



NATIONAL ORGANISATION OF BANK WORKERS

(An Industrial Federation of Bharatiya Mazdoor Sangh)

Central Office : 542, Dr. Munje Marg, Congress Nagar, Nagpur-440012

Tel.: 0712-2460808, Fax: 712-2420850, Email : nobwco.ngp@gmail.com

G S Office : Ramani Mohan Garden, Opp. Reliance Petrol Pump, Kalambagh Road, Post - Ramna, Dist.- Muzaffarpur (Bihar) - 842002

Email : upendra62muz@gmail.com Mob.: +91-9304104959, +91-7033128328

Ref.No.: NOBW/GS/UKR/27/2021

Dated : 25/04/2021

To,
The Managing Director & CEO
UNION BANK OF INDIA
Central Office
239, Vidhan Sabha Marg, Nariman Point,
MUMBAI - 400 021.

Dear Sir

Subject : Unauthorized debiting to staff Loan Accounts By making group Insurance Cover Mandatory.

We have received messages from our members from our affiliate All India Association i.e. UNION BANK STAFF ASSOCIATION regarding debit of Insurance Premium on their loan account without their consent on 31.03.2021 for this financial year. And employees of Union Bank has started submitting representation to the Management requesting to reverse the debit entry to the staff housing loan, vehicle loan and overdraft account as per your staff circular NO. 07396 dated. 24th March 21. This insurance cover has been made compulsory for all and has no option. The insurance company namely Star Dai-Ichi Insurance company Limited (sud Life) is to be charged about 2.81 + GST per 1000 of total sum assured.

The Management is doing above activities by informing that the same have been agreed by the Union in Workmen cadre and Office cadre ignoring the facts none of the Bank have made the scheme compulsory and several banks are paying the premium amount part of their own funds. In some banks only housing is covered e.f. State Bank of India entire housing loan account is insured by the bank and premium is also paid by the bank.

For your information, we mentioned here under the Group Term Life Insurance extended by the Management of Bank of Baroda vide their circular No.HO:BR:112:419 dated 23.10.2020 on Group Term Life Insurance cover for all employees of the Bank.

“All employees will invariably be covered under GTLI policy and 10 % of the premium contribution including GST will be deducted from the salary of all the employees in October 2020. Only those employees who do not wish to get covered under the GTLI policy will be required to give their dissent (say no) through HR connect between 23rd October 2020 to 31st October 2020 and amount of premium so deducted will be refunded by the bank in salary account of the employees who have given their dissent.”

For your information, Group Term life Insurance extended by the Management of Bank of Baroda as per above circular to all the employees is not mandatory but it is optional.

It will not be out of place to mention that as per provision in IRDA governing the Group Insurance policies, the same is optional. As per Banking law no account of staff is to be debited without his consent. The staff availing any loans from are self responsible to pay the loans. Moreover there are several



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employees who have already taken insurance of more than the quantum of loans from different agencies with low rate of premium.

We therefore request you to please consider the project. Keep in view the facts that some of the Banks have been paying the full or part of premium from their own fund as social welfare scheme to ease the employees financially and Union Bank of India Being one of the largest Bank of our country should evolve such a scheme where the insurance premium burden of the employees be either borne by the Bank totally and in case it is not possible then a part of the premium may be pooled in by the employees which can be discussed and decided by mutual discussions with all the unions/ stakeholders existing in your Bank in order to avoid any resentment amongst the employees and officers of the Bank.

With best regards.

Thanking you.

Yours faithfully,

General Secretary