



# KERALA WATER AUTHORITY

Jalabhavan  
Thiruvananthapuram – 695033  
Kerala – India

## PROCEEDINGS OF THE MANAGING DIRECTOR

**PRESENT : Sri.Venkatesapathy S.,IAS**

Sub:- KWA - Admn- Group Health Insurance Scheme for Employees of Kerala Water Authority for the year 2022-2023 - Orders issued.

No: 5462/E11/2022/KWA

Dated: 13.04.2022

- Read:-*
1. 423rd Board Meeting held on 17/12/2021.
  2. Meeting held with the Employees Unions & Public Sector Insurance Companies on 23-12-2021 & 07-01-2022.
  3. Govt letter No WS-C2/206/2021- WRD dated, 25-02 -2022.
  4. Meeting held with the Employees Organizations on 16-03-2022 & 21-03-2022.
  5. Quotation No. 5462/E11/2022/KWA dated, 31-03-2022
  6. Offers received from Public Sector Insurance companies on 06-04-2022.
  7. This office Negotiation letter of even No. dated 07-04-2022 to M/s United India Insurance Company Ltd .
  8. Email received from Sri. Aananda Jawahar, Senior Branch Manager, M/s United India Insurance Company Ltd. dated, 08-04- 2022.

### ORDER

Kerala Water Authority (KWA) is facilitating a Group Health Insurance Policy for its employees since 2014-2015 and is still continuing. The existing Group Health Insurance Scheme for the Employees of KWA is due to expire on 15.04.2022 midnight.

The procedures for Group Health insurance policy for the 2022-23 was discussed in the Board in its 423<sup>rd</sup> meeting held on 17-12-2021 and it was resolved to renew the insurance after consulting with Government. Also discussions were held with the representatives of Employees' organizations on 23-12-2021 and 07-01-2022 regarding the procedures for Employees Insurance policy for year 2022-23. The representatives unanimously opined to send request to Government for joining the Medisep scheme with the concurrence of the Board. If the request is not considered by the Government, then to continue with the present insurance scheme without any break with possibly reduced premium, increased coverage amount, increased buffer fund, etc.

The matter has been taken up with the Government and the Government, vide paper (3) read above, have informed that the first phase of MEDISEP Scheme has been implemented and Government had included both employees and pensioners those who are subject to Kerala Government Servants Medical Attendance Rules 1960



as beneficiaries and the matter of including employees and pensioners of Public Sector undertakings will be taken into consideration in the next phase when re-defining the terms of membership.

During the meeting held with the Employees' organizations on 16.03.2022 and 23.03.2022 (ref 4) to discuss the Group Health insurance Policy for 2022-23 it was informed that joining Government's Medisep scheme is possible only in the next phase of the scheme.

- In the Meeting, Employee's organizations have unanimously opined that to refresh the existing policy without break w.e.f. 16.04.2022.
- It was resolved that no need to engage brokers in the renewal process of the GHI Scheme for Employees.
- Also resolved to invite quotations for insurance policy for the year 2022-23.

Discussions were also made to increase the premium coverage and to enhance the buffer fund. After analyzing the past 3 years data, it was ascertained that the number of employees who claimed above ₹.3 lakh (i.e., the present premium coverage) is very less compared to the average claim per person. Therefore, increasing premium coverage and option for increasing buffer fund will only increase in the premium amount without much benefits to the Employees.

Accordingly, quotations were invited vide paper (5) read above fixing last date of receipt as on 06-04-2022. In response, following two public sector Insurance companies have submitted their offers on 06.04.2022. The quotes received are as follows :

**1) M/s Oriental insurance Companies Ltd.**

Financial bid for Tailor made Group Health Insurance Policy for Kerala Water Authority Employees and their Family Members 2022-23 to cover <b>34320</b> lives (6941 EMP+ 27379 Dependents )		
SL. No.	Particulars	Amount in INR
1	Per head Annual Premium for 3 Lakh for a period of one year without GST	Rs. 4,660/-
2	Taxes if any /GST	Rs.839/-
3	Total in figure	Rs. 5,499/-
4	Total in words	Rupees Five thousand four Hundred and Ninety Nine Only

**2) M/s United India Insurance Company Ltd .**

Financial bid for Tailor made Group Health Insurance Policy for Kerala Water Authority Employees and their Dependents 2022-23		
For <b>7000</b> employees and <b>28000</b> dependents		
SL. No.	Particulars	Amount in INR
1	Per head Annual Premium for 3 Lakh for a period of one year without GST	20801
2	Taxes if any /GST	3744
3	Total in figure	24545
4	Total in words	Rupees Twenty Four Thousand Five Hundred and Forty Five Only



The quotes received are tabulated below for 7000 employees as:

### 1. M/s Oriental Insurance Company Ltd

Per head annual premium for 3 Lakh for a period of one year without GST	- ₹ 23,041.52
Taxes if any /GST	- ₹ 4,147.47
Total in figure	- ₹ 27,188.99
Total amount for 7000 employees & their dependents	- ₹.19,03,22,930/-

### 2. M/s United India Insurance Company Ltd

Per head annual premium for 3 Lakh for a period of one year without GST	- ₹ 20,801
Taxes if any /GST	- ₹ 3,744
Total in figure	- ₹. 24,545

Total amount for 7000 employees & their dependents - ₹.17,18,15,000/-

It is seen that the lowest quote is received from M/s. United India Insurance Company Ltd. The firm had quoted an annual premium including GST for an amount of ₹24,545/- (₹.20,801 + ₹.3,744 (18% GST) ) per employee for 7000 employees and their 28000 families the total annual cost comes to ₹.17,18,15,000/-. The annual premium including GST (₹24,545/-) quoted with the same terms & conditions of last year policy is about 14.60% above the premium for the previous year. Accordingly, a letter of negotiation was sent to the lowest quoted firm i.e., M/s. United India Insurance Company Ltd as per the terms mentioned in the quotation notice.

In the negotiation reply, vide paper read (8), Company intimated that further reduction is not possible since they had already given a suitable reduction in premium while submitting the quote.

The total number of employee as per the strength of staff of KWA, is worked out as 6985 (as on 06-04-2022). The total Premium is worked out for 7000 employees as per the quotes given comes to ₹17,18,15,000/- (**Rupees Seventeen Crore Eighteen Lakhs and Fifteen Thousand Only**).

#### The special condition in respect of the policy are:

- The premium for one year has to be released in two equal installments.
- First installment will be released to the company for the first six months at the policy inception. Policy will be commenced immediately with available insured persons.
- Second installment of the premium will be paid to the company at the end of the sixth month from the date of inception.

As per the lowest offer for renewal of Group Health Insurance Scheme for Employees of Kerala Water Authority for the year 2022-23 from M/s United India Insurance Company Ltd. with the the existing conditions for 7000 employees and their dependents, at an annual premium of ₹.24,545 (₹.20,801+ ₹.3744, 18% GST) the total amount comes to ₹.17,18,15,000/- (**Rupees Seventeen Crore Eighteen Lakhs and Fifteen Thousand Only**). As such, the first installment of premium (50% of total annual premium) to be paid immediately is ₹ 8,59,07,500- (**Rupees Eight Crore Fifty Nine Lakhs Seven Thousand and Five Hundred Only**). The actual number of families is variable as some newly recruited hands are expected to join soon. The premium for the actual number of employees covered will be paid / shall be refunded in due course.



Also vide paper(8), M/s. United India Insurance Company Ltd. informed that their Branch Office 090602, United India Insurance Co. Ltd. is closed and merged, all the correspondence and proceedings should be addressed to Divisional Manager, United India Insurance Co. Ltd. 73, First Floor, Sancta Maria Building, By-Pass Road, Chokkalinga Nagar, Madurai - 625010 .

Under these circumstances, the offer of M/s. United India Insurance Company Ltd., for renewal of GHIS for Employees of KWA for the year 2022 - 2023, at the terms and conditions cited above, for an annual premium of ₹. **24,545** /- (Rupees Twenty Four Thousand Five Hundred and Forty Five Only) including GST @18% per Employees for 7000 Employees and their dependents, amounting to **₹.17,18,15,000/- (Rupees Seventeen Crore Eighteen Lakhs and Fifteen Thousand Only)** is here by provisionally accepted and sanction is hereby accorded to release an amount of **₹8,59,07,500- (Rupees Eight Crore Fifty Nine Lakhs Seven Thousand and Five Hundred Only)** as the first installment of the premium to the firm. If the number of employees is less than 7000, that amount will be adjusted in the balance amount to be paid by the insurance company.

The payment is made subject to the condition that depending upon the number of Employees covered, the premium will be either collected or refunded during the payment of the second installment. Also, in case an insured person dies during the currency of the Policy period without making any claim, the premium will be proportionately refunded or settled.

Sd/-

Venkatesapathy S. IAS  
Managing Director

To

The Divisional Manager,  
M/s. United India Insurance Co. Ltd.,  
73 First Floor , Sancta Maria Building ,  
By-Pass Road, Chokkalinga Nagar,  
Madurai - 625010 , Tamil Nadu.

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