



# All India RRB Officers' Federation (AFFILIATED TO AIBOC)

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Circular # 73:2016

26<sup>th</sup> October 2016

All Affiliates/ Members  
(Please re-circulate)

## **RENEWAL OF MEDICAL INSURANCE POLICY - MEETING WITH IBA ON 26.10.16**

We reproduce hereunder the text of All India Bank Officers' Confederation Circular No. 56 dated 25<sup>th</sup> October, 2016.

### **QUOTE**

The new medical insurance policy covering the serving employees as well as retirees, ever since its inception, has remained a cause of concern due to lot many shortcomings observed in its implementation viz. delay in settlement, rejection of claims or coverage of the policy for retirees etc.

The various issues raised by our members and retirees related to the scheme were taken up by our Confederation from time to time with the concerned authorities and discussed with a hope of getting proper solution. However, on not being resolved in the right spirit, the issue was included in our strike notice also and discussed in the conciliation meetings as well. Many assurances were made by the IBA during talks held with them but our concerns remained unresolved.

When the policy got due for renewal, a steep increase in premium was made by the Insurance Company, which was not contested properly by the IBA. During the process of renewal also our Confederation made representations to IBA for addressing various concerns related to policy's premium, coverage and delay in settlements etc. along with our suggestions. The communications made by us were shared through circular issued by us. However, there was no positive development and the member Banks had to pay the increased premium amount for the serving employees to renew the policy for the sake of continuity. The retirees have also been financially burdened due to steep increase in the premia.

In order to pursue the matter, we had been demanding a meeting with IBA. A meeting of IBA with all constituents of UFBU has been arranged on 26.10.16 at Mumbai. We have ensured to send a communication to IBA detailing our concern and listing out the issues which we would be discussing with them in the scheduled meeting for having an effective discussion for speedy resolution of the issues. The copy of the communication sent has been attached with this circular for your information and record. We shall keep you updated with the development.

**UNQUOTE**

With greetings,

  
(S.K. Bhattacharjee)  
GENERAL SECRETARY

# ALL INDIA BANK OFFICERS' CONFEDERATION

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Letter No. 2016/137

Date: 24/10/2016

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

Dear Sir,

## **RENEWAL OF MEDICAL INSURANCE COVER** **ISSUES PROPOSED TO BE DISCUSSED WITH YOU ON 26/10/2016**

At the outset we convey our sincere thanks to you for fixing up of a meeting on 26/10/2016 to have discussion on the captioned subject which is causing a lot of anxiety particularly in the minds of our retired colleagues. The Medical Insurance scheme was discussed with UFBU and all our queries and issues were discussed at length and solution were given by Insurance brokers. It was the responsibility of the IBA to ensure implementation of the understandings reached. Though during the process the interest of the Banks has been compromised in many ways but we would not like to comment on them. Besides, there are certain issues which have been directly affecting the serving employees and Retirees. These issues have regularly been pointed out by us to you through various communications, discussions and also in conciliation meetings before Dy. CLC, ALC held after our strike notices. We have been promised that IBA is seized of the issues and solution will be found soon particularly with regard to the issues like the structure and time schedule discussed for implementation of the scheme between Banks/Insurance Company and TPA which was not adhered to in the first year. Claims were settled after lot of delays, communications and follow ups. Banks' nodal officers were not consulted before rejection of claims, Reimbursement of Domiciliary Hospitalisation expenses was not done to retirees etc. etc.

And now to our utter dismay, the insurance policy has been renewed by Banks to their disadvantages and to the dissatisfaction of employees on payment of very high premia. In view of the above, we would like to discuss some of the issues listed below in the meeting scheduled to be held on 26/10/2016.

The Department of Financial Services, Ministry of Finance, GOI vide their letter F.No.14/7/92-IR(Vol-II) dated 24<sup>th</sup> February, 2012 to IBA has advised that a Medical Insurance Scheme should be devised both for Serving Employees and Retired Employees and nowhere they had suggested to recover the Insurance Premium amount from the Retirees:

1. The Retirees are drawing meager Pension and in fact they should be shown extra consideration in Medical Relief both in respect of premium amount and for the coverage.

2. The family pensioners are drawing a very meager amount as pension and the present premium proposed is very harsh as far as they are concerned especially in view of the fact that the claimant is only one.
3. The claimants in respect of Retirees are mainly restricted to two Persons only i.e. self and spouse and in quite a good number of cases only one of the Spouse survives.
4. The claim ratio as indicated by the Insurance Company and IBA and the percentage of increase thrust on the Retirees is also a matter of proper verification by all concerned and in the absence of any transparent information it is difficult to accept the calculations given by the Insurance Company.
5. The increase is also in violation of the IRDA provisions as regards to the lock in period and notice period for any change in the insurance premium suggested. This is also in violation of the most lauded principle of taking due medical care of the Retirees by the employer as pronounced by various Courts including Hon'ble Supreme Court and also as practiced in respect of Govt. employees, Public Sector Undertakings and Autonomous Bodies.
6. The Retirees are in an awkward situation as many had already surrendered their individual level Medical Insurance policies in view of the Industry level Group Medical Scheme introduced in the last Bipartite Settlement. Now they cannot go back to the earlier Medical Insurance policy as they have become more aged and also they might have been affected by new ailments during the period. This handicaps them from opting for a new policy at all or even if they get, the pre-existing diseases do not get covered.
7. Even the Bank specific schemes earlier in vogue in respect of Group Medical Insurance Scheme and Medical Benefit Scheme have been discontinued by the Bank in the light of the Industry level Group Medical Insurance Scheme.
8. Lot of clarity is required in respect of domiciliary treatment reimbursement. The Insurance Company should go by the comprehensive meaning of domiciliary treatment only.

Thanking you,

Yours faithfully,



(HARVINDER SINGH)  
**GENERAL SECRETARY**