

**ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**  
LIC BUILDING SECRETARIAT ROAD HYDERABAD 500063

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To all the Zonal/Divisional/Regional Units

Dear Comrades,

**AIIEA WORKING COMMITTEE**

**FINALISES THE CHARTER OF DEMANDS  
DEMANDS 40 PERCENT WAGE HIKE  
DECIDES INTENSIFIED CAMPAIGN ON INSURANCE LAWS (AMENDMENT)  
BILL**

The Working Committee of AIIEA met at Mysore from 15<sup>th</sup> July to 17<sup>th</sup> July 2012 to finalise the Charter of Demands and also to intensify our campaign against Insurance Laws (Amendment) Bill 2008 to protect public sector insurance industry. The Working Committee was hosted by ICEU, Mysore and BRGIEA successfully.

**Wage Revision:** The wage revision to employees falls due from 1<sup>st</sup> August, 2012. A sub-committee on charter was constituted by AIIEA in its Secretariat meeting held at Delhi on 19.11.2011. The sub-committee met on 26<sup>th</sup> and 27<sup>th</sup> April, 2012 at Hyderabad to formulate the charter of demands. The sub-committee recommended a wage hike of 40% across board to public sector insurance employees with effect from 1.8.2012. Subsequently, AIIEA sent the draft charter of demands to all its branch/division/region/state/zonal units for a thorough discussion among the employees to help finalise our demands. The AIIEA working committee in its meeting at Mysore discussed this proposal and the suggestions received and unanimously finalised the demand for 40% wage hike to the insurance employees. The meeting reiterated that the employees deserve this wage rise in the background of a very good performance of public sector insurance industry in spite of a sluggish national economy.

The public sector industry recorded remarkable progress since the last wage revision. The LIC increased its market share to 71.35% by earning a new business premium of Rs.81,514 crores for the year 2011-12. It also dominated the market with 81% share by selling 3.54 crore policies in the last financial year. Similarly, the four public sector general insurance companies performed exceptionally well during this period to procure the GDPI of Rs.39,531.61 crores with a growth rate of 21.39%. It also continued its market domination with a share of 58.46%. Apart from this, the employees in these industries have given their best service to satisfy the customers' aspirations, despite a reduction in staff. Therefore, the Working Committee finalised the Charter of Demands with a 40% wage hike across the board to insurance

employees which fell due from 1.8.2012. **The meeting also decided to submit the Charter to the Chairman GIPSA on 1<sup>st</sup> August, 2012 and Chairman LIC on 2<sup>nd</sup> August, 2012.** Signifying the submission of Charter of Demands to the managements, the Working Committee of AIIEA called upon the employees to hold gate meetings during lunch hour across the country and prepare employees for the impending struggle to realize the justified wage hike to the public sector insurance employees.

## **INDUSTRIAL DEMOCRACY**

Along with Charter, the Working Committee also unanimously decided to raise the issue of Recognition of AIIEA. The meeting resolved that industrial democracy demands that LIC must immediately take steps to recognize the AIIEA which enjoys the majority support of Class III & IV employees. Further, the Working Committee also felt that there is a need for a representative from AIIEA to be on the Board of Directors of LIC in the background of the employees' enormous contribution to the growth and prosperity of LIC. The employees have been extending their invaluable cooperation to LIC management to meet challenges of the competitive environment. The interests and future of employees is entwined with those of the Corporation. Therefore, the Working Committee of AIIEA also decided to demand LIC management that it must frame a policy of workers participation in management. The majority union of Class III & IV employees should have a representative on the Board of Directors of LIC.

**Defend public sector insurance industry:** The Working Committee meeting noted with concern that the Indian ruling classes continue to push the failed neo-liberal agenda of the capitalist world across the world. The meeting discussed the crises that began in 2007 in USA has now assumed global dimension because of financialization of capital. The recession after the crises in advanced countries had its effect on developing countries too. The common people across the world have become the victims of the capitalist system and its greed for profit. In the process the bailout packages to the Corporates have substantially increased the Corporates' profits and it exposed the common man to the vulnerability of poverty. The bailout packages to rich have become now government's debts. To emerge out of this sovereign debt, countries today are imposing burdens on people and working class in the name of austerity measures and trimming fiscal deficits to attack the social welfare measures. But, unfortunately, this austerity measures further deepen the crisis by reducing the purchasing power of the vast majority of the people due to job losses, wage cuts. This in turn impact the manufacturing sector depressing the production level and thus leading to inflation affecting the economic system globally. Thus, the Working Committee came to a conclusion that the capitalism and financialisation of capital is the cause for common man's misery and the people across the world are waging a heroic struggle to confront the market driven economic system.

However, the Indian ruling classes continue to place their faith in neo-liberalism. Instead of focusing on real reforms to empower the people the government continues to pursue the failed neo-liberal economic policies. Under the dictates of finance capital and its articulators, the Indian government is inviting 100% FDI in retail trade. This will ruin the lives of four crore families. The prime minister after taking over the

portfolio of finance ministry stated that reforms in financial sector are the priority of his government. There is also an indication that the government would seriously pursue the legislative agenda to privatise pension, Banking reforms and the Insurance Laws amendment Bill etc., in the monsoon session of parliament.

The Insurance Laws (amendment) Bill 2008 enables the FDI to be raised to 49% from present 26% in the insurance sector. The passing of this bill will enable the foreign capital to gain greater control over the domestic savings. The bill also contains a provision to privatise the four public sector general insurance companies and allow them to go to stock market to raise their capital. The Working Committee strongly condemned this move of government to throw open public sector general insurance industries to both private and foreign capital and felt that this is a surrender of economic sovereignty of the country. The meeting decided to unleash a campaign to protect public sector insurance industry till the monsoon session of Parliament.

The Working Committee called upon the insurance employees irrespective of their political and trade union affiliation to join this struggle by way of press meets, seminars, conventions, articles to print media, meeting people's representatives in defense of public sector insurance industry. Despite all this campaign, if government passes the Bill, insurance employees across the country will go on ONE DAY strike the following day. Apart from the above issues Working Committee also decided to demand One More Option for Pension.

Finally, the meeting also noted that on 4.9.2012 a national convention of all central trade unions is being held at Delhi to further the working class struggle against neo-liberal policies of the government. The meeting unanimously decided that the call from the convention including the decision on strike if taken shall be observed by the insurance employees across the country.

The Working Committee of AIIEA finally resolved to realize a good wage revision to employees and protect public sector insurance industries. AIIEA is confident that the decisions of the Working Committee will be successfully implemented by all its Units.

With greetings,

Comradely yours,



p.General Secretary.