

# ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION

LIC BUILDING SECRETARIAT ROAD HYDERABAD 500 063

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17<sup>th</sup> June 2009

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

Dear Comrades,

## **Information Sharing Session at LIC, Central Office, Mumbai**

The information sharing session called by the LIC management was held as scheduled on 16<sup>th</sup> June 2009. In the morning there was a joint session of the Unions/Associations, attended by the Chairman, three Managing Directors, Executive Director (Personnel) and other officials of the P&IR Department. In the joint session, AIIEA was represented by Com. Amanulla Khan, Com. K. Venu Gopal and Com. V. Ramesh.

Chairman, in his written speech delivered at the session, recounted the performance of LIC during the financial year 2008-09. He noted that the year 2008-09 saw a lot of turbulence in the market and the spectre of recession loomed over it. There was a sharp fall in the market indices and the sentiments in the market were badly affected. Quoting from the figures of IRDA, he said that the total first year premium income underwritten by the life insurance industry as a whole witnessed a negative growth of (-) 6.32% in terms of premium underwritten and a nominal growth of 0.10% in number of policies. LIC recorded a negative growth of (-)10.52% in new premium and (-) 4.52% in policies. But a positive factor witnessed in this atmosphere was that sales under individual non single policies went up from 3.01 crore during the earlier year to 3.07 crore during 2008-09. Group Business showed a good growth of 20.62% with a first year premium of Rs.12,724 crores. The total premium income during 2008-09 of Rs.1,55,735 crores (provisional figure) showed a growth rate of 4%. Chairman acknowledged that LIC paid 1.44 crores of maturity claims and 5.75 lakhs of death claims with the efforts put in by the employees and officers.

After reviewing the business performance and performance in other areas including recruitment, the Chairman placed a wage offer of 15% across the board. This offer came along with conditionalities like New Pension Scheme for new recruits from 1.4.2009, withdrawing the present scheme of compassionate appointments, withdrawal of benefits like ACL etc., outsourcing and mobility.

AIIEA while responding to the Chairman's speech, categorically informed that the offer of 15% on wage revision was not acceptable and that employees across the country are disappointed with this offer. We pointed out that the performance of the LIC has to be seen in the background of the massive global financial meltdown which did not leave India untouched. The Indian economy slowed down. Job losses at unprecedented levels are taking place and people are unwilling to commit for long term savings uncertain of the future. While in US and Europe, the insurance premiums (total premium incomes are taken for determining the growth in the world insurance premium) are showing negative growth, LIC showing a growth rate of 4% itself is a positive factor to be noted. Infact the growth indices of LIC compare favourably with the performance of the leading private players. Agreeing that there is need to prepare the institution to meet the present day challenges, we said there is no need to be alarmist. We pointed out that the total premium income of LIC showed a steady growth from Rs. 1,27,782 crores in 2006-07, to Rs.1,49,790 crores in 2007-08 to Rs.1,55,735 crores in 2008-09. It is in this background that the LIC employees were eagerly expecting a good wage offer which could be the basis for negotiations and ultimately settling the issue. But the present offer is very disappointing at a time when in the public sector undertakings around us there have been negotiations with much higher offers. LIC with around Rs.9,00,000 crores of assets is the largest financial institution but this massive strength is not asserted to give to the employees their rightful dues. We said that the wage revision should be on the basis of the strength of our industry.

On the issue of improvements in housing loan scheme, the inordinate delay has angered the employees and AIIEA informed the Chairman and other officials that this issue cannot be allowed to be delayed further. AIIEA also pointed out about the unilateral changes in the conditions of Ace Branch Competition where the rules are changed after the concerned branches reached the targets and demanded a review.

While the offer is totally disappointing, the management came out with conditionalities. It has become a policy of the government that whenever wage revision comes up for discussion, certain amenities of the employees are to be attacked. AIIEA asserted that the conditions are not acceptable and that it would resist any unilateral attempts to impose conditions like New Pension Scheme, withdrawal of compassionate appointments and withdrawal of leave benefits etc. AIIEA informed the management that the employees demand an early wage revision, a good wage revision and a wage revision without any conditionalities.

AIIEA cautioned the LIC management that the employees would be preparing for industrial actions to meet this attitude of the management and the government unless the management comes out with improved offers within a time frame.

The other unions/associations reacted on the lines of AIIEA and said that the offer on wage was not acceptable. They also demanded immediate negotiations with improved offers. On the issue of housing loan too, the other unions joined the demand of AIIEA that the issue should not be delayed any further.

### **Discussion with Managing Director**

President and General Secretary of AIIEA met the Managing Director, Shri A.K. Dasgupta to appraise him about the employees' feelings on the issue of wage and housing loan. On Wage issue the Managing Director assured that LIC would continue its efforts for an improved offer. On housing loan, AIIEA informed the MD that the employees are frustrated over this delay in improvements on Housing loan. MD informed that the delay is not intentional, LIC is committed to increase the quantum of loan and is seriously in discussions with LIC HFL to sort out certain issues. He was also confident that these issues would be sorted out soon. AIIEA reiterated that the increase in the loan should be substantial and there should be a provision for second loan. AIIEA also demanded a decision without further loss of time. The MD assured that it would be their endeavour to get the improvements in housing loan finalised in the next Board meeting of LIC.

### **Individual session of AIIEA:**

In the individual session which took place in the evening of 16<sup>th</sup> June 2009, the official side was represented by Executive Director (Personnel), Secretary (ER) and other officials of personnel department.

AIIEA was represented by Com. Amanulla Khan, President, Com. K Venu Gopal, General Secretary, Com. V. Ramesh and Com. H.I. Bhatt, Joint Secretaries. AIIEA delegation reiterated the demand for an improved offer which would form basis for proper negotiations. On the proposals of PLLI to be taken to Branch level, introduction of New Pension Scheme for new recruits appointed on or after 1.4.2009, withdrawal of leave benefits, outsourcing of jobs, withdrawal of present scheme of compassionate appointments, AIIEA asserted its position that these conditionalities will not be accepted. We also reiterated our opposition to mobility.

### **Mediclaim for RPT employees:**

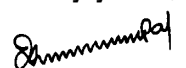
Units are aware that LIC has formulated a mediclaim scheme for RPT employees. LIC took up with the New India Assurance Co., for coverage of these employees. Initially the premium quoted was very high and LIC had to reject the proposal. During the discussions when we raised this issue, officials informed that the new premium quotation has come from the insurer and that the policy would be finalised soon.

### **Efforts for joint struggle:**

AIIEA leadership contacted the other unions in LIC. There is an appreciation from other unions that a joint struggle should be launched to secure a good wage revision. AIIEA is continuing its efforts to bring about a joint action to clinch an early and good wage revision without conditions.

With greetings,

Comradely yours,



General Secretary.