



# 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. 20-22

Date: April 07,2022.

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

Dear Comrade,

**Sub: Group Medical Insurance Scheme for Bank Retirees for the year November,2022 to October,2023.**

We are reproducing hereunder the text of our letter dated 6 th April,2022 (mailed today) on the above noted subject.

This is for information of members.

With best wishes and regards,

Comradely Yours,

Suprita Sarkar  
General Secretary.

Encl: :As stated.



# ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION



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

**AIBPARC/IBA/GMISR/Email/2022**

**Date:** April 06, 2022.

**Shri A.K. Goel,  
Chairman, IBA,  
Mumbai.**

Respected Sir,

**Sub : Group Medical Insurance Scheme for Bank Retirees  
for the year November, 2022 to October, 2023**

We came to know that IBA has already written to various member banks to furnish their suggestions for the purpose of consideration at the time of renewal of the GMISR on its expiry on 31<sup>st</sup> October, 2022.

2. It has been an issue on which we have made IBA tired of correspondence. The principal contention hovers around the fact that the retirees are unable to withstand the pressure of the ever-increasing premium which in a period of 7 years has reached an unaffordable extent. Our principal demand "was" and still "is" that the banks will have to subsidize fully/substantially the amount of premium.

3. A few banks have done it on a very limited scale while most others have preferred to turn their deaf ears to the retirees. The expressed desire of the Govt. to formulate a policy for the retirees has not been given due cognizance and the elder citizens have been thrown open in a world of cut-throat competition of open market economy. The very old norm of making provisions of staff welfare funds at the rate of 3% of net profit is so inadequate that it is adding salt to the injury of the retirees. The elder citizens of the industry have their due share in the welfare fund as per IBA guidelines but the same being too scanty is a cause of misery. We join in full throated voice with the unions/associations of serving people to revise the existing norm of provisioning and to make it at least 3% on operating profit.

4. Fact remains that the serving people get full reimbursement of medical cost incurred by them and this system has due documentation in Bipartite Settlement/Joint Note; the MDs, the EDs and Executives upto the level of CGMs in SBI are also entitled to get full reimbursement of cost as per GOI/IBA directives. The only

exception is the hapless retirees who have to pay for themselves. We like to make it categorically clear that we do not have any jealousy or grudge against any segment as mentioned above. We just demand that the senior citizens, as assured by the Hon'ble FM in the 73<sup>rd</sup> AGM of IBA, be treated as a member of the same family by the banks and it is reasonably expected that there will not be any discrimination towards retirees.

5. **In view of all that has been said in the foregoing paragraphs, we inform you that our organisation set up an expert committee comprising of two senior office bearers to study the entire scheme and prepare an all-comprehensive report on how the interest of retirees can be best taken care of.** We wrote to the-then Chairman of IBA on 21<sup>st</sup> July, 2021 to consider our findings with sympathy and favour. Although nothing has been done, we consider it equally relevant even today as the situation in all spheres remains constant with the only one variation that the premium has got further escalated. The 5-page report consisting of 4 different chapters is again being sent to you with the hope that the document would be studied with care and sympathy it deserves and some tangible relief, worth the name, would be made available to the senior citizens. Although the figures of premium mentioned in the earlier paper have changed, the basic assumptions/findings/demands of our organisation remain the same.

6. We also believe that the responsibility of IBA does not end with handling the process of selecting the name of the insurance company and then communicating the same to the member banks and leaving everything to them. As seen in previous years, the Insurance company has repeatedly changed the spirit and contents of their first communication and brought newer inputs subsequently. It has resulted in confusion and



# ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION



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

chaos suffered by the elder citizens. We demand that IBA being a professional body of veteran bankers will have to be more responsive and sensitive to the elder citizens of the industry.

We believe that the paper furnished by us will get due consideration. We also convey that we shall go on writing on the issue as and when situation demands.

With kind regards,

Yours faithfully,

(SUPRITA SARKAR)  
General Secretary

Encl: Our Letter dated 21.07.2021 addressed to the Chairman, IBA

AIBPARC/GMISR/Email/2021

Date: July 21, 2021.

**The Chairman,  
Indian Banks Association,  
Mumbai.**

Respected Sir,

**Sub: Group medical insurance Scheme for Bank Retirees  
for the year November, 2021 to October, 2022.**

We are happy to know that IBA this year has started addressing the above- -noted issue early from the months of June-July to avoid the hurry and hassle as experienced in previous years. As the Retirees of the Industry are the beneficiaries of the cover of group medical insurance. We, being the principal stake holders, have already lodged our claim before your good self to the right of consultation.

2. Sir, there is no doubt about the fact that the Scheme, introduced in October, 2015, brought much needed relief to the elder citizens of the Industry but it is painfully true that a large number of Retirees could not come under the umbrella of Medical Insurance Cover because of exorbitantly high amount of annual premium of ever-increasing nature and also for existence of lot many lacunae which can be removed by a careful study.

3. Keeping the urgency in mind, our organization formed a High-Power Committee to study the subject in its entirety and to prepare a comprehensive paper after having broad-based consultation with our Affiliates. The Study, consisting of 4 chapters, is being submitted hereunder before your good self with an earnest request to kindly consider the same with sympathy and favour and call us urgently (may be virtually) for consultation.

**The Study on Group Medical Insurance Scheme for Bank retirees for the year November, 2021 to October, 2022**

**1. GENERAL.**

a) Retirees of the Banking Industry are the persons who subscribe to the policy and it is normal expectation and requirement that their voices are heard. Hence AIBPARC/other retirees organisations should be consulted and their views enlisted before finalizing the terms and conditions of the policy.

b) The policy for working staff and retirees should be clubbed. The premium for working staff and retirees should also be the same and for calculation of claim ratio, such single/merged policy should be taken as base.

c) The base limit for providing super top up should not be cadre based. Instead, it should be based on cover



# ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION



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

- limit.
- d) IBA should insist on the Government and follow up for waiver of GST on Insurance premium payable by retirees.
- e) Provision for Super top-up cover be made available for all slabs of Base Policy. Moreover, there should be introduction of additional Super top-up over and above the normal Super top-up at reasonable cost.
- f) There should not be any discrepancy in the amount of premium of all slabs of Base Policy and combination of Base Policy with Super top-up Policy. This is necessary to remove the discrepancy in premium which was prescribed for the year 2020-2021. Following examples which are only illustrative,

bear enough testimony of the discrepancies: -- Under the existing Policy, the premium for Rs. 3 Lakhs Base Policy along with Super top-up cover of R. 2 lakhs works out to Rs. 27607/- whereas the premium for combination of Base Policy of Rs. 4 lakhs and Super Top-up cover of Rs. 1 lakh is stipulated at Rs. 34361. In both the cases, total cover is of Rs. 5 lakhs but the premium determined in later case is Rs. 34361 which is more by Rs. 6754. Such discrepancies exist in other combinations of Base and Super top-up cover options, which need to be removed.

Domiciliary Premium is more than the limit eligible for reimbursement. For getting reimbursement of Rs.40,000/- Retirees had to pay Rs.47,803/- i.e., For Rs.4 lakh base policy without Domiciliary the Premium is inclusive of GST Rs. 32,264/-, whereas for the same policy with Domiciliary cover the Premium is inclusive of GST is Rs 80,067/- (Difference Rs.80,067 minus Rs.32264 = Rs.47,803/-) whereas the eligible reimbursement is 10% of base policy amount Rs.4 lakhs i.e. Rs 40000/-. Hence this provision should be removed. In the Policy Document, the word "Domiciliary" should not find a place anywhere as it would create confusion. It can be mentioned as "any treatment taken without hospitalisation" or on OPD basis.

## 2. FINANCIAL ASPECTS.

- a) The premium should be fully borne by the bank or substantially reduced.
- b) As a matter of fact the premium so determined should be for a period of next three years.
- c) In terms of the directive from Department of Financial Services vide their Notification No. F.No. 14/7/92-IR (Vol II) dated 24.2.2012, the premium in case of retirees should be borne by the Banks. Incidentally, Banks have posted highest ever net profits of Rs.102,252 crores for the year ended 31-03-2021 while combined net profit of public Sector Banks was of the order of Rs.31,817 crores;
- d) Interest free loans to retirees for payment of insurance premium be made available by all Banks till the time Banks agree to pay the entire amount of premium for the Retirees.

## 3. POLICY ADMINISTRATION AND COVERAGE.

- i) The base limit for providing of super top-up cover need not be cadre based and it should be limit based. Once for all the cadre-based classification should go and it should be based on the Retirees' affordability.
- ii) The policy should cover retired employee, his spouse and also physically and mentally challenged children.
- iii) Single Cover Policy should be allowed even if the spouse is alive.
- iv) One month gap between the Serving Employees Policy and Retirees Policy should be removed. Bank should take the policy for serving staff up to the month of October every year, irrespective of the month of retirement the staff.
- v) Those retirees who could not join earlier or had discontinued in previous years, should be allowed to join the Policy.
- vi) For Retirees staying abroad during the policy renewal period, IBA should advise the Banks to put in place a system for renewal of policy.
- vii) In Clause 3.1 of the policy, domiciliary treatment packages offered by hospitals for ailments like Covid-19 should be considered for reimbursement.
- viii) The Policy terms provide for reimbursement of Ambulance Charges and Auto/Taxi Charges at the time of Hospitalisation/Discharge. In case receipt from Taxi/Auto is not available, the reimbursement should be considered on the basis of declaration of the claimant.



# ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION



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

- ix) Hospital Room rent should be 1.5% of base policy and ICU rent @ 2% of base Policy.
- x) The Policy should cover all modern therapies adopted by the hospitals for the treatment of various ailments.
- xi) In the case of critical illness like Cancer, costly hormonal injections are prescribed to the patients which is one of the stages of treatment. Though this does not require hospitalization, the same should be made admissible for reimbursement.
- xii) There should not be any ceiling for reimbursement of cataract surgery.
- xiii) The guidelines prescribed for settlement of claims and the fixed time schedule should be strictly observed by the Insurance Co./TPA.
- xiv) There should be a provision of Nomination facility, as there have been some instances where insured has no spouse. In such situation, claims should be settled on the basis of nominations made.
- xv) TPA should be common for serving staff and retirees so that it would be easier for the bank to co-ordinate.
- xvi) Banks should play a role of effective intervener to settle the grievances of retirees in regard to claims arising out of Policy. There should be a forum consisting of representatives of HR, TPA and RETIREES' ASSOCIATIONS at Head Office/Zonal Offices of the Banks to sort out the issues/ individual grievances. The meeting of this forum should be held at least once in three months
- xvii) The time period of 24 hours for intimating the TPA in case of unplanned admission is too short and should be extended to at least 48 hours from the time of admission.
- xviii) TPA should ensure that their portal is operative and accessible at all times. Tracking system should be in place for follow up of claims.
- xix) TPA/ Insurance Company should provide E- Card with Photograph.
- xx) In the event of non-availability of Aadhaar Card of the patient, Hospital/TPA should accept Bank's Identity Card or PAN card or Voter's card for admission/treatment.
- xxi) Insurance Co. should engage services of only such TPAs who have sufficient network hospitals in all parts of the country. Denial of cashless facility by any of the network hospital should be viewed seriously and appropriate action be taken against such hospitals.
- xxii) Instances of prolonged delay for approval of cashless facility/settlement of final bill at the time of discharge be averted by TPA and there should be a time limit of one hour for extending these services. Customer Service Personnel of TPA are not easily accessible. Hence there is need for TPA to put in place proper system and personnel.
- xxiii) Concession in premium for the Retirees who have availed both the doses of Covid 19 vaccination may be allowed.
- xxiv) Coverage is to be made available for transplant of Organs like Kidney/Liver etc.

#### 4. ALTERNATIVE.

The Group Medical Insurance Scheme in its present form is subject to negotiations every year and its renewal every year is done on revised terms. This leads to a lot of uncertainties for the retirees in the matter of continuity for availing the cover of the scheme. In this background, as an alternative to the existing scheme, it would be worthwhile to introduce a scheme on lines with Central Government Health Scheme on payment of a one- time contribution by the retiree, a substantial portion of which may be borne by the bank. We shall consider it a favour if you study the document with patience and respond to the aspiration of the retirees in a positive manner in line with the spirit of Governments letter dated 24th February, 2012 which did not stipulate that premium would have to be borne by the retirees.

With kind regards,

Yours faithfully,

(SUPRITA SARKAR)  
GENERAL SECRETARY