

# General Insurance Pensioners All India Federation

(Regd. Under T. U. Act 1926 No.ALC/karyasan-17/11087)

H.O. : C/o. GIEAIA, 3rd Floor, Sterling Cinema Building, 65, Murzban Road, Fort, Mumbai - 400001.

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A. K. Singhal  
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8<sup>th</sup> March, 2021.

The Chairman,  
GIPSA  
C/O United India Insurance Co Ltd.,  
Head Office,  
24, Whites Road,  
CHENNAI.

Dear Sir,

Sub: Our strong objection on loading on  
Retirees' G.M.P. from 1<sup>st</sup> April.2021 onwards.

We are extremely saddened to read and astonished to find from the circular issued by United India dated 05-03-21 conveying the decision of GIPSA to jack up GMP premium rates for retiree employees and spouse of deceased employees by applying loading of 22.75% on the base premium for 2019-20.

The staff Mediclaim policy was designed as welfare scheme empowering GIPSA to bare 75% of the premium amount with the consent of Ministry of Finance in 2014. The Mediclaim policy is issued for one homogenous group of inservice employees and retired employees and therefore, without consultation of employees and retirees GIPSA is tinkering adversely with the beneficial terms especially to retirees this is very objectionable.

Moreover we have understood that GIPSA is not following any practice of loading premium on the basis of nine months experience to general policy holders.

We have also gathered the information that GIPSA has considered Pandemic claims like extraordinary claims of natural calamity etc. while calculating the ICR. In insurance industry it is always excluded from ICR. This fact has not been considered in considering the incurred claim ratio.

Moreover on being human centric cover IRDA has instructed not to load premium for three years on medi-claim. GIPSA has flouted these directions.

Thus retirees and spouse of retired employees will have to pay loading of total 47.75% on base premium with effect from 1st April, 2021.

This decision is totally unjustified, unwarranted and unacceptable to retirees.

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We would like to convey here that the revision in premium, if necessary, should have been done atleast after three years. Last financial year you have loaded 25% on base premium and once again following year you are imposing further loading of 22.75%. Its a very harsh decision and need to be re looked from your end urgently.

Retirees are already hard pressed particularly who are very seniors in age and to pay additional loading is putting them in a situation when they have to think seriously whether they should continue with the policy or maintain their families with the limited income. It is fact premium of some of the senior retirees are more than their monthly pension. How will they continue their health policy under this situation?

For last more than a year we have been writing to GIPSA and four CMDs of PSGI companies to consider paying premium in installments which will give a substantial relief to retirees but you have ignored our justified proposal. For your information we have discussed this issue with It. Secretary (Insurance Division, Under DFS, who assured us to take up the cause with GIPSA. Retirees who are seniors in age are perplexed and in tremendous worries how to gather such huge premium amount. Further, we would like to point out ICR should be considered in total ie; in service and retired employees together as it is one policy. So we strongly feel the clause of separate group retirees and in service employees for arriving ICR is to be removed from the policy and loading to be applied on total group together. While arriving ICR , we would like to know whether **Covid-19** hospitalization treatment is also taken in to consideration.

Actually Covid19 is a pandemic and as such it's impact on ICR should not affected. We would like to add here for a long time we have been insisting on reimbursement of the cost of Diagnostic Test which will ultimately reduce the ICR but you preferred to keep silent. When we discussed this issue he agreed to take up the matter with GIPSA and advised Dy. Secretary to get the list of Laboratories from CGHS panel of Pan India. Pl take up this issue in GIPSA governing body meeting as cost effect will not increase ICR but decrease in subsequent years.

We also request you to include Dental treatment with a cap in the policy.

In view of loading in the base premium at the renewal time it is suggested to consider the option for increase or decrease in the sum insured. This will ease the hardship of retirees and in particular deceased retirees spouse. When PSGI companies are extending huge discount facilities in GMP in spite of high ICR why the retirees after giving 35 to 40 years of service and helped the companies to grow

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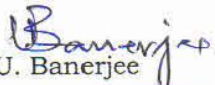
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should not get GMP in cheap or affordable rate? Please rethink and re look on your decision. Medical Policy is introduced in our industry as social responsibility on employees and retirees, so keeping this angle loading should be decided, not mechanically.

We therefore urge on you re look and reconsider your decision after going through our views and points raised in this letter. Please treat as Most Urgent and come with some positive decision for the retirees who are senior citizens of the country.

Thanking you.

Yours faithfully,

  
U. Banerjee  
General Secretary.