



Andhra Bank Retired Employees Association (ABREA)

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Krishnamurthy V Varanasi, President

NSN Reddy, General Secretary

19th September 2023

To
The General Secretary
All India Bank Retirees' Federation (AIBRF)
D/1/Sector C, Scheme No.71
Indore - 452009

Dear Sir,

Reg: Group Health Insurance Policy for the year 2023-24

Ref: i) Our letter dated 16.03.2023.

ii) IBA Ir.no.HR&IR/MBR/MEDINS/0496 dated 18.09.23.

Today IBA released a communication to Banks with details on Group Medical Insurance Scheme for Bank Retirees for the year 2023-24.

While we are expecting reduced premium on account of revised terms of the policy viz., cap on room tariff, surgeon fee, operations, treatment charges etc., the premia on Base policy & Top-up policy have increased disproportionately for the current year, which is really a cause for concern.

Base Policy Premium for Rs.2 lakh (Self & Spouse) - Rs.22419/-.

Top-up Premium for Rs.2 lakh (Self & Spouse) - **Rs.43152/-**

It is a well established practice in the health insurance industry that Top-up premium is always lower than Base Policy premium as the probable risk is secondary in top-up policy comparatively to Base Policy. Contrary to the common belief, the insurance company has made the top-up policy unaffordable by increasing the premium many-fold.

Top-up Sum insured vis-a-vis Premium			
No	Top-up Sum Insured	Premium	Incremental increase
1	1 lakh	23016	-
2	2 lakh	43152	20136
3	3 lakh	49164	6012
4	4 lakh	51576	2412
5	5 lakh	59388	7812
6	6 lakh	65364	5976
7	7 lakh	68376	3012
8	8 lakh	73788	5412
9	9 lakh	79200	5412
10	10 lakh	86412	7212

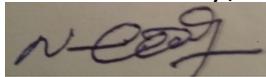
Normally, the premium on top-up policy will be around 20% to 30% of Base Policy premium and the premium for the subsequent slabs are in a diminishing manner.

It is evident from the above table that the fixation of top-up premium for **Rs.2 lakh** was fixed at **Rs.43152/-** which works out around **192%** of Base Policy premium. Further, there is no regularity with regard to premium rate charged for subsequent slabs. We fail to understand the rationale behind fixing inconsistent premium for top-up slabs by the Insurance company and subsequently accepted by IBA.

It is time for us to lodge strong protest with IBA with a request to keep the communication in abeyance and invite the Insurance company for discussions to address the anomalies on priority basis. Simultaneously, we need to address a letter to IRDAI, the Regulator of Insurance Sector of the country to intervene in the matter to make this policy affordable to Bank Retirees.

Thanks and Regards,

Yours faithfully,



(N S N Reddy)
General Secretary