



KERALA WATER AUTHORITY

Jalabhavan
Thiruvananthapuram – 695033
Kerala – India

PROCEEDINGS OF THE MANAGING DIRECTOR, THIRUVANANTHAPURAM

PRESENT : Sri.Venkatesapathy S.,IAS

Sub:- KWA - Admn- Group Health Insurance Scheme for Pensioners of Kerala Water Authority for the year 2022-23 - Orders issued.

No: 5461/E11/2022/KWA

Dated: 29.03.2022

- Read:-
1. 423rd Board Meeting held on 17/12/2021.
 2. Meeting held with the Pensioners Organizations & Employees Union 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 Pension Organizations on 05.03.2022.
 5. Quotation No. 5461/E11/2022/KWA(II) dated, 08-03-2022 & 15/03/2022.
 6. Offers received from Public Sector Insurance companies on 17-03-2022.
 7. This office Negotiation letter of even No. dated 21-03-2022 to M/s Oriental Insurance Ltd .
 8. Negotiation meeting held in the presence of Pensioners Organizations with M/s Oriental Insurance Company Ltd on 22.03.2022.
 9. E-mail received from M/s. Oriental Insurance Company Ltd. on 24.03.2022.

ORDER

Kerala Water Authority (KWA) is facilitating a Group Health Insurance Policy for its pensioners since 2016-2017 and is still continuing. The existing Group Health Insurance Scheme for the Pensioners of KWA is due to expire on 31.03.2022 midnight.

The procedures for Group Health insurance policy for pensioners for the year 2022-23 was discussed in the Board in its 423rd 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 pensioner's organizations on



23/12/2021 and 07/01/2022 regarding the procedures for Pensioners 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, option for 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.

Vide paper (4) read above, meeting held with the pensioners organizations to discuss the Group Health insurance Policy for 2022-23 as the Government had informed that joining Government's Medisep scheme is possible only in the next phase of the scheme.

- In the Meeting, pensioners organizations have unanimously opined that to refresh the existing policy without break w.e.f. 01.04.2022.
- It was resolved that no need to engage brokers in the renewal process of the GHIS scheme for pensioners.
- It was unanimously opted for a policy without co-payment option.
- Also resolved to invite quotations for insurance policy for the year 2020-23.

Accordingly, quotations were invited vide paper (5) read above fixing last date of receipt as on 17-03-2022. In response, all the four public sector Insurance companies submitted their offers on 17.03.2022. The quotes received are tabulated below.

1. M/s Oriental Insurance Company Ltd

- a) for 4000 pensioners : ₹.16,144 + ₹2,906 (18% GST) = ₹.19,050/-(annual premium including GST)
- b) for 8000 pensioners : ₹.16,144 + ₹2,906 (18% GST) = ₹.19,050/-(annual premium including GST)

2. M/s National Insurance Company Ltd

- a) for 4000 pensioners : ₹ 20,185+₹.3633(18% GST)= ₹ 23,818/-(annual premium including GST)
- b) for 8000 pensioners : ₹.19,800+₹.3564 (18% GST)= ₹ 23,364/-(annual premium including GST)



3. M/s United India Insurance Company Ltd

- a) for 4000 pensioners : ₹.19,314 + ₹.3,477(18% GST) = ₹ 22,791/-
(annual premium including GST)
- b) for 8000 pensioners : No Quotation submitted

4. M/s New India Assurance Company Ltd .

- a) for 8000 pensioners: ₹ 19485 + ₹.3507(18%GST)= ₹.22992/-(annual premium including GST)
- b) for 8000 pensioners: ₹ 19025 + ₹.3425(18% GST)= ₹.22450/-(annual premium including GST)

The lowest quote is received from M/s. Oriental Insurance Company Ltd. The firm had quoted an annual premium including GST for an amount of ₹19,050/- (₹.16,144 + ₹.2,906 (18% GST) per pensioner for 4000 families. The annual premium including GST (₹19,050) quoted with the same terms & conditions of last year policy is about 23.96 % above the premium for the previous year. The monthly deduction amount comes to ₹ 1,588/-. All the Pensioners Organizations have requested to limit the premium as lower as possible and demanded for exploring the possibility of getting the policy amount reduced, increasing the coverage amount, getting a buffer amount and seeking to increase the ceiling of the disease capping for certain diseases like Hernia/Fistula piles etc. Accordingly, a letter of negotiation was sent to the lowest quoted firm i.e., M/s. Oriental Insurance Company for a negotiation.

After analyzing the past 3 years data, it was ascertained that the number of pensioners who claimed above Rs.2 lakh (i.e., the present premium coverage) is very less compared to the average claim per person. Therefore, increasing premium coverage and option for buffer fund will only increase in the premium amount without much benefits to the pensioners. In the negotiation meeting held on 22.3.22, the Company agreed to reduce an approximate amount of ₹.18/- only per month premium from the proposed rate (₹.1,588/- Per month Premium) based on the Pro-rata Claim ratio, Dump details, CMIS status etc. and opined that further reduction is not possible since the amount quoted is after reducing, ₹.53,40,500/- from the COVID Claim during 2021-22, on request from the authority concerned. Vide paper (9) read above, M/s. Oriental Insurance Co Ltd has informed that the competent authority had approved the per family premium of ₹.18,845 /- (₹.15,970 + GST) as against their earlier quote of ₹.19,050 /- and also approved the increase in the disease capping limit of the diseases such as Hernia/Hysterectomy/Piles/Fistula/Prostrate Surgery from ₹.50,000/- to ₹.70,000/- and it was requested to grant the 1st installment premium and details of the pensioners and



their dependents before March 31st in order to renew the policy without break w.e.f. **01-04-2022**.

The pensioners insured for the financial year 2021-22 were 2932 families and some among them have opted for withdrawal from the Insurance Scheme for the year 2022-23 and some new persons have come forward for availing the benefits of the scheme and it is likely that a few more people may join the scheme later on. The last date for submission of application for joining the scheme and withdrawal from the scheme was earlier fixed as 22.03.2022 and the date was further extended to 26.03.2022. As such it is decided to avail the insurance coverage for **3000 families** based on the upto date information.

The special condition in respect of the policy are:

- (a) The premium for one year has to be released in two equal installments.
- (b) 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.
- (c) Second installment of the premium will be paid to the company at the end of the sixth months from the date of inception.

As per the lowest offer for renewal of Group Health Insurance Scheme for Pensioners of Kerala Water Authority for the year 2022-23 from M/s. Oriental Insurance Company Ltd. with an annual premium of ₹.18,844.60/- (15970 + GST) the total amount comes to **₹.5,65,33,800/- (Rupees Five Crore Sixty Five Lakh and Thirty Three Thousand Eight Hundred only)**. As such, the first installment of premium (50% of total annual premium) to be paid immediately is **₹. 2,82,66,900/- (Rupees Two Crore Eighty Two Lakhs Sixty Six Thousand and Nine Hundred Only)**.

Under the above circumstances, the offer of M/s. Oriental Insurance Company Ltd., Thakaraparambu, Thiruvananthapuram for renewal of GHIS for Pensioners of KWA for the year 2022 - 2023, at the terms and conditions cited above, for an annual premium of ₹.18,844.60/- per family including GST for a total of 3000 families is hereby provisionally accepted. Sanction is hereby accorded to release an amount of **₹ 2,82,66,900/- (Rupees Two Crore Eighty Two Lakhs Sixty Six Thousand and Nine Hundred only)** as the first installment of the premium to the firm subject to the condition that after the cutoff date, which is fixed as 1st May 2022, depending upon the number of pensioners covered, the premium will be either collected or refunded. If the number of pensioners is less than 3000, that amount will be adjusted in the balance amount to be paid by the insurance company. Also, it is ordered to recover the annual premium amount of ₹.18,844.60/- (Rupees Eighteen Thousand Eight Hundred and Forty Four and Sixty Paise Only) including GST 18%) from the Pensioners at the rate



of ₹.1,570/- [Rupees One Thousand Five Hundred and Seventy Only] per month from the pension being disbursed on 1st April 2022 to 1st February 2023 (for 11 months) and 1575 [Rupees One Thousand Five Hundred and Seventy Five Only] from the pension of 1st march 2023 (for one month).

The payment is made subject to the condition that depending upon the number of pensioners covered, the premium will be either remitted or refunded. Also, in case the insured person dies during the currency of the Policy without making any claim, the premium will be proportionately refunded or settled against Family Pensioner, in case the pensioner is survived by his/her spouse. In case the pensioner is single, the Premium shall be returned to Kerala Water Authority on pro-rata basis.

Sd/-

Venkatesapathy S. IAS
Managing Director

To

The Divisional Manager,
M/s. Oriental Insurance Company Ltd.,
Thakaraparambu, Divisional Office No.I,
2rd Floor, Rohini Building,
Thakaraparambu Road,
Pazhavangadi,
Thiruvananthapuram – 695 023.

Copy To

The FM & CAO for allotting the required funds to AO (Admn & Estt), HO, JB, TVPM

Copy To: PA to MD/ PA to TM/ PA to AM/CA to CE (HRD & GL)/ CA to DCE(GL)/ CA to Sr. AO/ RAO/AO (Admn. & Estt)/ AO (Funds)/ SS (Funds)/ DAO (Admn & Estt)/SS I & II/ JS (A/cs)/ JS (Estt.)/ E11/ File/ Stock File (for information and necessary action)

