

All branches and offices of
State Bank of India

Madam/ Dear Sir

FAMILY FLOATER GROUP MEDICLAIM POLICY FOR SBI RETIREES

POLICY-B

CURRENCY OF PRESENT POLICY

PREMIUM FOR FUTURE RETIREES ON PRO-RATA BASIS

Please refer to our e-circular No. CDO/P&HRD-PPFG/78/2016-17 dated 28th December, 2015 advising introduction of two Group Mediclaim Policies for SBI retirees (Policy 'A' & 'B'). Both the policies have been rolled out and members have started availing facilities provided under the scheme. Out of the two policies, Policy-B was launched on 16th January, 2016 for employees who retire on or after 1st January, 2016 and existing non members of SBI-REMBS including spouses of employees who die while in service and disabled child / children, if any. Pre-merger retirees of e-SBS, e-SBIN & e-SBICI on completion of pensionable service in the concerned Bank, surviving spouses of pre-merger retirees/deceased employees of e-SBS, e-SBIN and e-SBICI and existing member of SBI-REMBS, e-SBSREMBS and e-SBINREMBS were also made eligible for joining the scheme.

2. The policy (Policy-B) has been incepted on 16.01.2016 and will run through 15.01.2017. This is a Group Mediclaim Policy and members willing to join the same after inception of the policy are enrolled under it by passing an endorsement by the Insurance Co. As such, risk cover for all the mid-joiners shall be valid up to 15.01.2017 and shall not be counted by taking one year period from actual date of joining. Further, we have been receiving queries from existing members under the policy / retired employees asking for policy number in their name. It is clarified that as only one Group Mediclaim Policy (**policy No. 1202002815P112677548**) has been issued in the name of **State Bank of India** in which new retirees (employees retiring after 01.01.2016) can enroll themselves, there will be no policy in the name of individual members.

3. Under Para-8 of page no. 7 in the e-Circular referred to above, it was advised that after the inception of Policy-B (16th January, 2016), all additions of employees and family members would be allowed on payment of premium

on pro-rata basis. In case, some members join the scheme sometime after the main master policy has been incepted, they would join by paying the premium on pro-rata basis. The calculation of premium on pro-rata basis has to be done by taking number of days a member would remain 'risk covered' during the currency of the policy (policy commencing on 16th January, 2016 and ending on 15th January, 2017). United India Insurance Co. has agreed that in case of addition of new member during the policy period, pro-rata premium will be charged by them and full Sum Insured will be made available to the member and his / her family till expiry of the policy.

4. In this connection, it has been observed that in majority of premium pertaining to employees retired on or after 1st January, 2016 remitted to Corporate Centre, full year's premium has been calculated. This is a financial loss to the member which can be avoided by taking care at the time a member submits application at the Branch/ Zonal Office. We give below an example of calculation of premium on pro-rata basis :

Policy Period – 16.01.2016 to 15.01.2017	
A member has submitted his application for a sum insured of Rs.5.00 lakhs on 9 th June, 2016. As per the existing terms, his premium will be sent to Insurance Co. on 15.06.2016 and his risk will start w.e.f 16.06.2016	
Full year's premium (from 16.01.2016 – 15.01.2017)	Rs.8880.00
No. of days of risk coverage in this case	214 days (from 16.06.2016 – 15.01.2017)
Calculation of premium for 214 days :	$8880 * 214 / 365 = 5206.00$
Basic Premium -	Rs. 5206.00
Service Tax @ 14% -	Rs. 729.00
Swachh Bharat Cess @ 0.50 % -	Rs. 26.00
Kisan Kalyan Cess @ 0.50 % -	Rs. 26.00
Total Premium -	Rs. 5987.00
	(all amounts to be rounded off to next rupee)

5. In view of the above, please arrange to calculate premium amount accordingly in cases of new retirees under Policy-B. However, premium on behalf of existing members of SBI-REMBS who wish to become members of Policy-B, will be calculated for full year.

6. Please bring the contents of the circular to the knowledge of all concerned.
Yours faithfully,

(Ashwini Mehra)
**Deputy Managing Director &
Corporate Development Officer**