

THE CANARA BANK OFFICERS' ASSOCIATION (REGD) (AFFILIATED TO AIBOC)



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CBOA IS ALWAYS RIGHT

Dear friends,

Our apprehensions are proved Genuine.

When the new hospitalisation scheme was launched, we expressed the following doubts through a letter written a year ago:

1. The ceiling is meant only for arriving/paying premium for the bank to insurance company and the corporate buffer may be a convenience for the bank but even the shortage of such buffer shall not come in the way of settling the full eligible amount to the officers/employees without ceiling.
2. There is a danger that the TPA may scrutinise the claims with a mind set to find ways to reject/ minimise the settlement which was not the principle when the bank was scrutinising the claims with benevolent mind set hitherto.
3. whether the serving employee's cover ends on his superannuation or it is extended to complete the year even after the retirement?
4. whether the banks pay more than the actual claim settlement to the insurance company, as the premium paid includes profit/ commission/administrative charges for the insurance company/the third party administrator and no insurance company will settle more than the premium collected.

Our fear came true that

1. There was an undue delay in settling the claim and the officers and employees across the country expressed the utmost dissatisfaction.
2. Lots of rejections on flimsy grounds, as the insurance company's priority is their profit.
3. Lots of confusions in domiciliary treatment and impractical directions in getting medical certificate.
4. Restrictions were imposed on settling the claims from out of the buffer too, against the joint note and against the assurances.

We have been continuously opposing this impractical scheme and suggesting to revert back as

1. We are experienced in settling medical claims.
2. Our approach in settling will be employees friendly, compassionate, timely and on many of the times, in advance too.
3. We need not pay the premium upfront, as the settlement spreads throughout the year.
4. In deserving and in extraordinary cases, we have breached the ceiling too as the scheme is a staff welfare and the benevolence is the prime objective.

But, our opponents were claiming that though the individuals are negatively affected, overall the insurance companies are settling more than the premium collected.

But, now the cat is out, the insurance companies have increased the premium to beyond 100% against the agreement, without increasing the claim settlement though the cost of medicines and treatment is also sizeably going up.

It is learnt that the companies even refused to extend the cover for even one month at prorata of the existing rate till the banks are arriving decision on the increased premium.

The scheme ends tomorrow (September 30th) and the premium to be paid before the dead line.

Now the Banks are in fix as the Insurance companies want to make profit covering the losses incurred during the last year too.

Thus, We renew our suggestion to revert to the old scheme with improvised cover to be handled by the respective Banks, which would result in

1. *On time settlement.*
2. *Benefit to the workforce.*
3. *Ultimate profit to the Bank monetarily and also in getting the good will of the committed officers.*

MANIMARAN G V

- **Kindly read my following letter on the subject written a year ago.**

NEW MEDICAL INSURANCE SCHEME

Dear friends,

New medical insurance scheme is introduced.

There are certain important issues are still daunting which are not amply clarified.

Many are not clear whether the claim is restricted up to Rs.3 lacs/ Rs.4 lacs respectively only?

What would be my fate in case the claim is more than Rs.3 lacs/ Rs.4 lacs respectively?

In case the claim is more, whether it would be extended till Rs.100 crores buffer earmarked for the entire industry is getting exhausted?

Dear friends, the joint note clearly and explicitly indicates, **“while reimbursement to the officers/employees shall be made as hitherto, the scheme shall be administered by the banks through a scheme worked out between IBA/banks and insurance companies and officers/employees would in no way be directly bound by the terms and conditions of such scheme or arrangements”**

The above said incorporation in the joint note shall clearly be interpreted that **the scheme is improvised from the existing one and for the officers/employees are concerned they are not bound by any ceiling mentioned as 4 lacs or 3 lacs and they are eligible for getting the benefit without any such ceiling.**

The ceiling is meant only for arriving/paying premium for the bank to insurance company and the corporate buffer may be a convenience for the bank but even the shortage of such buffer shall not come in the way of settling the full eligible amount to the officers/employees without ceiling.

Thus your CBOA has taken up with the administration to incorporate the above said clarifications in the documents and effect the claim settlements in taking joint note provisions in true letter and spirit.

Though it is advised that the claims are to be submitted to the bank as usual, it is also hinted that the claims would be scrutinised by the third party administrator.

Thus we expressed our apprehension of a danger that the TPA may scrutinise the claims with a mind set to find ways to reject/ minimise the settlement which was not the principle when the bank was scrutinising the claims with benevolent mind set hitherto.

we also sought clarification on whether the serving employee's cover ends on his superannuation or it is extended to complete the year even after the retirement?

This above said clarification is very much necessary because the employee/officer may have to pay premium otherwise, after the superannuation though there may be a residual cover period at the time of superannuation.

Friends, there is an apprehension whether the banks pay more than the actual claim settlement to the insurance company, as the premium paid includes profit/ commission/administrative charges for the insurance company/the third party administrator and no insurance company will settle more than the premium collected.

The banks have earmarked a buffer of Rs.100 crores towards excess claim beyond the sum insured is an additional expenditure to the banks besides the premium remitted which includes the profit/ commission/ administrative charges to the insurance company/ third party administrator.

Nevertheless, the employees/officers will be benefitted only when the seamless claim is settled, subject to sub ceilings, as we have been enjoying hitherto which is the true spirit of joint note.

Thus we requested the bank to incorporate the above said provisions of joint note and ensure its implementation.

MANIMARAN G V
General Secretary