

12.10.2018

The Chief Executive Officer  
Indian Banks Association  
World Trade Centre  
Cuffe Parade  
Mumbai

Sir,

**REG : INSURANCE BACKED HOSPITALISATION SCHEME**

We refer to the IBA's Health Insurance Policy renewed by the member banks, as advised by you after negotiating with UIICL, for the year from 01.10.2018 to 30.09.2019. We understand that in the renewed policy, the insurance company has reduced the Room Rent / Bed Charges ceiling from Rs.5000/- to Rs.4000/- per day.

You will appreciate that the officers are eligible for the hospitalization facility in terms of the Joint Note dated 25.05.2015 signed between the IBA and the four Officers' organizations. As per the said Joint Note, the officers are eligible for reimbursement of Room Rent / Bed charges upto Rs.5000/- per day, the natural sequel of which is the eligibility for the class of treatment attached to the eligible class of room.

It is true that in the meeting held on 14.09.2018 IBA had proposed to reduce the Room Rent ceiling from Rs.5000/- to Rs.4000/- per day, as IBA had felt that all other hospital charges are linked to room rent and if room rent eligibility is reduced to Rs.4000/- per day all other expenses relating to hospitalization would automatically reduce there by reducing the insurance claims and the claim ratio. We did not give any consent to the IBA's proposal on that day.

Subsequently vide our letter dated 18.09.2018, all the four Officers' Organizations informed you that the IBA's proposal is not acceptable to us and we are not agreeable to any reduction in Room Rent / Bed Charges. Hence we are surprised that in spite of our said communication, IBA has gone ahead with reducing the Room Rent / Bed Charges ceiling from Rs.5000/- per day to Rs.4000/- per day for officers also.

You will appreciate that by reducing the Room Rent ceiling, you are not merely reducing the hospitalization bill but you are basically reducing the eligible class of treatment for the officers. Hence the reduction of Room Rent / Bed Charges ceiling to Rs.4000/- per day for officers is not acceptable to us.

As mentioned by us in the letter dated 18.09.2018, till 10th Bipartite settlement the officers were eligible for Room Rent / Bed Charges upto 125% of the eligibility of award staff and thus were eligible for higher class of treatment. In 10<sup>th</sup> Bipartite Settlement, the workman were made eligible for the Room Rent at par with the officers there by providing them the same class of treatment as applicable to the officers. The increase in the hospitalization bills, which is the reason given by IBA for suggesting reduction in room rent, may be due to the decision of IBA to provide medical facility to the workman at par with officers in 2015.

While we do not have any grouse against providing medical facility to the workman at par with the officers, you will appreciate that it is not fair on the part of IBA and the Banks now to reduce the eligible class of treatment for the officers because of the increasing hospitalization bills. Hence, we urge you to restore the Room Rent ceiling for officers to earlier limit of Rs.5000/- in terms of our Joint Note dated 25.05.2015.

Sir, as you are aware that the entire premium on the insurance policy of serving employees is paid by the bank and hence we had no reason to have any meeting with you to discuss on the increase/ decrease in premium by the insurance company for the serving employees, our main concern was to discuss the policy of the retirees. The main purpose of our meeting was to find out the ways and means to reduce the burden of premium on the retirees who are required to pay the insurance premium from out of the meager amount of pension received by them. In this connection, we had suggested that the premium should be composite

and not segment wise i.e. the premium for the serving employees and the retirees should be the same and that the premium of the retirees should be borne by the bank in the same manner as the banks are reimbursing the medical expenses to the Ex MDs and Ex EDs. We had also made several other suggestions. But from your communication sent to the member banks on 09.10.2018 we find that except for our suggestion to provide flexibility in the insured amount, no concrete steps to make the health insurance affordable to the retirees and to reduce the burden on them seems to have been taken by the IBA.


We urge you to restore the Room Rent ceiling at Rs.5000/- per day to the officers in terms of the Joint Note dated 25.05.2015 and honor bilateralism.

Yours sincerely,

  
General Secretary  
AIBOC

  
General Secretary  
AIBOA

  
General Secretary  
INBOC

  
General Secretary  
NOBO