



The Canara Bank Retired Officers' Association (Regd)

(Affiliated to AIBPARC)

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Sub: Group Medical Insurance policy for Bank retirees - Need for an affordable, fair and decent policy

The understanding reached between UFBU and IBA on 19.7.2023 regarding introduction of a base group medical insurance policy of Rs.2 lakhs to all categories of bank retirees in addition to the existing policy has come as a bolt from the blue.

Contrary to the expectations of the retirees that a composite and combined policy for both serving as well as retired employees/officers with substantial reduction in the premium amount is in the offing and hopes of subsidising the same by the public sector Banks in lieu of the huge profits over 1 lakh crore made by these banks during the previous financial year, the proposed new policy with reduction in the sum assured amount from **Rs. 4 lakhs to Rs.2 lakhs** and capping the limits for bed charges, ICU and various surgeries /treatments is an insult heaped on the hapless bank retirees. Unfortunately, the gentlemen who negotiated this new base policy for retirees are also retired persons who are at the helm of affairs of serving employees/officer's organisations. The policy defies all logic for an affordable health insurance policy for retirees who are in their twilight years of life. The only aim of the new base policy is to somehow reduce the huge premium being charged on the existing policy and how nicely it is done! Reduce the sum assured by 50% and put a cap/limit on everything from bed charges to surgery/various treatments.

The new base policy which is in addition to the existing policy has created chaos and heartburn. There is no clarity on several issues and different organisations and persons who signed the minutes are coming out with their own versions regarding the funding of this policy. One retired gentleman from AIBOC is telling that premium on this policy would be borne by the retirees and another organisation is claiming that individual banks would be partially/fully funding the scheme! Further, there is no clarity regarding the top up amount which is up to Rs 10 lakhs. In case if someone opts for top up say another 6 lakhs, whether still there will be a cap on bed /ICU/surgical charges as applicable to the base policy? Or the limits would be increased proportionately? Further, what is the fate of existing policy? Already only 30-35% of the retirees are opting for it and there will be definitely further migration to new base policy, which would result in further increase in the premium on the existing policy.

We feel that the new policy is not in the interest of retirees especially the officer retirees and we are sorry to say that AIBOC who negotiated on behalf of the officer retirees has belied the hopes of every one of us and it appears that the AIBOC leadership is playing to the whims and fancies of workmen unions and betraying the cause of officer retirees.

Last but not the least, we do not understand why IBA negotiated an issue exclusively pertaining to Retirees with only the serving officers' organisations? That too when the scheme is not funded by the Banks? In the fitness of things, IBA should have negotiated with the Retirees Associations/Organisations for arriving at a fair, decent and affordable medical insurance policy for Retirees.

Many modern governments have implemented various schemes to deal with the medical expenses of the geriatric population, who typically require more healthcare services due to their age-related health conditions. Unfortunately, in India we do not have any such systems available as on date, though the Indian Government has taken a few initiatives like Ayushman Bharat Yojana that aims to provide free access to health insurance coverage for the low-income earners in the country. Also, all the retired Govt. employees are covered under affordable health care.

Hence, we call upon IBA, Bank managements and the Govt. of India to help the retirees in their twilight years to have an affordable healthcare policy for bank retirees who have contributed their might for the development of Indian economy which has been duly acknowledged by the honourable Prime Minister of India.

We understand that the IBA has called for tender from insurance companies for their new base policy for retirees. We the bank retirees are waiting with bated breath and our fingers are crossed and we do not know what is in store for us as the next renewal of our insurance policy is fast approaching.

We earnestly hope that all the stakeholders will come out with an affordable group Mediclaim policy for bank retirees, without compromising on the quantitative and qualitative aspects of the existing policy and fondly hope that premium on our health policy would be subsidised by the bank managements.

We request all the stake holders to consider the following for an affordable group medical insurance policy for Bank Retirees.

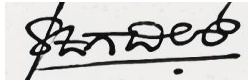
1. There should be a composite/combined group medical insurance policy for both serving as well as retired employees/officers.
2. The sum assured of Rs. 4 lakhs fixed under Group Medical Insurance for officer Retirees was 8 years back. Since then, the cost of hospitalisation and charges for medicines and various medical procedures have gone up substantially. Hence there is an urgent need to increase the base amount to Minimum Rs.10 lakhs as done by LIC, general insurance companies and SBI.
3. There need to be a reasonable cap on bed charges/ ICU charges and only critical illness like cancer, kidney, liver transplants etc. need to have a cap in order to keep the premium at reasonable levels.
4. There should not be any relation or link between cap on bed/ICU charges with any surgery /treatment charges. They should be independent of each other.

5. GST on the premium paid by the retirees is a huge burden. We request the IBA/UFBU/Retirees organisations to make an appeal to the finance minister for waiver of GST on Medical/Health Insurance policies of senior citizens. It would go a long way in helping the distressed geriatric population in India. This would be an enormously helpful gesture to the seniors of India.

6. Individual banks should subsidise the premium paid by their retired employees/officers. This demand is reasonable considering that 100% medical expenses incurred by the whole-time directors of the Bank and their dependents are absorbed by the Bank during their lifetime.

With warm greetings,

Yours Sincerely,



J S Jagadeesh
General Secretary