



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 2023-2024 - Orders issued.

No: 8124/E11/2023/KWA

Dated: 12.04.2023

Read:- 1. SRO No.334/86 and Notification No.50329/F2/84/LAD dated 27th December 1985
2. G.O.(P) No.58/2012/Fin dated 19.01.2012
3. The Authority Board resolution no. 9783 of 369th meeting held on 21.02.2014
4. Meeting held with the Employees Organizations on 02.03.2023 & other registered organizations on 04.03.2023
5. Quotation No. 8124/E11/2023/KWA dated 28.03.2023
6. Offers received from Public Sector Insurance companies on 04.04.2023.
7. This office Negotiation letter of even No. dated 06.04.2023 to M/s United India Insurance Company Ltd .
8. Email received from Sri.Paneer Selvam, Chief Regional Manager, M/s United India Insurance Company Ltd , Regional Office Madurai. 10th April 2023.

ORDER

As per paper (1) read above, Government of Kerala Published the rules for reimbursement of medical expenditure in respect of employees of Kerala Water Authority(i.e., Kerala Water and Waste Water Authority Employees Reimbursement of Medical Expenditure Rules 1985). In this rule, it is provided one month salary drawn by the employee as OP treatment which can be reimbursed to an employee during the calendar year except in the case of hospitalization and also provided reimbursement of medical claim as special sanction in case of prolonged medical treatment involving hospitalization with a limit of ₹.10,000/-. More than the same shall be considered by Government sanction from time to time from 1985.

As per Paper(2) read above,(9th pay revision effected for Kerala Water Authority), Pay revision Committee recommended that the existing medical reimbursement facility will be continued till a Health insurance scheme for employees is evolved. Also the special sanction limit of ₹.10,000/- to Managing Director for sanction of Medical Reimbursement claim was enhanced to ₹. 50,000/- .

The Authority Board vide paper(3) read above resolved to accept the proposal of Group Health Insurance policy to the employees in Kerala Water Authority for one year by way of deducting the 50% of Medical OP Claim (BP + DA) admissible to the employee for IP Treatment. It has also been decided to give balance 50% of Basic Pay



+ DA, admissible to the employees of Kerala Water Authority as OP treatment claim.

Accordingly, 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 15.04.2023 midnight.

The procedures for refreshing the Group Health insurance policy for the employees of KWA for 2023-24 was discussed during the meeting held with the recognized Employee's organizations on 02.03.2023 and other registered organizations on 04.03.2023 vide paper (4) read above .

- In the Meeting, Employee's organizations have unanimously opined that to refresh the existing policy without break w.e.f. 16.04.2023.
- Majority of the Organizations requested to renew policy directly with the public sector insurance companies as done in past for the renewal process.
- Also resolved to invite quotations for insurance policy for the year 2023-24.
- 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 will only increase in the premium amount without much benefits to the Employees.
- Employees organizations and all other registered organizations were unanimously requested to enhance the buffer fund and it was decided to invite quotation and option for increasing buffer fund with present amount of ₹. 1 Crore and increased amount of ₹. 1.5 Crore as below ;

OPTION A - For 6800 Employees and their dependents with Sum Insured - 3 Lakh with corporate buffer 1 Crore.

OPTION B- For 6800 Employees and their dependents with Sum Insured - 3 Lakh with corporate buffer 1.5 Crore.

Accordingly, quotations were invited only from public sector insurance companies vide paper(5) read above fixing last date of receipt as on 04.04.2023. In response, following four public sector Insurance companies have submitted their offers on 04.04.2023. The quotations were opened on 04.04.2023 at 3.30 PM in the presence of representatives of Insurance Companies and officers of KWA. The quotes received are as follows :

1. M/s Oriental Insurance Company Ltd

Option A) per family Annual premium for 3 Lakh for a period of One year : = ₹. 40,573/- (including 18% GST)

Option B) for per family Annual premium for 3 Lakh for a period of One year : ₹.41,467/- (including 18% GST)



2. M/s United India Insurance Company Ltd

Option A) per family Annual premium for 3 Lakh for a period of One year : = ₹. 34,584/- (including 18% GST)

Option B) for per family Annual premium for 3 Lakh for a period of One year : ₹.35,479/- (including 18% GST)

3. M/s New India Assurance Company Ltd.

Option A) per family Annual premium for 3 Lakh for a period of One year worked out to : = ₹. 41,198.48/- (including 18% GST)

Option B) for per family Annual premium for 3 Lakh for a period of One year worked out to : ₹.42,270.90/- (including 18% GST)

4. M/s National Insurance Company Ltd

Option A) per family Annual premium for 3 Lakh for a period of One year worked out to: = ₹. 42,127.91/- (including 18% GST)

Option B) for per family Annual premium for 3 Lakh for a period of One year worked out to : ₹.42,860.72/- (including 18% GST)

The lowest quote for both the options is received from **M/s United India Insurance Company Ltd**. The firm had quoted an annual premium including GST for an amount of ₹. 34,584/- (including 18% GST) for **Option (A)** and ₹.35,479/- (including 18% GST) for **Option (B)**. Hence **M/s United India Insurance Company Ltd** was selected as **L1**. It is seen that the Annual premium amount i.e., ₹.34,584/- (For Option A for 6800 Employee and their dependents with SI ₹. 3 Lakh with Corporate buffer 1 Crore) quoted by the lowest quoted firm **M/s United India Insurance Company Ltd** is seen **40.9 %** high compared to that of previous year. Accordingly, a letter of negotiation vide paper (7) read above, 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.

After negotiation , Vide reference (8) th cited, a revised proposal has been received from Sri.Paneer Selvam, Chief Regional Manager, M/s United India Insurance Company Ltd , Regional Office Madurai. The revised offer is reproduced as herein given below:

OPTION A (EXISTING TERMS AND CONDITIONS)			Amount
PREMIUM PER FAMILY	28939	TOTAL PREMIUM FOR 6800 FAMILIES	196785200
GST	5209	TOTAL GST	35421336
GROSS PREMIUM	34148	GROSS PREMIUM	232206536
OPTION B (EXISTING TERMS AND CONDITIONS EXCEPT BUFFER 1.5 CRORES)			
PREMIUM PER FAMILY	29742	TOTAL PERMIUM FOR 6800 FAMILIES	202245600
GST	5354	TOTAL GST	36404208
GROSS PREMIUM	35096	GROSS PREMIUM	238649808



Also it is noted that the revised premium quoted by the firm after negotiation for option (A) (ie. For 6800 Employees and their dependents with Sum Insured - 3 Lakh with corporate buffer 1 Crore.) is ₹.34,148/- and for option (B) (ie. For 6800 Employees and their dependents with Sum Insured - 3 Lakh with corporate buffer 1.5 Crore.) is ₹.35096/- It is seen that there is a total difference of **₹.64,46,400/-** amount in the total sum insured while enhancing the buffer amount from 1 crore to 1.5 Crore. As such, the proposal for option (B) seems not feasible and may cause loss to the institution if the buffer fund is not utilized fully. Hence it is decided to drop option (B) and continue to renew the policy with existing conditions, i.e, **Option (A)**.

The total number of employee as per the strength of staff of KWA, is worked out as 6800 (as on 28.03.2023). The total Premium is worked out for 6800 employees as per the revised quote given comes to **₹.23,22,06,536/- (Rupees Twenty Three Crore Twenty Two Lakh Six Thousand and Five Hundred and Thirty Six Only)**.

The Basic Plus DA of all the employees of KWA during December 2022 was ₹3356.56 Lakh (Basic ₹3136.97 Lakh and DA @ 7.00% ₹219.59 Lakh). The total premium payable now is ₹2322.07 Lakh which is 69.18% of the total amount permissible. The total amount which can be paid towards medical expenses as per rule is Rs.3356.56 lakhs including medical insurance. The medical insurance premium for the year comes to Rs.2322.07 lakhs. Hence the maximum amount available for medical expenses under OP claim will be Rs.1034.49 lakh during the calendar year 2023 subject to eligibility of each employee individually and the premium per employee.

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 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 2023-24 from M/s United India Insurance Company Ltd. with the the existing conditions for 6800 employees and their dependents, at an annual premium of ₹.34,148.02 (₹.28,939 + ₹.5209.02, 18% GST) the total amount comes to **₹.23,22,06,536/- (Rupees Twenty Three Crore Twenty Two Lakh Six Thousand and Five Hundred and Thirty Six Only)**. As such, the first installment of premium (50% of total annual premium) to be paid immediately is **₹.11,61,03,268/- (Rupees Eleven Crore Sixty One Lakh Three Thousand Two Hundred and Sixty Eight 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.

Under these circumstances, the offer of **M/s. United India Insurance Company Ltd., 73, First Floor, Sancta Maria Building, By-Pass Road, Chokkalinga Nagar, Madurai - 625010** for renewal of GHIS for Employees of KWA for the year 2023 - 2024, at the terms and conditions cited above, for an annual premium of ₹.34,148/- (Rupees Thirty Four Thousand One Hundred And Forty Eight Only) including GST @18% per Employees for 6800 Employees and their dependents, amounting to **₹.23,22,06,536/- (Rupees Twenty Three Crore Twenty Two Lakh Six Thousand and Five Hundred and Thirty Six Only)** is here by provisionally accepted and sanction is hereby accorded to release an amount of **₹.11,61,03,268/- (Rupees Eleven Crore Sixty One Lakh Three Thousand**



Two Hundred and Sixty Eight Only) as the first installment of the premium to the firm, subject the condition that medical expenses towards OP claim for the calendar year 2023 shall be limited to Rs.1034.49 lakhs. If the number of employees is less than 6800, 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 the insured person dies during the currency of the Policy period without making any claim, the premium will be proportionately refunded or settled against their approved dependents, if the employee is survived by his/her spouse/children/parents. If the Employee is single, the premium shall be returned to the INSURED, the Kerala Water Authority on Pro-rata basis.

This shall be placed before Board of KWA for information.

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

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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)/ SS I & II// JS (Admn& Estt.)/ E11/ File/ Stock File (For Information).

Copy to All CEs/SEs/EEs for information.

