



ALL INDIA INSURANCE PENSIONERS' ASSOCIATION

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President : Com Ashok Tiwari

Date : 4th February 2021

General Secretary : Com T K Chakraborty

Cir No : 02/2021

To

All Divisional/Regional/State units of AIIPA

Dear Comrades,

Re: Letter to Shri M R Kumar, Chairman, LIC of India.

We reproduce below our letter dated 4th February 2021 addressed to Shri M R Kumar, Chairman, LIC of India.

With greetings.

Comradely yours.

General Secretary

Date: 4th February 2021

**Shri M R Kumar,
Chairman,
LIC of India,
Mumbai.**

Dear Sir,

Re: GROUP MEDICLAIM POLICY 2021-22

AIIPA would like to focus, in this communication, on certain aspects of Group Mediclaim Policy for LIC Retirees, with the fond hope that LIC, while negotiating with the Insurer for renewal, will factor in its concerns.

AIIPA has, for long been, stressing that the Group Mediclaim Cover should be a Welfare measure and clientele-friendly. Towards this end, the Sum Insured should commensurate with the contingency needs of the situation, the Premium Rates should be affordable, the coverage should be universal not excluding any retiree and/or their families and benefits should be comprehensive to cater to all types of treatments, be it domiciliary and/or hospitalisation.

Even though the upper limit for reimbursement (basic plus optional) is Rs.50 Lakhs, not many pensioners can go in for it. Since the Basic Sum Insured upto which 75% premium subsidy is available is Rs.4 Lakhs, Rs.6 Lakhs and Rs.10 Lakhs, only a few will be able to bear the full premium for the higher optional Sum Insured. This is especially so, for older pensioners drawing lower pension.

AIIPA feels that, to help Pensioners to tide over the difficulties in this regard, LIC should come forward for increased levels of Basic Sum Insured, coupled with offer of Free Cover. Such a step will enable Pensioners to opt for higher optional Sum Insured, that will be necessary in the backdrop of escalating costs of hospitalisation.

The Premium payable has been undergoing change almost every year and there have been steep increases in the past. We feel claim experience does not warrant such unfavourable changes and AIIPA demands that Premium for higher ages be frozen at the level, for age 60.

The present Group Mediciam Policy excludes expenses for dental treatment, charges for Dentures and cost of Hearing Aids, very much needed in old age. AIIPA requests LIC to impress upon the Insurer to extend benefit of reimbursement so that Pensioners need not have to shell out the costs from out of their pockets.

As delineated herein above, the scheme should be universal and Pensioners who had to go out of the scheme, not due to their volition, but because of circumstances prevailing then, have to be offered a chance to enroll themselves as without a medical cover, they and their families are not only suffering physical and mental agony but also serious financial burden.

AIIPA has been urging upon Insurers and LIC to remove the restrictive clause, entailing proportionate reduction in benefits based on Room Rent paid over the prescribed limit. Our considered opinion is, such reduced benefits are against natural justice and spirit of the policy, as the group Mediciam cover is meant for recompensing the actual expenditure.

The pre-conditions prescribed for reduction in Sum Insured, when a pensioner dies and the spouse becomes eligible for Family Pension, much lower than regular pension, tantamounts to penalising the deceased pensioner and burdening his/her family. The Family Pensioners should be allowed to revert to Basic Sum Insured or optional Sum Insured, as per their need and affordability.

It has been our experience, a sizeable portion of pension gets drained when pensioners spend huge amounts of money towards Domiciliary treatment, Cost of visits to the physicians, cost of drugs and cost of special Reports etc., all without the need for hospitalisation, have a telling effect on the standard of living of the pensioners and more the occasions, more the lower standards.

AIIPA has been taking up with LIC that a scheme of Monthly Cash Medical Allowance be ushered in, that will at least partially meet out the expenditure for domiciliary treatment incurred. In the past, the response had been positive that turned to lukewarm later. Our Organisation expresses its strong desire that pensioners become entitled to some relief on

this score and requests LIC to initiate measures that will grant them monetary benefits towards cost of domiciliary treatment.

AIIPA believes that the Management would have begun consultation process for renewal of Group Medclaim policy or might do so shortly and desires that its well-meaning suggestions find favour with LIC and the Insurer.

AIIPA hopes that the Group Medclaim Policy for the ensuing year, 2021-2022, will be renewed taking into account its reasonable view points and genuine suggestions.

Thanking You,

Yours faithfully,

A handwritten signature in black ink, appearing to read 'T.K. Chakraborty', with a stylized flourish at the end.

(T.K.CHAKRABORTY)
General Secretary