**State Bank of Patiala**

**Pr President**

**Harish Walia**

C Chandigarh

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B.C.Bassi Patiala

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**Retired Officers' Association (Regd.)**

**31, NEW GREEN PARK COLONY, PATIALA**

**(Affiliated to All India Bank Retirees’ Federation )**

**Phone/Fax : 0175-5185031 Email:sbpretdpta@gmail.com**

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**Circular No. 16 of 2017-20 Dated 6th August 2018**

Dear friends,

**Renewal of Medical Insurance Policy for Bank Retirees**

We give below text of letter dated 3rd August 2018 sent toShri V. G. Kannan,Chief Executive, Indian Banks’ Association, Mumbai, contents of which are self explicit.

“We refer to our various letters on the above subject. We have been hearing disturbing news about proposed exorbitant enhancement in the premium and the move on the part of IBA to abandon the entire medical insurance scheme so as to go back to the earlier hospitalization scheme at the Banks’ level. Now that your letter dated 01.08.2018 to the Convenor of UFBU and United India Insurance Company’s letter dated 02.07.2018, addressed to IBA are available on social media, our worst fears have come true. The contents of these two letters have shocked and dismayed all the Bank Pensioners and Retirees who are now feeling as if they were trapped 3 years ago by introducing medical insurance scheme for Bank Retirees at reasonable amount of premium which was further subsidized by the individual Banks. On introduction of this scheme thousands of Bank Pensioners and Retirees discontinued their individual medical insurance policies which were taken several years ago. They are now feeling robbed.

In this connection we submit the following for your kind consideration:

1. Department of Financial Services, Government of India vide its letter no. 14/7/92-IR(Vol-II) dated 24.02.2012 advised IBA to formulate a Medical Insurance Scheme for both serving and retired employees after several representations and prolonged negotiations, IBA introduced Medical Insurance Schemes for both serving and retired employees during 2015 while concluding Bi-partite settlement/Joint Note for Salary revision.
2. The said letter of the Government did not envisage discriminatory treatment between the serving employees and retired employees with regard to the payment of premium. The settlement of 2015 between IBA and UFBU *providing* for the premium to be borne by the retired employees *was against the spirit of the Government’s advice to IBA vide their letter dated 24.02.2012.*
3. While implementing the Medical Insurance Scheme, the individual Banks decided independently on discriminatory treatment about the premium in case of retired employees vis-a-vis serving employees. Consequently some Banks collected entire premium from their retired employees while few Banks opted to Part-subsidize the premium. In the later years most of the Banks collected the entire premium from the retired employees.
4. Such collection of increasing premium from the retired employees has resulted in some of the pensioners finding it grossly inadequate to bear the premium out of their meagre pension more particularly the family pensioners. It is worth mentioning here that family pension in some cases is as low as Rs. 4,000/- per month.

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1. It would be appropriate to furnish hereunder the details of Medical Insurance Premium having been charged to the Retirees during last three years :

**For Officers:**

|  |  |  |  |
| --- | --- | --- | --- |
| Sl. No. | Year | Sum Insured (Rs) | Premium Amt. |
| 01 | 2015-16 | 4,00,000 | 7,500 |
| 02 | 2016-17 | 4,00,000 | 20,010 |
| 03 | 2017-18 | 4,00,000  5,00,000 (Super Top Up) | 36,998\*\*  3,806 |

* **The insurance cover for award staff was for Rs. 3,00,000 and the amount of premium charged were slightly lower than that of the officers.**

**\*\* Including GST**

We understand that United India Insurance Company which has been providing Medical Insurance Policies for last three years both to serving and retired employees has now quoted exorbitant increase in premium amount for the year 2018-19 (proposed renewal) which in case of retired employees is as under :

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Category | Sum Insured | Premium | GST @ 18% | Gross Premium |
| **Award Staff-**  Without Domiciliary  With Domiciliary  Super Top Up  **Officers-**  Without Domiciliary  With Domiciliary  Super Top Up | 3,00,000  3,00,000  4,00,000  4,00,000  4,00,000  5,00,000 | 21973  57,391  4,112  29,295  76,516  4,457 | 3955  10,330  740  5,273  13,773  802 | 25,928  67,721  4,852  34,568  90,289  5,259 |

1. The proposed premium mentioned above reflects an increase of around 144% and IBA’s request to United India Insurance Company to reconsider their decision on enhanced premium has been turned down by the Insurance Company.
2. United India Insurance Company is reported to have given the high claim ratio as the reason for such exorbitant increase in the rate of premium. The Insurance Company has also indicated that based on future incurred claim ratio, the loading on premium for the subsequent year (2019-20) would range from 25% to 150% depending on actual claim ratio.
3. While entire premium in case of serving employees is borne by the Banks, the increase in premium for serving employees may not be a cause of concern to the employees. But in case of retired employees who have been forced to bear the cost of medical insurance, any increase in premium is not only becoming unaffordable but may also escalate the miseries of the retired employees. It is also pertinent to mention here that apart from the serving employees free and full medical reimbursement is available to the retired CMDs/MDs/Dy MDs/CEOs/EDs. This makes recovery of medical insurance premium only from the retired officers and award staff beyond comprehension, unequitable, unfair, unreasonable and discriminatory. We believe that while serving employees are provided medical facilities as a component of package for their services, the retired board level appointees are provided full and free medical reimbursements for their past services which in some cases could be as low as 2-3 years. Under these circumstances the retired employees of the Banks, having served the Banks for 30-40 years are unjustifiably denied full free medical reimbursement. It defies logic and appears inhumane.

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1. We are also at a loss to understand as to why the medical insurance to the retired Bank employees should be restricted to United India Insurance Company alone. It would have been more appropriate to invite quotes from other Public Sector Insurance Companies before releasing the premium rates quoted by United India Insurance Company on social media.

Such a release on social media may tend to make the proposed rates fait accompli even if the quotes are invited from other companies at this stage.

1. It is more appalling that the prohibitive cost of medical insurance may drive many retirees out of the scope of even the medical insurance otherwise available for individuals as the last three years medical insurance coverage under IBAs policy has rendered them ineligible for cover due to the age bar, pre-existing diseases, discontinuation of old individual medical insurance policies etc. In view of the great emphasis by the Government on medical insurance, IBA/Government should not drive senior citizens – Bank retirees to land into such a helpless situation with nowhere to go for their medical needs.

In view of the foregoing facts, we request you to initiate necessary steps to ensure that Bank retirees are provided medical reimbursement facility at par with retired board level appointees and serving employees.

We also request you to call our organizations which represent all the Bank Retirees for a meeting to discuss and settle the issue of Medical Insurance Scheme at the earliest.

Thanking you. sd/- sd/- sd/- Ramesh Babu) (K.V. Acharya) (S.C. Jain)

Joint Conveners, CBPRO General Secretary, AIBRF ‘

**Text of letter send to Com. Sanjeev K. Bandlish, Convenor, U.F.B.U. by CBPRO and AIBRF**

“We are indeed very happy to learn THAT UFBU Leadership is going to meet HON'BLE FINANCE MINISTER and submit a memorandum to him in respect of ongoing Wage Negotiations and other issues on 3rd August 2018.

We earnestly request you to include Bank Retirees issues also which are mentioned in the Record note during last settlement in your Memorandum.  The issues are mainly

(1) Pension Updation.

(2) Improvement in Family Pension.

(3) Uniform DA.

(4) IBA's Medical Insurance Scheme.

The ominous signals regarding irrational hike in the Medical Insurance Premium has come as a rude shock to all of us. While we are happy that full-time directors like M.Ds, DMDs and E.Ds of Banks are getting  full Medical Reimbursement even after their Retirement the same is denied to their own subordinates who include  Officers, Clerical Staff, Subordinate  Staff and  very poorly paid, as low as Rs. 4000 per month(Four Thousand only)Family Pensioners. This strange stand of IBA is not acceptable and hence should be resisted and rejected.

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We Bank Retirees have great faith in the Leadership of UFBU and we are confident that your Memorandum to Hon'ble Minister will contain our above issues and the Leadership of UFBU will espouse the issues of Retirees and succeed in rendering justice to your Elders.

We heartily wish massive success to your Delegation and fruitful meeting with the Hon'ble Minister.  Thanking you,”

**Donation to SBPROA out of Arrears –**

**We request all members who have received arrears on account of pension revision based on 1616-1684 points D.A. index (Hon’ble Supreme Court decision) to please remit donation to the tune of Rs.500/- upto arear amount of 50000 and Rs.1000/- by those who get arear of more than 50001 to Rs.100000/- and Rs.1500/- by those who will get arear more than Rs.1,00,000/- to the SBPROA so as to enable us to remit levy share per member for the total membership as on 31.12.2017 to AIBRF as per the decision taken by office bearers’ meeting of AIBRF held at Vijayawada.**

**PAYMENT OF YEARLY SUBSCRITION OF ASSOCIATION**

**The yearly subscription of Association @Rs.500/- has become due for the year 2018-19 w.e.f. 1st April 2018. Still many members have to pay the subscription for the year 2018-19. We shall be grateful if you will please remit the above mentioned amount (if not paid so far) to enable us to bring your account up-to-date.**

**Further we may add that the account holders have to pay charges for deposit of any cash in the account. Hence we request you to transfer the amount to our Saving Bank A/c No. 55124497548 in the name of State Bank of Patiala Retired Officers’ Association (Regd.), Patiala maintained at State Bank of India, Mall Road Branch, Patiala (code 5012) . Please arrange to credit the amount at SBI branch by giving your name & membership number under an intimation to Association.**

With Warm Greetings,

**Yours sincerely,**

**(B.C.Bassi)**

**GENERAL SECRETARY**