



ALL INDIA BANK RETIREES' FEDERATION (Regd.)

(Regn No:G 6601 under the Trade Union Act 1926)

D-1/1, Sector-C, Scheme-71,

Near Kasara Bazar School, Indore – 452 009.

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Treasurer

Sri M.S.Chourey

Ref:201/92

Date: 17.09.2018

The office Bearers/ Central Committee Members/ State Body Chiefs A.I.B.R.F.

Dear Comrades

Re: Renewal of Super Top Insurance Policy for retirees for the year 2018-2019

Re: Proposal from NIA

As you are aware, because of efforts of AIBRF, scheme of Super Top Health Insurance Policy for senior citizens as group for better and effective health management was introduced during 2017-18 at very nominal premium by New India Insurance Company.

2. Subsequent to this, on the lines of New India , United India Insurance Co, provider of base policy in tie up with IBA also introduced Super Top Policy for bank retirees in 2017-18. However sum assured in case of United India was lower by Rs. 1 lakh while premium charged by both companies were at the same level.

3. Despite all efforts made by AIBRF to create awareness among bank retirees about benefit of super top policy in effective health management at the advancing age and the lowest ever premium quoted for sum assured of Rs 5 & 6 lakhs by New India, response for this policy was extremely poor and we failed to achieve very moderate commitment of 10000 applications in the background of 4 lakh bank retirees, AIBRF membership of 1.8 lakhs, about 2 lakhs retirees opted for base policy of United India and about 80000 opted for Super Top policy of United India which inferior in terms and conditions. With great difficulty and persuasion, we could make New India to agree to issue policy despite failing to achieve commitment of 10000 applications.

4. On the basis of feedback collected by us, we find that post-sale service of New India has been found to be far better than United India in terms of attending quarries/ complaints and settlement of claims. Claim data as provided by New India so far as under:

a) No. of Applications under Super Topup Policy:	8000 approx.
b) Premium Paid (Without GST):	Rs.2.40 Crores
c) No. of Claims:	249
d) Claims already paid:	Rs.2.40 Crores
e) No. of Claims outstanding:	69
f) Claim amount outstanding:	Rs.76.29 lakhs
g) Probable Claims in 2 months:	Rs.83.26 lakhs
h) IBNR 10%	Rs.39.96 lakhs
i) Total Expected Claims:	Rs.4.39 Crores
j) Likely Claim Ratio:	182%

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As per the feedback given, had the application number for New India would have been at least 50 per cent of total group size of 88000 (8000 New India+ 80000 United India) there was scope for good reduction in renewal premium compared to last year.

However based on actual claim data, New India has given following quotes for renewal of super top policy for 2018-19 **QUOTE:**

"Dear Sir

Please find quotation for the renewal of New India Super Top Up Policy. Since quotation was high for the renewal with same sum insured as last year due to very high claim ratio we have asked for quotation with reduced sum insured as second option as that of United India Super Top Up policy of Rs.4/- lakhs for awards staff and Rs.5/- lakhs for officers over base policy sum insured of Rs.3/- lakh for award staff and Rs.4/- lakh for officers.

QUOTATION IS AS BELOW:

Cadre	Sum Insured	Last year Premium	Revised Per Emp. Premium	Premium with GST
Officers	6 lakhs	3225	5902	6964
Staff	5 lakhs	2975	5444	6424
Second Option				
Officers	5 lakhs	3225	5312	6268
Staff	4 lakhs	2975	4900	5782

Please let us know if you have any other suggestion which can help in reducing the renewal premium however it might tend to reduce coverage (As seen in reduction of sum insured) or would have some effect on net payable claim amount.

Unfortunately the effect of not having enough members coverage in the policy (Though with consistent and serious efforts from your end personally and from all AIBRF officials we could complete only around 8000 number and with our sincere and continuous efforts we could convince and force New India to issue policy to AIBRF with reduced strength under the policy even though minimum numbers committed and expected for the policy to be effective were not available) has lead to adverse loss ratio and hence the loading on premium this year.

Minimum number of members to be covered for renewal policy is expected to be 12000 for the policy to be effective as last year we were not able to give the committed number to New India which was 10000.

Please find claims data which has been considered by New India for arriving at the premium for the renewal policy. IBNR is also mentioned which is

considered in insurance parlance as there would be few claims which would have happened however insurer is not aware of them.

Thanks and Regards Capt. Sanjay B Moholkar"

5. The matter will be discussed and deliberated in the forthcoming Central Committee Meeting for final decision for its continuance.

With Warm Greetings,

Yours Sincerely,



(S.C.JAIN)

GENERAL SECRETARY

Reproduced by:
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