



SANCHAR NIGAM EXECUTIVES' ASSOCIATION

CENTRAL HEAD QUARTERS

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All Communications
to the General Secretary

To,

Shri. Arvind Vadnerkar ji,
Director HR, BSNL Board,
3rd Floor, Bharat Sanchar Bhavan,
H.C. Mathur Lane, Janpath, New Delhi.

Letter No. SNEA CHQ/Corr/Dir HR /2022-23

Dated 25th January 2023.

Sub: Request for incorporating required change in GTI Policy of executives, its availability at Market rates and making it available with Full or partial premium payments by BSNL.

Ref: Letter No. BSNLCO-A/11(11)/2/2022-ESTAB dated 20.01.2023.

Respected Sir,

With reference to the above subject and letter, we appreciate sincere efforts taken by GM Admn BSNL CO and his team under your valuable guidance for implementation of Group Term Insurance for Executives in BSNL and your office is moving ahead with the proposal of its renewal due from 01/03/2023. Over the period of last three years this policy has been found most useful to the executives and specifically it helped a lot to the family members who left heavenly abode during Covid pandemic.

It is matter of satisfaction that BSNL HQ has introduced GTI Policy and during the period of pandemic we were able to extend social security to the family members of deceased executives successfully. We are confident that your good office will be able to get the rates of GTI premium further reduced as the rates quoted last year are higher as compared to last year.

Though this GTI Scheme has been useful for many, there are certain issues which need kind attention before going ahead with the renewal of GTI. We have called for feedback from the members and OBs of SNEA and the same are consolidated as follows.

1. On analysis of the premium rate, it is observed that the premium rate declared last year was more than the premium rate available in Open Market. It was even observed that LIC itself was giving GTI at lower rates. It is required that BSNL should stress and negotiate for Lower premium than last year premium.
2. During last year the premium was higher due to increased claims during COVID period and now there are little chances of Covid casualties. We should stress for reduced premium rates on grounds that by now all are vaccinated and about nil casualties are reported due to Covid.
3. Due to higher premiums, the response from executives was less last year and if the premium rates are reduced at par with market rates, the number of participants in the GTI scheme will increase. With the number of increased participants, the Premium can be further reduced and hence we request your good office to have to depth negotiations so that its maximum benefits are passed to the Executives at minimum cost.
4. Maximum coverage at minimum Premium is the basic requirement of the executives and hence instead of single GTI of Rs. 50 Lakhs, the option may be made available for Executives for GTI of Rs. One Crore or multiples of Rs Ten Lakhs after initial 50 Lakhs at the payment of additional premium.

5. In the open market the Term plan for different age(s) are available at following rates (Inclusive GST) in the open market (Ref: Policy Bazar date 24/01/2023).

Age in Years as on date of joining policy	ICICI Prudential Offerings (Rs)	HDFC Offerings (Rs)	PNB Met life Offerings (Rs)
35	9714	9768	7906
43	13800	14508	11741
51	22732	22461	17857 (*Bajaj All)
Claim settlement Ratio	97.9%	98.7%	98.2%

In comparison to these Market rates, the premium rates proposed by LIC for BSNL Executives are much higher. LIC premium for Rs 50 lakhs GTI with age less than 50 was Rs 16815 and the premium for Rs 50 lakhs GTI Policy for executives with age above 50 years was Rs 47200 and for GTI Policy of Rs 20 lakhs with age 50 and above the premium was 18800. These premiums are very high as compared to Market rates and hence the response from executives was less. We will have to strongly negotiate with LIC and get the rates less than the market rate.

6. All PSU Banks are offering insurance in open market like SBI Life, PNB Metlife, Star Union from Union Bank with additional features or benefits like **Child education cover, Spouse additional cover, Terminal illness, Top-Up plans up to 1 Crore or more, accidental benefit, Critical Care benefit, Permanent disability benefit, Policy beyond 60 years** which are not available with existing GTI Insured executives of BSNL. All the benefits are to be negotiated with LIC. It is requested to add these facilities and it will be better if riders are allowed with this policy as option and choice of riders with additional payments if any.
7. There is a need to encourage youngsters to opt for this social benefit scheme and different age groups may be created for offering rates as per age. For that the premium may be fixed as per age slabs with a margin of ten years. The premium at age slab will be affordable to individuals and there will not be extra expenses.
8. It is further brought to your kind notice that the executives are already under financial crises as 3rd PRC is not granted. The young executives are facing pay less of Rs 15000 to 18000 per month per head and hence they found it difficult to pay GTI premium. We have seen that some young executives who passed away due to different reasons have not opted for GTI and their family members are on the road and facing hardship. As such, it is requested that Premium of GTI should be fully paid by BSNL as a facility to the executives. If not fully at least 50% premium should be paid by BSNL and 50 % will be paid by individuals. This will reduce the financial crises of individuals, mainly youngsters who are the backbone of BSNL and the number of executives opting for GTI will be more, which will further reduce the premium amount.
9. Last year the premium was increased due to higher claims due to Covid and this year if the claims are reduced then the premium should also be lowered. As there is little chance of Covid casualties further especially as all are vaccinated, premium may be tried to reduce to attract more takers.
10. For total 29000 executives the premium @ Rs 10000 to the expenditure involved is Rs 29 Crore which is very less as compared to overall expenditure of BSNL and BSNL management has to take care of welfare of executives by paying this reduced premium.
11. Further, as of today, BSNL is negotiating only with LIC and we also support for same as LIC is PSU. But at the same time LIC also has to think and keep an approach that they are offering GTI Premium and policy to PSU and should offer reduced

premium and not the premium higher than the market rates. Less premium is one of the benefits of Group Term Insurance and here LIC is not passing on these benefits to BSNL and its executives.

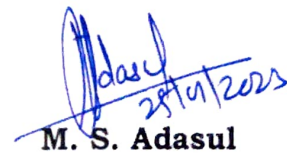
12. As such, quotations may be called from all PSUs Banks or even from Private firms offering such Term Insurance policies and comparison should be done on part of BSNL for negotiation of rates. We should work out a proposal with other PSUs, in case LIC is not able to reduce the rates or ready to negotiate further. There is sufficient time available to reintroduce the policy before 1st March 2023 with new proposal.
13. Considering March 2023 Financial year closure and heated competition in the insurance sector there are possibilities to get better rates and quotations in the open market for existing 10000 plus executives which may grow up to 20000 plus if minimum premium with maximum benefits and riders are offered to Executives in BSNL.
14. We request to negotiate for deduction of Quarterly /Monthly premium from Salary of employees so that direct heavy financial burden is not imposed on executives in one lot. With Monthly/Quarterly EMI, the number of executives opting for GTI will be more.
15. There is also demand that the option to continue the GTI after superannuation should be introduced which is not available at present. Though the option for renewal or continuing GTI after 50 years with the same premium is available, the same is not available on superannuation retirement and some executives will be willing to continue even at some percentage of increased premium. If one opts for individual Term Insurance then it is quite possible to continue to life time and the same needs to be introduced in GTI.

These are some suggestions from SNEA and we will continue to give feedback for making this GTI Policy by BSNL as most acceptable to Executives in BSNL and the family members of any Executive in BSNL will not be made to suffer as happened in some of recent past cases. We specially request for BSNL Management to bear the full or atleast partial amount of the GTI Premium of Executives and reduce their financial burdon so that all are covered under GTI Policy.

We are hopeful that our suggestions will be given due consideration by your good office.

With Warm Regards,

Sincerely Yours,



M. S. Adasul
General Secretary
SNEA CHQ

Copy to:

1. CMD BSNL for kind information please.
2. PGM SR BSNL CO for kind information and n/a please.
3. GM Admn BSNL CO for kind information and n/a please.