

Group Medical Insurance policy for Bank retirees- A perspective

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 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 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!

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 should 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 upto Rs 10 lakhs. In case if someone opts for top up say another 8 lakhs, whether still there will be 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, then the premium on the existing policy will be completely unaffordable to the retirees.

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' organisations for arriving at a fair, decent and affordable medical insurance policy for Retirees.

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 request all the stake holders to consider the following for an affordable group Medi claim policy for Bank Retirees.

There should be a composite/combined group Mediclaim policy for both serving as well as retired employees/officers.

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.

There need to be a reasonable cap on bed charges/ ICU charges and only critical illness like cancer, kidney, liver transplants etc. must have a cap in order to keep the premium at reasonable levels.

There shouldn't be any relation or link between cap on bed/iCU charges with any surgery /treatment charges. They should be independent of each other.

GST on the premium paid by the retirees is a huge burden. We need to persuade the Govt to waive this for senior citizens.

Individual banks should subsidize 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.

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