

Chief Executives of Member Banks which are parties to the 10<sup>th</sup> Bipartite Settlement/ Joint note dated 25.05.2015.

Dear Sir/Madam,

**Group Medical Insurance Scheme in lieu of Hospitalisation Scheme.**

We refer to our Circular no. CIR/HR&IR/J/2015-16/1079 dated September 16, 2016 on the captioned matter.

2. As per the data/information provided by United India Insurance Co. Ltd. as on 11.9.2016, the average incurred claim ratio of the participating banks in respect of employees is around 182%, which may be expected to increase to 190% as on 30.09.2016. Bank wise details viz. number of employees insured, premium paid by the bank to Insurance Company, number and amount of claims paid/ outstanding, incurred claim ratio, incidence ratio [etc. as](#) on 11.09.2016, as provided by the Insurance Company have also been advised to banks along with the Circular under reference.

3. On the basis of expected average incurred claim ratio as on 30.09.2016 i.e. around 190%, the United India Insurance Co. Ltd. has advised insurance premium for renewal of Group Medical Insurance Policy for employees w.e.f.1.10.2016 to 30.09.2017 vide their letter no. UIIC/IBA/CELL/PC5/00/2016 dated 15<sup>th</sup> September, 2016 as under :-

Category	Amount Insured	Premium
Award Staff	Rs.3.00 lacs	Rs.10,452/- Plus Tax
Officers	Rs.4.00 lacs	Rs.13,935/- Plus Tax

4. On receipt of above mentioned letter advising insurance premium for employees' policy, IBA vide its letter no. HR&IR/2016-17/XBPS/J/1082 dt 17.09.2016, took up the matter with the Chairman cum Managing Director, United India Insurance Co. Ltd. requesting him to reduce the insurance premium by calculating the same in accordance with the matrix agreed and given by the Insurance Company for continuing cover for three years and mentioned in Insurance Policies given to the participating Banks.

5. The United India Insurance Company Ltd. vide its letter no. nil dated 21.09.2016 (copy enclosed) has advised that the matrix was given for a claim ratio up to 140%. Since the claim ratio has exceeded the threshold, they are unable to stick to the matrix provided at the inception of the coverage. They have further advised that the rates given by them are based on the premise that they have to have a continued relationship through sustainable rate and coverage. They also have proposed that if the loss ratio is kept under control and profit generated, if any, shall be shared equally.

6. In view of foregoing, it is apparent that the rates given by them as mentioned in Para 3 herein above for renewal of the said Policy are final from their side. You are therefore advised to take a view in the matter and do the needful accordingly.

Yours faithfully,

Sd.. K UNNIKISHNAN

CHIEF EXECUTIVE (OFFG).

Bankwise details are also given herein. Units are requested to be in touch with us for any guidance.

Yours comradely,

C.H. VENKATACHALAM  
GENERAL SECRETARY