



ALL INDIA RETIRED BANK EMPLOYEES ASSOCIATION

CENTRAL OFFICE : THIRUVANTHPURAM - 695 001

(Regd. No. 938/91)

C/o State Bank of Mysore Pensioners' Commune, Ground Floor, BKG Complex,
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Ref :GOI/MI/308/2022

Date : 31st May, 2022

The Hon'ble Minister for Finance,
Government of India,
New Delhi

Respected Madam,

Medical Insurance Scheme of Bank retirees

We have brought to your kind notice earlier too, with regard to providing Medical Insurance to Bank retirees. We had also brought to your kind notice that on account of payment of premium by the Bank retirees, the Medical Insurance premium has become unaffordable. The Pension of the vast majority of Bank retirees is a fraction of the yearly Medical Insurance premium payable under this Group Medical Insurance Policy. The Premium for Rs.3.00 lakh Medical Insurance is Rs.33,884/- available to retired Award Staff and their surviving spouses. The premium is Rs.43,250/- for Medical Insurance cover of Rs.4.00 lakhs applicable to retired Officers and their surviving spouses. The premiums are out of reach for Bank retirees/pensioners. Naturally, the number of those who join the Scheme or renew would drastically gets reduced. Those who are healthier may opt out and only those who are likely to claim would continue. This would result in adverse selection. The premium, which is supposed to be the average of loss, will be equal to actual loss in the coming days. Consequently, the policy loses its utility. On account of these factors, policy itself may not survive for a long period of time.

Respected madamji, the most of those who are not joining the Scheme are at the lower end of economic strata. Even though the biggest threat for these Senior Citizens is unexpected medical expenses, they are not opting to join, because it is unaffordable. Many of them are destitutes. It is horrifying to imagine the condition of those who cannot afford to pay even insurance premium, when they suffer from serious/critical ailments. Our Country is a socialistic state, whose ethos is to support its citizenry from vagaries of old age. Health is the foremost concern for them. Our Country should support such citizenry. We are aware that you fully appreciate our concerns, as you have expressed in the Annual General Meeting of the Indian Banks Association. We crave for your sympathy, empathy and concern for these sections of citizenry. Please intervene and order extension of Medical Insurance coverage of all Bank retirees with a limit of Rs.3.00 lakhs. The total cost of such a Group Medical Insurance, without selection may not exceed Rs.400 Crores. This amount is only a small fraction of total Establishment expenses. This amount is around 5% of the additional expenditure for recent wage revision in Banks and less than 0.75% of total wage expenditure. We are sure that you



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would appreciate the fact that it is a meagre amount for the Banks. Perhaps, the Bank might even be spending more than that amount spent on discharging Corporate Social Responsibility. But, this would make a huge difference to the lives of Bank retirees/pensioners. This may save many lives and certainly extend the life of a large number of Bank retirees/pensioners. This would be the best way to show and express gratitude towards those who have sacrificed sweat and blood in building these great Banking institutions.

Those who can afford higher amount and better coverage of insurance may be offered Add-on/Super Top-up. They would pay the premium for these additional/ better coverages. Respected Madam, this is an immediate need. This does not pinch the purse much. We request you to kindly intervene and order extension of Medical Insurance coverage for all Bank retirees/pensioners. We would remain grateful to you and would remember you as a harbinger of positive change, which would save many lives. Please help us.

Thanking you,

With warm regards,

(Prasad C N)

General Secretary

Unit : SBRA