

# ALL INDIA BANK OFFICERS' CONFEDERATION

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Circular No. 2020/48

Date: 11.06.2020

To All Affiliates (Please Circulate)

Dear Comrade,

**COVID-19 AILMENT**

**HOSPITALISATION: REIMBURSEMENT UNDER MEDICAL INSURANCE SCHEME**

We have sent a communiqué to the Chairman, IBA vide our letter no. AIBOC/2020/25 dated 11.06.2020 on the captioned subject. Copy of the letter has also been sent to the MD&CEOs of all nationalised banks. Text of the communication is appended.

With greetings,

(Soumya Datta)  
General Secretary

**Text of Letter No. AIBOC/2020/25 dated 11.06.2020**

Ref No. AIBOC/2020/25

Date: 11.06.2020

The Chairman  
Indian Banks' Association  
Head Office  
World Trade Centre Complex  
Cuff Parade  
Mumbai – 400 005

Dear Sir,

**COVID-19 AILMENT**

**HOSPITALISATION: REIMBURSEMENT UNDER MEDICAL INSURANCE SCHEME**

You are aware that the novel Coronavirus pandemic has gripped the entire nation and the numbers are on an exponential growth. The bank employees and officers are frontline 'Corona Warriors' in the fight against the pandemic. Till date 11 bankers have laid down their lives in the line of duty and several others across the country have been infected. In this regard, it has come to our notice that the amount of reimbursement sanctioned by Insurance Company for Covid-19 treatment under Medical Insurance Scheme as reimbursement of the hospitalisation expenses is far less than what is being billed by the hospital. It appears that the Insurance Company is deducting all charges like cost of PPE kits etc. used for the treatment as non medical expenses.

02. In a recent incident, an officer of IOB at Chennai was admitted to a private hospital due to non availability of bed at government hospitals. The officer was charged Rs.4,77,723/- out of which the insurance company had sanctioned Rs.1,85,843/- only as reimbursement. The official, who was already in state of distress was forced to pay the balance amount of Rs.2,91,880/- from her own resources. On scrutiny of the sanction by the Insurance Company, it was observed that they had disallowed an amount of around Rs.2,50,000/- towards PPE Kit used for the treatment for two weeks. In fact, the official was forced to seek discharge and shift to a quarantine centre of State Government. This is not an isolated case; such cases are happening across the country.

03. Sir, in this regard we wish to bring to your kind attention that the Medical Insurance Scheme in lieu of Bank based reimbursement scheme had been implemented in pursuant to 10<sup>th</sup> Bipartite Settlement.

As per point No.4.10 of the Appendix I to the settlement, the excluded items for reimbursement are :-

“All non-medical expenses including convenience items for personal comfort such as charges for telephone, television, barber or beauty services, diet charge, baby food, cosmetics, tissue paper, diapers, sanitary pads, toiletry items and similar incidental expenses, unless and otherwise they are necessitated during the course of treatment”.

04. Even the above exclusion clause does permit such expenses if the same are necessary for the treatment. While being so, the PPE Kit is an essential and necessary item for Covid-19 treatment and unfortunately the cost of the same is huge in the bill is not supposed to be disallowed if the claim is processed in tune with the above clause.

More so, as the onset of Covid-19 is a recent phenomenon and employees have not taken separate insurance cover, disallowing huge amount under the pretext of “Excluded items” should not to be passed on to employees.

05. As per Annexure IV to the settlement, the Medical Insurance Scheme was evolved to extend better coverage and full reimbursement of expenses connected with hospitalisation and medical treatment including domiciliary hospitalisation and domiciliary treatment. The scheme so evolved also specifies that 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.

While the guideline is so clear, we wish to bring to your kind attention and request you to issue an advisory to member banks to step in at this critical juncture and provide solace to employees, who are serving the nation in these trying times to provide essential service, while risking themselves and their family members.

06. We also urge upon your good office to initiate dialogue with Insurance Companies for issuing instructions to TPAs for reimbursement of entire portion of the expenditure incurred by employees especially for Covid-19 treatment or in the alternative, if management fails to get implemented the agreed clause from Insurance Company, the amount of disallowed portion may please be reimbursed by the respective Bank/s as bankers are extending yeoman service to customers at branches, braving all odds and with the risk of exposure to the dreaded virus.

Hence, we urge upon your good office to take a call on our reasoned suggestions and ensure that succour is provided to staff members by ensuring full reimbursement for hospitalisation expenses towards Covid-19 treatment without disallowing cost of essential items like PPE et al.

***Stay Healthy, Stay Safe***

With regards,

Yours sincerely,

**Sd/-  
(Soumya Datta)  
General Secretary**

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***A virus does not spread itself. It is we, who spread it.***

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