

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
LIC BUILDING SECRETARIAT ROAD HYDERABAD

Cir. No. 6/2008

18th July 2008

To all the Zonal/Divisional/State/Regional Units:

Dear Comrades,

Information sharing session on 17th July 2008

The information sharing session was held at Central Office, Mumbai as scheduled on 17th July 2008.

In the Joint session of the unions in the morning, the Chairman, three Managing Directors, ED (Personnel), Chief (Personnel) and other officials were present.

Com. Amanulla Khan, President, Com. K. Venu Gopal, General Secretary and Com. V. Ramesh, Joint Secretary, represented AIIEA in the joint session.

Shri T. S. Vijayan, Chairman, LIC, while addressing the joint session, traced the turbulent economic scenario in the world and in the country, in which the LIC has registered a growth rate of 10.8% in the First Premium income. He also narrated the areas of concern as loss of market share, percentage of business from linked policies being very high especially in the single premium policies under ULIP, and growth of agency force not keeping in with the targeted business growth. He congratulated the highly competitive work force of 1, 14,000 employees who lived up to the reputation of being the best in the industry.

He assured the unions that the management is endeavouring with all vigour to give the best possible deal to all the employees in the form of wage revision. He also said that the management is in touch with the government and that the related internal work has started in right earnest.

In the joint session Shri A.K. Dasgupta, Managing Director, also spoke and made a power point presentation. He placed the statistics of the performance of LIC in terms of premium income during 2007-08. LIC could mobilize a total premium income of Rs. 149541.26 crores in which the Renewal Premium was Rs. 82170.45 crores and First Year Premium was Rs. 23786.76 crores, single premium was Rs. 25548.84 crores and P&GS Premium was Rs. 18035.21 crores. He also pointed out that the total number of claims settled by LIC were 1.39 crores. He, however, expressed concern that for the quarter ending June 2008 the First Premium of LIC registered a negative growth and that the position should improve with the cooperation from all the sections.

Responding on behalf of the AIIEA, Com. K. Venu Gopal said that the modest growth of LIC during 2007-08 should be seen in the background of the financial savings coming down in the country during the period, coupled with the fluctuations in the stock market. He also pointed out that when LIC mobilizes the savings of the people through premiums, it is not only in the form of the First Year Premiums but also in the form of renewal premiums. If the total premium income is taken to assess the market share of the mobilization of the people's savings, then LIC's share would be around 80%. It is in this background that the employees are looking forward to a good wage revision. AIIEA submitted its Charter of demands in September 2007 and employees' aspirations are reflected in this Charter. He appreciated the Chairman's statement that LIC is endeavouring for the best possible deal. Com. Venu Gopal suggested that the management should come out with concrete offers in the earliest future. He also pointed out that the employees are eagerly looking forward to the decision on the other important issue of improvements in the housing loan which is to be resolved without further delay. He also demanded that in view of the contribution of the employees which was acknowledged by the management, PLLI of 6% be declared.

After the conclusion of the Joint Session, AIIEA delegation met the Chairman LIC and impressed up on him about the aspirations of the employees for a good wage revision. The delegation also met Shri A.K. Dasgupta, Managing Director and discussed the issues of wage revision, improvements in housing loan and the demand for 6% PLLI.

Individual discussions with the AIIEA

In the evening of 17th July, individual discussions with the AIIEA were held. AIIEA delegation consisting of Coms. Amanulla Khan, K Venu Gopal, V. Ramesh and H. I. Bhatt participated in the discussions. The management was represented by the Executive Director (Personnel), Chief (Personnel) and other officials of the Personnel Department of the Central Office.

AIIEA placed its valid arguments and rationale behind the demand for 40% wage rise. AIIEA asserted that the management should approach the government on this issue with confidence. The officials informed that the inputs of the AIIEA will be taken into account and that they would approach the government soon.

On the question of improvements in housing loan, the officials expressed that the increase in the quantum is possible but there are certain difficulties in offering second loan at subsidized rate of interest. AIIEA explained that the demand for a second loan is not for speculative purposes but to meet certain genuine requirements of the employees. AIIEA demanded that this issue should be resolved early.

On the issue of new process for selection of cashiers, the officials informed that the matter would be reviewed very soon.

On the issue of improvements in the pension scheme, the officials agreed that they would once again take up with the government for providing 100% neutralization to the pre 1-8-1997 retirees.

They informed that the mediclaim scheme for RPT employees has been discussed with the New India Assurance Company and that it would be finalized soon. The Officials also informed that they have taken up with the New India Assurance Co. on the issue of Ayurvedic treatment and that the insurer agreed to revert back to the earlier position for this financial year. On the issue of tie-up with certain hospitals, the officials informed that the discussion with the insurer is expected to take place in a fortnight's time.

AIIEA acknowledged the positive development of fresh recruitment in Class III cadre. AIIEA also pressed for recruitment in Class IV along with an early solution to the issue of temporary employees. The officials promised that they would finalize their opinion soon and revert back to us. AIIEA also demanded for regularisation of RPT employees.

The issue relating to Internal Audit Assistant's allowance was also focused before the management for a solution. The issues relating to improvements in LTC and in Promotion Policy were also discussed and need to be pursued further. The long pending issue of protection of salary on promotion (till the date of fixation) was once again raised by AIIEA, to which the officials replied that they would have a relook at the issue.

Various other issues including certain anomalies, references of compassionate appointments pending at the Central Office, absorption of employees on the earlier recruitment panels who were working on temporary basis but were not absorbed in certain divisions, and certain other individual cases were also discussed. The Officials took note of these issues and promised to consider them early.

Comrades, we succeeded in bringing the wage issue on to the agenda for discussion. We know that there is a long way to travel before we reach the goal. But we also know that the path can be successfully negotiated with the unity and united struggles of the employees. We are also aware that strength of our demand for good wage revision is based on the strength of public sector insurance industry. We shall march together to protect the industry and to achieve a good wage revision.

Comradely yours,



General Secretary.