

**ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**  
**LIC BUILDING SECRETARIAT ROAD HYDERABAD 500 063**

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7<sup>th</sup>

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

**Dear Comrades,**

**DECISIONS OF THE WORKING COMMITTEE OF AIIEA**  
**CONTINUE RESISTANCE AGAINST PRIVATISATION**  
**INTENSIFY STRUGGLE TO SECURE A GOOD WAGE REVISION**

The Working Committee of the AIIEA met at Chennai from 1-3 December, 2009 to review the struggle against privatization and to secure a good wage revision. The working committee noted with satisfaction that the organization has achieved considerable successes in accomplishing the tasks laid by the 21<sup>st</sup> General Conference of AIIEA held at Kanpur in December 2007. The struggle against privatization succeeded in stalling so far the government's efforts to further liberalize the insurance sector. The AIIEA succeeded in forcing open negotiations on wage revision and making progress in this direction. The absorption of the panels of Class IV employees in LIC and recruitment of nearly 5000 Assistants after a gap of over a decade was the singular achievement of the organization. The efforts spanning over a period of more than two years finally culminated in securing significant improvements in housing loan scheme in LIC. AIIEA registered growth organisationally both in LIC and in the general insurance sector. Enthused and deriving confidence from these successes, the working committee discussed in detail the way forward.

**ON LIBERALISATION OF INSURANCE SECTOR**

The UPA government has misunderstood the mandate of the 2009 General Election as a mandate in favour of neo-liberalism. It is with this understanding that the government totally ignoring the consequences of the global financial crisis and the accompanying recession has embarked on privatization of the public sector and aggressively pursuing policies to serve the interests of the big business and industrial houses. Though the government grudgingly admitted that the impact of the global financial crisis was less felt in India due to dominance of the public sector in banking and insurance, efforts have been undertaken to weaken these very institutions. The introduction of Insurance Laws (Amendment) Bill 2008 and LIC Act (Amendment) Bill 2009 in the parliament is a clear demonstration of the faith and belief of the government in neo-liberalism. These two bills if enacted would give greater control to the foreign capital on domestic savings and pave way for privatization of LIC and the four public sector general insurance companies. Such a situation would risk the independence of the national economy and the national politics. Therefore, the working committee decided to oppose these two bills through building up massive public opinion against the liberalization of the insurance sector. The campaign of the last two decades and the mass mobilization of the people prevented the government from privatization of LIC and the four public sector general insurance companies for the last 15 years. This is an achievement unparalleled in the history of the working class movement of resistance against neo-liberalism. The working committee was convinced that by mass mobilization of public opinion, it would be possible to push back the present offensive of the government. The working committee took confidence from the fact that today increasing number of people are taking to the path of agitation against the government policies. The efforts of the organization to build a joint movement on this question within the industry came for wide appreciation. This provides a favourable atmosphere for our struggle and therefore the insurance employees must immediately take up the task of mass mobilization of people.

**ON WAGE REVISION**

The working committee discussed in detail the present position on the issue of wage revision. It was noted that the tactical line decided by the Bangalore Secretariat Meeting in June 2009 has enabled the AIIEA to make progress on the issue of wage revision. The LIC management's offer of 17.5% wage increase was secured after a magnificent strike action on September 16, 2009. The offer in the general insurance sector still stands at 15%. AIIEA units in general sector took up organisational actions to press for improvements in the offer. The AIIEA formulated its charter and has demanded consideration of the demands raised on the basis of the progress and prosperity registered by the institutions. The period between last wage revision on 1.8.2002 and 1.8.2007 has been a period of unprecedented growth and prosperity for LIC and the public sector general insurance companies. The public sector not

only met the challenges of the competitive environment successfully but also established its unquestionable market leadership in every sphere of the business activity. Therefore, AIIEA has demanded consideration of the wage issue independent of the external developments. Unfortunately, the government has adopted a totally unhelpful attitude and has been brazenly interfering in the process of negotiations making collective bargaining a mockery and the managements have failed to assert their rights.

The working committee decided to press forward with the demand for improved offers with the clear understanding that the performance of the institution and its paying capacity must determine the wage level. The working committee was very critical of the efforts to attach conditionalities to the wage revision and made it abundantly clear that this is unacceptable to the organization. The working committee welcomed the initiative of the organization in building a joint platform on the issue of wage revision. The working committee decided to intensify the agitation to secure a good wage revision at an early date.

## **OTHER ISSUES**

The working committee discussed various other issues relating to the industry. It was decided to demand recruitment to the core cadres in the general insurance industry. The Secretariat was authorized to find a solution to the problems of the temporary employees in LIC in consultation with other unions and in discussions with LIC.

The new IT and business initiatives undertaken by the LIC too came up for discussion. The LIC is upgrading the technology to meet the servicing needs of increasing number of policies and has taken certain business initiatives like Metro Area Servicing Hubs. The working committee discussed these initiative and the assurances given by LIC that the branch staff strength would not be reduced, new jobs would be created to offer better services to the policyholders and the process of further recruitment would continue. The working committee appreciated the necessity of these new initiatives in the present challenging situation and decided not to oppose upgradation of technology and MASH. At the same time the working committee cautioned the employees to maintain continuous vigil to protect the existing jobs and ensure future recruitment.

## **ORGANISATION**

The working committee noted with satisfaction the tremendous efforts made in the general insurance sector to consolidate the organization. These efforts have succeeded in establishing the AIIEA's leadership in struggle and have also resulted in many employees joining the AIIEA from the other unions. The working committee expressed happiness over the fact that in LIC, more than 90 percent of the new recruits joined the AIIEA. The working committee decided to continue efforts without any let up for further consolidation of the organization both numerically and ideologically with a special emphasis on the general insurance sector.

After a threadbare discussion on all the above issues, the working committee decided on the following programme:

1. Mass mobilization of public opinion against the two insurance bills through leafleting, hand bills, seminars, conventions, human chains, candle light processions and various other innovative methods;
2. Meeting the Members of Parliament and those on the standing committee on finance to seek their support to our struggle;
3. Post Card campaign: - 1000 post cards from the policyholders from each branch addressed to the Prime Minister for withdrawal of the two bills;
4. A national convention on this issue in consultation with other unions;
5. One Day strike in last week of December or first week of January in consultation with other unions demanding a good wage revision.

The working committee expressed confidence that the twin task of thwarting the privatization of insurance industry and securing a good wage revision without any conditionality would be achieved by the organization. Therefore, the working committee asked the insurance employees to implement the above programmes enthusiastically with a conviction that we shall achieve success through these struggles.

## **Resolutions**

Left parties have been in the forefront of the struggle against neo-liberal policies of the government. It is for this reason that the bastion of the left has been under attack for the last few years. The decision of the Central Government to send a Central team to West Bengal bypassing the state government is an assault on the federal structure mandated by the Constitution. The working committee took serious note of the developments in West Bengal where all efforts are being made to destabilize the democratically elected government. The elements hostile to the Left Front ranging from the extreme right to the extreme left have ganged up to let loose a reign of terror and violence. This violence has resulted in loss of hundreds of innocent lives. The working committee demanded that the Centre must provide all assistance to the State government to put an end to the violence. The State government must also take immediate measures to isolate the extremist elements by taking up the issues of life and living of the tribals and people in under-developed areas.

The working committee also expressed solidarity with the Bhopal Gas victims. December 3, 2009 was observed as the All India Safety Day to mark the 25<sup>th</sup> anniversary of the great Bhopal Gas tragedy. This tragedy was the result of sheer negligence by the US multinational Union Carbide. The tragedy consumed thousands of lives and decapitated thousands more. The working committee deplored the inaction of the Union government to bring the culprits to books and give proper compensation and rehabilitation to the victims. The Working Committee while expressing solidarity with the victims demanded immediate justice for them.

Comradely yours,



General Secretary.