



**STATE BANK OF INDIA OFFICERS' ASSOCIATION
CHANDIGARH CIRCLE**

C/O State Bank of India, Local Head Office, Sector 17, Chandigarh

Contact Nos. : 0172-4567134-133-135, 9501653388

Email: sbioa.chd@sbi.co.in

www.sbioacha.org

Circular No. 2021/65

Date: 21.09.2021

TO ALL OUR MEMBERS:

RENEWAL OF GROUP MEDICAL INSURANCE POLICY FOR 2021-22

We reproduce hereunder the text of UFBU circular No. UFBU/2021/14 dated 20.09.2021 (circulated by AISBOF Circular No.76 dated 21/09/2021) for the information of members.

With revolutionary greetings,

(Deepak K Sharma)

General Secretary

Text of UFBU Letter No. 2021/14 dated 20.09.2021

To

**Shri Brajeshwar Sharma
Sr. Advisor-HR&IR
Indian Banks' Association
Mumbai**

Dear Sir,

REG: RENEWAL OF GROUP MEDICAL INSURANCE POLICY FOR 2021-22

Our attention has been drawn to the IBA's Circular No. 10340 dated 17-09-2021 informing the Banks about the revised rate of premium payable under the Group Medical Insurance Policy for the retirees.

In this connection, we refer to the discussions we had with the IBA during the meeting held on 08-07-2021 exclusively for this purpose. We had raised number of issues and gave our suggestions including ways and means to reduce the premium by finetuning the scheme, Bank managements sharing a portion of the premium, exemption form GST, etc. IBA assured us that these points would be kept in mind and further discussions will be held with us.

But we are surprised that without any reference to us or without holding any further discussions with us, the IBA has conveyed the revised premium rates to the Banks as finalised by the Insurance Company.

We observe therefrom that the premium has been increased steeply, i.e. by 40% for retired workmen and by 34% for retired officers from Rs. 20,508 + GST to Rs. 28,715 + GST for retired workmen and from Rs. 27,342 + GST to Rs. 36,652 + GST for retired officers.

We note from the IBA Circular that the increased Incurred Claim Ratio has resulted in the increased premium. You are aware that during the pandemic period in 2020-21, hospitals have charged the covid-19 infected patients exorbitantly and that is the only reason why the ICR has shot up.

In fact, other types of treatments under hospitalisation were very much less during this period and hence, excluding the covid related bills, the ICR would be much lower during this period.

It will be appreciated that Government has declared the covid19 pandemic as a national disaster and various measures have been taken thereunder and various schemes and concessions have been announced by the Government to mitigate the related problems because the pandemic was beyond the control of anyone.

In this background, bank retirees were also affected by the pandemic and many of them had to be hospitalised and extended the treatment for the same. Everyone is aware that the hospitals have charged huge amounts as bills for such treatment. In fact, in many cases, the retirees have gone out of pocket because the insurance cover was less and the actual bills were much more.

It was, therefore, expected that there would be sympathetic consideration of their plight by reducing the premium for their medical insurance policy or the IBA/Bank managements coming forward to bear a part of the premium.

It is very disheartening that without any discussions with us on the points raised by us in our last communication on insurance or without considering the genuine problems faced by the retirees, the renewal of the policy has been decided with unaffordable hike in the premium rates.

We request you to immediately convene a meeting with UFBU on this issue to explore the possibilities of reducing the rates of renewal premium.

Thanking you,

Yours faithfully,
Sd/-

(Sanjeev K Bandlish)

Convenor

Copy to: Chairman, IBA.