

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION

LIC BUILDING SECRETARIAT ROAD HYDERABAD 500 063

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

Dear Comrades,

Successful observance of TWO-HOUR WALK-OUT in LIC on 4th August 2009

Government's move to take LIC to the doorstep of privatisation was protested by a massive walk-out strike on 4th August 2009. LIC employees splendidly responded to the call given by AIIEA.

Nellore Division with a strike performance of 98.74% led the response. Madurai, Thanjavur, Coimbatore, Vellore, Tirunelveli, Kadapa, Visakhapatnam, Jalandhar, Rohtak, Srinagar, Sambalpur, Hazaribagh, Kolkata Suburban, Gandhinagar, have reported strike participation of more than 90%. The strike in other divisions was also successful with many divisional units reporting strike participation of 70% to 89%.

The strike action was covered by the national and regional media, particularly the print media in a big way, thus taking our views to the general public as to how the LIC (Amendment) Bill 2009 is going to harm the LIC and its policyholders.

Our congratulations go to all the Divisional and Zonal Units in the life sector, who mobilised the employees at a short notice and made the strike action a total success.

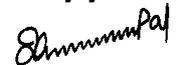
We congratulate all the employees who responded magnificently to the call of AIIEA in the struggle to protect LIC. We also congratulate the employees of public sector general insurance who staged solidarity demonstrations across the country in support of the walk out strike.

The success of the strike comes in the background of a propaganda that "disinvestment is bad; but increase in the equity should not be opposed". But the question is when there is no need to increase the equity why is it that the government is increasing it? The only reason is that the government wants to pave way for disinvestment. "Rs. 5 crore would be too small for disinvestment, and hence increase it to Rs.100 crores and then disinvest" seems to be the reason behind the government moves.

By proposing to increase the equity to Rs.100 crores, by proposing to amend the surplus sharing ratio to 90:10 and by making provision for selective sovereign guarantee (which might be forerunner for ultimate withdrawal of the guarantee) the government wants to weaken LIC and make the private companies more comfortable.

These machinations of the government should be exposed. The employees should be in readiness to take up such a campaign which would ultimately reach the policyholders who are the real owners of LIC's assets and thus force the government from harming the interests of these 25 crore policyholders.

Comradely yours,



General Secretary.