



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



Office of GS at:
C/O BOIOA,
(EASTERN INDIA BRANCHES)
BOI, KOL. MAIN BRANCH,
23 A, NETAJI SUBHAS ROAD, KOLKATA – 700 001
Mobile: 9674188524,
E-mail: aibparc2@gmail.com

Regd. Office:
57 A, POCKET 3,
MAYUR VIHAR, PHASE - 1
DELHI 110091

Senior Office Bearers
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GENERAL SECRETARY SHRI S. SARKAR MOB – 9674188524
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2. SHRI P.S. PATKI MOB – 8805607239
3. SHRI S.B.C. KARUNAKARAN, MOB – 9444772016
4. SHRI A.N. KRISHNAMURTHY, MOB NO. 9845697198
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7. SHRI PAUL MUNDADAN MOB – 9895378557
8. SHRI PREM KUMAR MALHOTRA MOB- 9425156535
9. SHRI N.K. PAREEK MOB – 9829015773
10. SHRI S. NAGARAJ MOB – 9986644118
11. SHRI PRAKASH KAROTYA MOB- 9818821395
12. SHRI DAU DAYAL MAHESHWARI MOB: 9958739618
TREASURER: =====
SHRI TARUNESH CHATTERJEE, MOB -9051601591

Circular no 43-24

Date: May 01, 2024.

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 (GMISR) for the year
November 2024 –October 2025.**

We are reproducing here under the text of our letter written on date to The Chairman,
IBA on the above-mentioned subject.

This is for information of members.

With best wishes and regards,

Comradely yours,

Suprita Sarkar
General Secretary

Encl: As stated

AIBPARC/IBA/GMISR-2024-25/Email/ 2024

Date: May 01, 2024

**Shri M V Rao,
The Chairman,
Indian Banks' Association,
Mumbai.**

Respected Sir,

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

1. Without delving deep into the areas like how the GMISR came into existence in the
year 2015 at the behest of DFS, MOF, GOI, how the annual premium for renewal of
the health insurance policy made a sky –rocketing venture every year to reach an



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unaffordable amount for many of the retirees and how there has been consistent degradation of the qualitative and quantitative nature of the policy for the reason that we made endless correspondence of futile nature in this regard with IBA, we like to focus on the present position which is prevailing and the future road map in which we are going to enter in.

2. Situation persisting presently for the year November 23 - October 24:

* A uniform Base policy of Rs. 2 Lakhs has been offered with different types of ceilings / capping on reimbursement in respect of various ailments. If a careful study is made on the suggested ceilings, it is evident that barring cataract removal surgery and open-heart surgery, if a retiree has to be admitted in any hospital, he /she will have to arrange for a considerably high amount from his/her own resources at the time of discharge from the hospital since the suggested ceiling is abysmally low. In the name of reduction of entry-level premium, the scheme has turned to be of little use and nightmare to the people for whom it was meant. We are sure that all the parties to the understanding have got similar feedbacks from ground levels and no further elaboration is necessary.

* In order to avoid/ escape the ceilings as applicable in the Base policy of Rs. 2 Lakhs, the retiree had to go under a compulsive situation for at least a top up policy for Rs. 1 lakh at a very high premium and it is not out of place to mention here that the premium for the top up policy was fixed at an exorbitant pricing and it was higher than that of the same slab of the base policy. In other words, the retirees were caught in a "catch 22 situation" because he/she cannot do one thing until he/she does other thing. It was a difficult situation from which there was no escape route because of mutually conflicting conditions.

* As a result of what has been described in the above paragraphs, the retirees had been in complete disarray – going for different options which had been available before them. A substantial chunk of retirees "ported" their policies with the NICL at reduced premium; some had opted for the IBA policy of Rs. 2 lakhs Base+1 Lakh top up and preferred for additional medical insurance cover with SBI General Insurance company where premium is relatively lower and many others abandoned the GMISR altogether. Unaffordability of premium under GMISR has proved as a boon to private Reinsurance Brokers to make brisk business by offering relatively better terms. Our inputs in this regard may be checked up with records available with IBA. Barring the figures of Union Bank of India and Punjab & Sind Bank, the figures as available with us (through an application under RTI) clearly show that there has been a decline of nearly 18,000 pensioners availing the GMISR for the years 2022-23 and 2023-24. Resultantly, of the total number of Pensioners, hardly 20% subscribed to it leaving out a vast majority number of them out of the net of GMIS and many Retirees exposed to the risk of absolutely no health cover at the time of the evening of their life. This factor alone, among others, warrants serious reconsideration and underscores the paramount need to urgently introduce requisite steps to make GMISR all inclusive.

3. Our suggestions for the year November 2024 – October 2025:

We are very sincerely committed to the idea that GMISR should not be given a sendoff because it came into existence at the desire of the Government and it is a product of long struggle by the Retirees. We also believe that a scheme which started in the year 2015 with a lot of promise and dream cannot be allowed to be degraded to such a level so that people abandon the same.

Keeping the above proposition in mind, our organization formed a 6- man committee comprising of senior level office bearers of the organization. The committee members made a lot of brain storming exercise to arrive at certain recommendations. The members of the larger body also had the opportunity to contribute their ideas and further enriched the terms of recommendation.

We are submitting the same in the enclosed sheet and request you to please go through the same and we urge upon you to do a comprehensive and tangible thing which come off as real help to the senior citizens of the industry who had given their yester years for securing a better tomorrow for the nation as well as the present generation of Bankers.



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4. The highlights of the recommendations in brief:

* Since the GMISR is meant for the benefit of the retirees of the industry, the views of the apex level organizations of retirees should be formally heard.

* There are 3 well-defined paths through which the financial burden on the shoulder of retirees can be minimized. They are: (a) to evolve a single and composite policy on uniform terms for both the serving people and the retirees. (b) Cover limit for base Policy which is presently too meagre, needs to be raised to at least Rs. 4 lakhs or Rs. 5 lakhs with break up limits to choose and the Banks will have to come forward to pay the premium of the Base policy which will not have any adverse ceiling on reimbursement; (c) IBA in the same voice with the retiree organizations will have to request the Government to withdraw the burden of GST from the annual premium of GMISR and (d) IBA in a real spirit of doing its welfare role will have to explore all possible means to offer reliefs to the senior citizens. (e) In case no ways and means can be explored to minimize the burden of premium without causing any qualitative or quantitative degradation of the Mediclaim policy, then IBA can think of a policy in line with the CGHS where an onetime contribution may be taken from the retirees to offer a life-long cover as is given to central Government employees and those of Central Government undertakings.

It is also suggested that IBA should introduce SBI Model of Medical Insurance Scheme brought out for SBI Retirees by SBI Management. If SBI Can do that it should be possible for all other Banks either coordinating with SBI general insurance or through some mechanism and end discrimination in health care among the Bank Retirees.

We are submitting herewith the recommendations of AIBPARC on GMISR for the year November 2024 to October 2025 for your kind consideration by mail. Our senior leaders will also see you personally to handover the hard copy of our letter along with the recommendations of the Organization.

With kind regards,

Yours faithfully,

K.V. Acharya.
President, AIBPARC
& Jt. Conveners, CBPRO

Suprita Sarkar
General Secretary

SUGGESTIONS & RECOMMENDATIONS

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

i) 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 Retirees friendly taking into account the yeoman contributions made by the Retired Employees and Officers of the Banking Industry who had faced various kind of Occupational hazards during their service. The Hon'ble Union Finance Minister while addressing the AGM of IBA had recalled her experience when she was the Union Defence Minister, the way in which Ex Service men were taken care of, very importantly in respect of their health among other things. Hon'ble Minister also exhorted the AGM of IBA consisting of Chairmen/ MDs and CEOs of Banks to treat their Ex-Employees (Retirees) as members of the same family.



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- ii) 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 the opportunity to AIBPARC and other apex level Organisations of Retirees to present their suggestions through a Consultative process for improvements in the scheme before finalizing the terms and conditions of the Policy every year;**
- iii) **The Policy of the Working Staff and the Retirees should be a combined one 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.**
- 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 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 next 3 years.
- vi) The Domiciliary Policy should be dispensed with as the Reimbursement amount limit is less than the Premium amount.
- vii) The Reimbursement should not be restricted to hospitalization and it should be made available for out-patient treatment also.
- viii) There should not be any Threshold Limit Ceiling for Option to Top-Up Policy. Super Top-Up should be made available for all slabs.
- ix) **IBA should insist on the Government to waive the GST for the Insurance Premium payable by the Retirees.**
- x) 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.
- xi) GOI has been asked by the Supreme Court to standardize the rates of medical treatments for the senior citizens within a month. The same may please be pursued.
- xii) 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.
- xiii) Presently the health insurance policy of IBA offers coverage for the retiree and the spouse. **We have repeatedly insisted in the past that the coverage should be extended to physically and mentally challenged children of the retirees. This demand should be incorporated.**
- xiv) Retirees of different Banks are facing tremendous difficulties in the operative part of the policy mostly receiving lesser amount of reimbursement in case of cashless facilities and satisfactory reply is not being offered to them explaining the reasons in a convincing manner. **A medical cell at IBA level should be formed to process such cases with TPA/ Insurance Company when referred by respective Bank / individual retiree.**
- xv) **The decisions of IBA on GMISR should be sent to all the Private Sector Banks which are parties to the Bipartite Settlement/ Joint Note. While sending the same, special care may be taken about two Banks which had been parties to the Pension Settlement of 1993 but subsequently taken over by other Banks (ICICI Ltd & DBS). Such Banks are BOR Ltd and Lakshmi Vilas Bank Ltd.**



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xvi) In all fairness, SBI Model Medical Insurance Scheme should also be considered for All Bank Retirees as there cannot be discriminatory treatment in respect of Medical Care facilities among the Retirees. Bank Managements should follow the SBI Model.

xvii) This is unfortunate that the SBI General Insurance Company is not making its services available other than through Reinsurer /Broker and they are not also participating in the bid offered by IBA. As their premium is relatively comfortable than other public sector insurers, they may be of real help to the retirees subject to certain conditions like: a) IBA may directly negotiate with SBI general insurance company for offering their services to the Bank retirees for the top up policies with the Bank retirees without any Broker and b) the health cards issued by SBI general insurance company can be used by the Bank retirees in continuation of the IBA health cards to get the cash less coverage after showing the documentary proof that a sum of Rs.3 lakhs(being the threshold limit) has already been spent by the retiree. This negotiation with the authorities of SBI general insurance company may not require any participation in the bid because the retirees in each state may contact the designated authority of each SBI general insurance company for having top up facilities. The modalities should be comprehensively worked out.

xviii) IBA may also explore the possibility of changing the existing scheme and evolve out a new scheme on the model of CGHS for Government Pensioners after collecting one time contribution from the retirees and allow them a life-long health cover.

xix) 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 dialogue with IBA through the Consultative process. The suggestions in this behalf will be separately shared by AIBPARC.

xx) In the name of "Reasonability & Customary" clause, huge amount is being whimsically deducted from the amount of claim. There is no standard rule for the same. At least, it is not within the knowledge of the persons insured. The clause should be abolished/ rationalized.

K.V. Acharya.
President, AIBPARC
& Jt. Conveners, CBPRO

Suprita Sarkar
General Secretary