



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. 20-23

Date: March 22, 2023

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

Sub: Group medical insurance scheme for Bank Retirees for the year November 23 to October 24.

We reproduce hereunder the text of our letter written on date to The Chairman, IBA on the above noted subject. We further inform that the copy of the letter has also been endorsed to The Secretary, DFS, MOF, GOI and to The Convenor, UFBU.

With best wishes and regards,

Comradely Yours,

Suprita Sarkar
General Secretary

Quote

AIBPARC/IBA/GMISR/EMAIL/2023

22nd March, 2023

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

Respected Sir

Sub: Group Medical Insurance Scheme for Bank Retirees for the year November 23- October 24.

We had the occasion to go through letter no. HR& IR/OTH/XI-BPS/11807 dated March 18, 2023 addressed to the representatives of NCBE, AIBEA & AIBOC.

We see that the suggestions of the serving organisations have been sought for on "the improvement of the medical insurance policies". The term "improvement", you will surely agree, indicates advancement, progress and betterment but the paragraph 4 of the letter tells about certain things which are opposite to what "improvement"



ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION



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

means. The suggestions have been sought for on (a) caps on various ailments, (b) caps on room rent, (c) views on co-pay options and (d) any other views to reduce the premium. The parameters on which the suggestions have been sought for aim at qualitative degradation of the policy adversely affecting the interest of the retirees.

Our views on GMISR are consistent and it is well known to IBA over the years. We make series of correspondences annually on the same subject and we do not have any hesitation to say that they are ignored with scant regard to the feelings of the Elder Citizens of the Banking Industry who continuously face the brunt of costly premium year after year. The issue is handled in a mechanical way – formation of a committee of General Managers of different banks, floating of RFP for selection of the insurance company and finally a communication to Banks about the name of the insurance company and leaving all other areas to the said company. Lot of anomalies crop up; protests are made; a few are resolved and most of them remain unattended. We call it “mechanical” as it takes care of certain formalities without any touch of human element and sensitivity to the retirees. The current policy has been in operation for 5 months only and it is already causing lot of anxiety to the claimants when the claims are made due the irrational and inconsistent way of handling of the claims by different TPAs. We feel it an abject necessity to tell our views on the subject.

- **The real stake holders of the GMISR are the Bank Retirees also. IBA should have called upon the Apex Organisations of Bank Retirees to know their views.** The so-called argument of IBA that it does not have any mandate from banks to talk to Retiree Organisations is an empty logic carrying no sense since the member banks pass the resolutions in this regard in various boards on a text dictated by IBA in writing.

- Our organisation is opposed to the idea of making any qualitative degradation of the GMISR in the name of so called “improvement”. When IBA seeks suggestions on “caps on various ailments”, is it not known to IBA that a ceiling already exists which varies from place to place and that the insurance companies (TPAs) do not even always honour the so-called concept of ceiling which is applicable for a particular ailment at a particular place? Marginal benefits by major compromises on terms and conditions may be hailed as a welcome development by persons who by good fortune will not be admitted to hospitals during the operative period of the policy but the persons who will need to use the policy will have to undergo severe financial crisis by making huge payments from his/her resources at the time of release.

- We believe that IBA’s stand in this regard is not at all in consonance with the letter of DFS, MOF, GOI dated 24.02.2012 which says “Bank may consider the option of Group Insurance Policies for both serving and retired employees instead of direct payment of benefit from the fund.” How come that the retirees will have to be put to so much of financial hardship by making an ever-increasing premium which at present has reached the intolerable height? This is an area on which we have harped again and again but it has turned to be a weeping in the wilderness. The Employers cannot shake off their hands completely from the minimum most humanitarian responsibility which they should have towards the retired employees.

- The policy of the working employees and the retirees should be clubbed together. The



ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION



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

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

- The base limit for providing super top up facility should not be cadre-based. It should be based on cover limit.
- IBA shall have to take effective steps with the GST Council/GOI for waiver of GST components on insurance premium.
- Provision of super top up policy should be made available for all slabs of base policies. Moreover, there should be provision of super top up cover over and above the normal super top up cover at reasonable cost in respect of certain critical illnesses.
- There should not be any discrepancy in the amount of premium in any slab of base policy and/or combination of base policy and super top up policy. We have pointed out several such discrepancies in the past by giving illustrations. Hence the issue is known to you.
- Fixation of domiciliary premium has been an unrealistic mockery and it displays non-application of mind on the part of the insurance company.
- The premium once determined should be kept unaltered for at least 3 years.
- The policy should cover retired employee, his spouse dependent children and also physically and mentally retarded children.
- The one-month gap between the cover of serving employees policy and the retirees' policy should be removed.
- The retirees who could not join earlier in the policy or had discontinued from the policy for financial constraint should be allowed to join the policy as has been permitted in certain years. All the Retirees should be covered by the GMISR as is available for Serving Employees and Officers.
- For retirees staying abroad during the policy renewal, IBA should advise the Banks to make provision in the system for renewal by such people.
- Apart from what has been told in the foregoing paragraphs, there are lots of problems/issues which can be sorted out by bilateral discussion between IBA and Retiree Organisations. Some such issues are: Transportation charges of patients by vehicles other than ambulance, coverage of all modern therapies and hormone injections for treatment of cancer patients, appointment of such TPAs only which have uniform network throughout the country etc.
- The IBA policy should be extended to all member Banks as the Retirees joined the policy in the year 2015 and any discontinuance for them is in the nature of violation of contract as other policies have the retrograde clauses of "pre-existing diseases" and "waiting period".
- The norm of creation of Staff Welfare Fund should be immediately changed. It is old over a decade. After merger of several nationalized Banks, the number of human hands has gone up



ALL INDIA BANK PENSIONERS' & RETIREES' CONFEDERATION

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



considerably whereas the upper ceiling remains the same. Moreover, the formula of calculation of the quantum of funds need an immediate review. It should be 3% of operating profit instead of net profit without any ceiling.

To avoid the annual hazard causing lot of mental hardship for a Retiree, an alternative idea to the existing scheme may also be thought of. The introduction of a separate scheme in line with Central Government Health Scheme (CGHS) on payment of a one-time contribution. This gesture is all the more expected when the Retired Chairmen, M Ds, EDs and in some Banks very Senior Executives of the rank of Chief General Manager are given Full Medical Reimbursement without any ceiling and most importantly without any contribution whatsoever from them. In fact there should not be any discrimination among the Retirees in respect of Healthcare.

We also wish to draw your kind attention to the meeting of our Principal and Senior Office bearers had with the Senior Executives of IBA on 11th October 2022 after we met the Hon'ble Union Finance Minister on 4th October 2022. In that meeting we had detailed discussion on IBA Medical Insurance Scheme on the lines explained above. IBA Team shared our concerns and assured us that the Management Committee was keen to

address our concerns and come out with solutions and relief at a very early date. We believed your words. Now we are waiting for deliverance of that much needed meaningful and comprehensive Health Care to the Past Employees and Officers of the Banking Industry who gave a new meaning and perspective to Banking bringing Vibrance to the Phenomenal Growth of the Economy of our Beloved Nation.

To conclude:

- 1) We want immediate discussion between IBA and Apex level Retiree Organisations on issues relating to GMISR.**
- 2) We do not want any qualitative and quantitative degradation of the terms and conditions.**
- 3) We want that IBA will follow the directives of DFS where there is no word about payment of premium by retirees.**
- 4) We want evolving out a scheme which has a human touch to the Retired Employees.**

With Kind Regards.

K V Acharya
President, AIBPARC
& Joint Convener. CBPRO

Suprita Sarkar
General Secretary