



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. 88-23

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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 -- kind attention of Hon'ble Union Finance Minister drawn to the pathetic plight of the Senior citizens of the Industry because of exorbitant rise of annual premium and qualitative and quantitative degradation of the terms and conditions.

We are reproducing hereunder the text of our letter mailed on date to The Hon'ble Union Finance Minister on the above referred subject.

This is for information of members.

With best wishes and regards,

Comradely Yours,

Suprita Sarkar,
General Secretary

Quote: As stated,

AIBPARC/Hon'ble Union FM/ Mediclaim/email/2023.

Date: 21st October, 2023,

Smt. Nirmala Sitharamanji,
Hon'ble Finance Minister,
Government of India,
North Block, New Delhi.

Respected Madam,

Sub: IBA - Group Medical Insurance Scheme. Pathetic plight of Bank Retirees - exorbitant rise of annual premium for renewal of group medical insurance (GMISR) for the year 2023-24.

We beg to encroach your valuable time by narrating the predicament and agony of the Bank Retirees Year after Year with the irrational and astronomically rising premiums for the IBA Group Medical Insurance Scheme.

1. In the year 2015, as per the advice of DFS/ MOF/ GOI issued in February



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2012, a Group Medical Insurance Scheme was formulated for the Bank Retirees as well as for Serving Employees by an understanding reached between IBA and UFBU. DFS in its advice never told that the entire burden of premium was to be borne by the Retirees. But IBA and UFBU Chose to thrust the entire burden of premium on the retirees. The Bank Retirees though anguished, accepted it as the premium at that point of time was reasonably low. They had a feeling that once when a welfare measure has been started, there will be consistent and constant improvement over the years and in the hope of a better future, most of them discontinued the individual policies and they had and became totally dependent on the IBA – Medical Insurance Policy.

2. From 2015 to 2022, it was a story of continuous and constant escalation of annual premium. Every year it was increased in the name of “**incurred claim ratio.**” There was no scope before the Retiree organizations to check the accuracy of the so called ICR. In the first year i.e. 2015 the policy was a single one (Combined Policy) for the serving employees and the retirees. Later on, this system was discontinued on the so-called plea that single policy was not possible for two different sets of people. Instead of going into the details of premium chart, it can be told in nutshell that the premium payable in 2015 was almost multiplied by 10 in a journey of 7 years only by October 2022.

3. The agony was further aggravated by imposition GST @ 18% on the premium as well as the bills. Our repeated appeal before the authority concerned remained unheard. It is also a big burden on the older citizens. We have consistently brought it to the notice of IBA and MOF that the GMISR is gradually turning to be a rude mockery because every year, a substantial chunk of retirees is either becoming drop-outs or they are being forced to reduce the amount of health cover as the premium used to eat over nearly three months of Retirees' Pension every year.

The retirees of the industry are the principal stake holders but their representatives are not officially entitled to have dialogue with the decision-making authorities. The retirees will pay from their meagre resources but the rates will be decided by the Unions of serving people and whose medical costs are fully reimbursable by the Banks as per their service conditions and the IBA officials most of whom are fully reimbursed by respective Banks on a special footing that they are the Retired MDs and EDs and in SBI the Chief General Managers too. In short, the fate of Bank Retirees Group Medical Insurance scheme is handled by those who don't represent the Bank Retirees and by those who are blissfully enjoying the Benefit of unlimited and total Medical Reimbursement without any cost what so ever on them. It is indeed a great a great irony that the Management Committee of IBA consisting MDs and EDs and Senior Executives of IBA while taking care of their Medical needs through the Banks should turn a blind eye to the Medical Relief requirements of those who worked under them and now Retired. In CGHS the relief is given to the last person in the hierarchy as much as to the highest ranking official of the Government, of course with a fixed onetime payment by every Retiree at the time of Retirement. But in the Banking Industry it is available free of cost for MDs and EDs, Serving as well as Retired but not to Bank Retirees who worked with them. Unfortunately, this is how they practise your highly concerned call to the Top Management of the Banking Industry to treat the Past Employees as Members of the same Family.

4. In the above back drop, the negotiation started for the current year. Both IBA and UFBU in the guise of lowering down the premium made qualitative and quantitative degradation in the existing terms and made it a horrible product to offer which had lowered down the quantum of base cover to a mere Rs Two Lakhs from Rs Four Lakhs, imposed ceilings /caps in reimbursement of various ailments and which offered a quote of pricing where the premium of Top Up Policy was much higher than the premium of the Base Policy. It is an unheard-of thing. As the state- owned insurance companies are also under the control and supervision of DFS, an enquiry may please be made as



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to whether the premium of Top Up policy can be many times higher than that of the Base Policy. In order to project the magnitude of damage to the interest of retirees, we want to inform that the existing premium payable by an officer retiree has increased nearly 50% and that of an award staff has increased nearly 80%. The signing parties to the understanding are boastful in declaring that they have reduced the entry level premium. The basic fact which they are trying to conceal either deliberately or otherwise is that if a person with a base cover of Rs 2 lakhs at a premium of Rs. 26,454/- is admitted in hospital for surgical intervention other than cataract surgery or a few minor ones, he/she will have to pay a hefty amount from his/her resources at the time of coming out of the hospital. This is the real state of affairs of the so-called beneficial scheme. It is nothing but a self-deceiving exercise.

5. The circular of IBA for the current year has sent a shock wave throughout the country. The entire community of retirees is in total disarray. Not knowing exactly what to do, some of them are going to the IBA policy with a token participation which is extremely insufficient for an old age person; some are "porting" their policies to NICL while others are seeking refuge with SBI General Insurance Policy. The net result is spending of excess amount with lesser quality covers. Getting a muddy ground to play freely, the Brokers and the insurance companies have flooded the market with multiple offers. Nobody knows whether promises made in the competitive market will at all be fulfilled. The welfare measure, introduced in the year 2015, is a product of long struggle by the retirees through which the officials of the Government appreciated and realized the necessity of doing something beneficial for the senior citizens. The said desire has dissipated and the firmament is bleak. An intervention of the Government is urgently needed to protect the interest of Senior and Super Senior citizens of the Banking Industry. Immediately after the IBA and UNIONS Understanding in respect of Group Medical Insurance Scheme was published, we made repeated appeals to the Chairman and the Chief Executive of IBA for understanding the real implications of the deadly product invented by them but no tangible relief was visible.

We make the following prayers:

- a) Although the issue will re-surface almost after one year, the retirees are extremely restless and worried to think about what is in store for them in years to come. Something is to be done with immediate effect so that a policy of permanent nature, being delinked with the cut-throat market competition, be evolved as a real welfare measure. It can be done by three ways- there should be one comprehensive policy for the serving employees and the retirees so that the incurred claim ratio comes down. It was done in the year 2015 but for reasons unknown it was delinked from the next year; there should be a mechanism by which the ICR can be checked. We have a great doubt that in calculating the ratio, the amount of claim is being considered instead of the amount of actual sanction which is always on the lower side. Whenever, the insurance companies are asked even through RTI to convey the data base, denial is the answer.
- b) Full/substantial subsidization by the Employer is an obligation which cannot be denied by the Bank. After merger of different Banks and the limit of staff welfare provisions remaining the same, it is very difficult to bring out even a small piece of cake for the retirees. Some ways and means must be thought about this particular aspect. We have time and again brought to the notice of all concerned that the MDs and EDs and executives upto the level of CGMs in SBI are reimbursed lifelong for the medical cost of self and spouse; the serving employees are fully reimbursed by provisions of service conditions and the retirees are the only segment who are being lynched by the continuous threat of escalation of premium. We have no hesitation to say



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that the Medclaim policy, evolved for the retirees in the year 2023 is knowingly or unknowingly a joint venture effort of IBA and UFBU to ensure that the Banking Industry gets relieved of the responsibility of taking care of the Medical Needs of the Senior citizens of the Banking Industry. It is in this context; we approach your good self to have a sympathetic relook to the entire subject.

- c) We also request your Good Self to help us to get the CGHS Facility as available to Government Retirees and collect one time payment from the Retirees.
- d) In order to narrate the havoc that has already been done to the senior citizens, a letter of a few pages is not sufficient. Insult and injury taken together has delved so deep that immediate salvation steps are necessary. We like to have a brief audience either with your good self or any empowered official to tell the story of our agony. As for IBA, this is well known to you that the officials call us within 48 hours when they are directed by the Ministry but at other occasions, they propagate the logic that they are not required even talk to Retiree Organizations. There should be an end to this fallacy. **We are eagerly waiting for an early response from you since all the long-neglected demands of Bank retirees got resolved only at your kind intervention.**

While we very sincerely wish not to encroach upon your valuable time, the continuous disgusting indifferent attitude being shown by the IBA towards nearly Seven Lakhs Bank Pensioners and Retirees and sizable Family Pensioners largely Consisting of Women Family Pensioners, we approach your Good Self who has always shown care and concern for the Well-being of Retirees.

With kind regards,

K V Acharya
President, AIBPARC
& Joint Convener, CBPRO

Suprita Sarkar
General Secretary