a fact that all the retirees have been covered by the IBA's Health Insurance since 2015 i.e. for the last 3 years. Hence we suggest that the IBA may explore the possibility of getting the benefit of continuity of insurance cover to those officers who wish to change over from IBA's Health Insurance policy to the floater insurance sold by the banks to their customers. We understand that the IRDA guidelines permit extending the benefit of continuity of insurance cover when a person shifts from one insurance company to another, if the conditions of both the policies are same. We feel that the IRDA's condition of same terms and conditions may be to avoid unhealthy competition where an insurance company offers superior policy in continuation of an inferior policy issued by another company. In the case of insurance policy of retirees, IBA's policy is superior to the floater policies sold by the banks and if any officer wishes to opt for the bank's policy sold to their customer, it will be shifting from a superior policy to an inferior policy and hence IRDA's guidelines may not come in the way of extending the benefit of continuity of policy / insurance cover.

We request you to kindly take up the above issues with IBA with following demands :

- a. Banks should provide free hospitalization facility to the retirees or should bear fully or partly the burden of insurance premium of retirees.
- b. IBAS should take steps to remove the anomaly in the premium rates which are explained above.
- c. Retired officers should be given option to choose between any scheme offered to the retiree award staff / retiree officers.
- d. IBA should obtain confirmation from UIICL that the Limit of Domiciliary under their option (i) and (ii) is Rs.40000/- for the retired officers and Rs.30000/- for the retired award staff.
- e. IBA should explore the possibility of extending the option to shift to the insurance under floater policy sold by the bank to their customers with the benefit of continuity of risk for the last 3 years to such of those retirees who wish to avail the same.

Yours comradely,



**General Secretary
AIBOC**



**General Secretary
AIBOA**



**General Secretary
INBOC**



**General Secretary
NOBO**