

Coordination of E Associate Banks' Retirees' Organizations.

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Date :13/08/2018

The Chairman
State Bank of India,
Mumbai.

Respected Sir,

Medical Insurance for eAssociate Bank Retirees and Pensioners

We would draw your kind attention to our correspondence when IBA Medical Insurance Scheme was extended to eAssociate Banks' retirees and pensioners during the months of October/November 2017. We also brought to your notice inadequacies in the Scheme as well as service extended to eAssociate Bank retirees by the Insurance Brokers of IBA Medical Insurance Scheme. Our fears have come true regarding the policy and service.

Now, policy period is coming to an end on the 31st October, 2018 and the insurer, United India Insurance Co. Ltd has quoted renewal premium. The premium quoted is Rs.25,928/- (for Rs.3.00 lakhs) and Rs.34,568/- (for Rs.4.00 lakhs) for retired Award Staff and Officers respectively for the coverage without domiciliary treatment. Rs.67,721/- and Rs.90,289/- for retired Award Staff and Officers respectively for the coverage with domiciliary treatment. Top Up premium quoted is Rs.4,852/- and Rs.5,259/- respectively for retired Award Staff and Officers respectively. We are sure that you would agree and sympathise with us, when we say that this premium is unaffordable for most of the retirees. There are many Pensioners/Family Pensioners whose annual pension is less than the premium payable. We are also confident that you would appreciate the need for Medical Insurance during December of lives. Duly appreciating the need for making medical insurance, affordable, our Bank decided to extend subsidy to those who retired from State Bank of India, while paying premium for policy under Plan 'B'. We applaud this decision of the Bank, which is not only humane, but also exhibits compassion. On account of your kind gesture, many of the Pensioners/retirees are covered with Medical Insurance under Plan 'B' of Family Floater Medical Insurance Scheme.

Conveners:

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Advisory Committee:

- Dr. A. Ananthakrishna Rao
(Chairman) (eSBH))
- Shri. K Sukumaran (eSBM))
- Shri.Chandrasenan (eSBT)

Core committee:

- Shri.K. Vijaya Kumar (eSBT)
- Shri.C Gopinathan Nair (eSBT)
- Shri.C N Prasad (eSBM)
- Shri.Y N Ramesh (eSBM)
- Shri.R P Saxena (eSBBJ)
- Shri.B C Bassi (eSBP)
- Shri.D.S. Jattana (eSBP)
- Shri.Prakash Sarma (eSBIR)
- Shri.V Sombabu (eSBH)
- Shri.P D Vaidya (eSBS)

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Insurer of IBA Medical Insurance Policy/Scheme , M/s United India Insurance Co. Ltd. has substantiated drastic increase in premium for next year. One of the reasons attributed to this increase is reduction in number of lives covered, every year and on account of adverse selection. Those who are likely to claim continue and healthier ones go out of the Scheme. Those who have opted for coverage with domiciliary treatment benefit are moving to coverage without domiciliary treatment benefit. Under the circumstances, Scheme is not likely to continue and sustain for a long time.

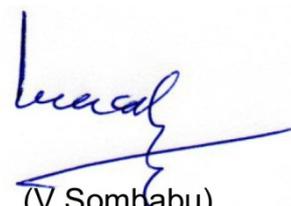
Keeping this experience in view, we feel that only way the scheme would continue for a long time, is when all eligible retirees/pensioners are also covered, atleast to a limited extent, say Rs.1.00 lakh. Thereafter, retirees/pensioners would pay for the coverage depending on their need and affordability. Premium for coverage over and above the minimum limit will also be far lower than what is being paid today. More number of Insurance companies would also be willing to participate in the Scheme. The cost for the Bank may not also be substantially more, as lower amount of subsidy is extended to a large number of pensioners/retirees. Insurance companies also tend to quote a far lower amount of premium in the absence of adverse selection and group consists of a large number of healthier lives. The group size also increases, every year. The policy/scheme would sustain for a long time. Extending insurance to every retiree/pensioner would also eliminate likely claims of discrimination among pensioners. Your kind gesture in this regard would go a long way in helping our bank pensioners/retirees. We request you to kindly consider our suggestion and help pensioners/retirees including many of them who are having meager income/pension.

We are eagerly waiting for positive communication in this regard. Please acknowledge receipt.

Thanking you,

With regards,


(CN Prasad)
Convenor


(V Sombabu)
Convenor