

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
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28th July,

To
All the Zonal/Divisional/Regional/State Units,

Dear Comrades,

AIIEA WORKING COMMITTEE MEETING AT SURAT

- **Finalises the Charter of Demands for LIC and Public Sector General Insurance**
- **Decides to place a demand for Wage Hike of 40% and to submit the Charter of Demands to LIC and GIPSA managements on 2nd August 2017**
- **Resolves to Protect and strengthen Public Sector LIC and fight the proposed Disinvestment of Public Sector General Insurance**
- **Decides to intensify the campaign against the destructive neoliberal economic policies and develop broader unity on the issue**

The Working Committee of the AIIEA met at Surat in the state of Gujarat on 24-25 July 2017. Working Committee members from across India converged in the city of Surat to finalise the Charter of Demands due from 1st August 2017, devise strategy to fight the proposed disinvestment of public sector general insurance industry and to chalk out programmes of action for intensifying the struggle against the neo liberal economic policies that have wrought havoc on the lives and livelihoods of the people.

The Draft Charter of Demands prepared by the Charter Sub Committee of AIIEA at its meeting in Varanasi on 22nd April 2017 and subsequently approved by the AIIEA Secretariat in its Hyderabad meeting on 30th June 2017 had already been circulated amongst all the units of AIIEA. The Zonal units of AIIEA in the life sector and the Standing Committee (General Insurance) had sent the consolidated suggestions of all units for consideration of the Working Committee. Finally, there was a lively and enriching debate in the Working Committee on the basic contours of the Charter of Demands. The Working Committee decided that there should be a demand for a wage hike of 40 per cent, there should be an industry-wise settlement, the effective date must be 01 August 2017 and the entire DA as at 01 August 2017 should be merged with the Basic Pay for restructuring of the Scales of Pay. These issues apart, the Working Committee felt that there was a need for substantial increase in various allowances payable to the employees, there was an urgent need to abolish the National Pension Scheme and cover all employees under the LIC Employees' Pension Scheme 1995 by incorporating the desired improvements and bring about improvements in amenities like LTC, Advances etc. The Working Committee also decided that all the non-monetary issues of employees of LIC and PSGI companies will be taken up with the respective managements in the form of Memorandum of Issues.

The Working Committee of AIIEA was of the firm opinion that the demands were eminently justified in view of the commendable performances of LIC and Public Sector General Insurance industry in adverse economic situations. The LIC mobilised a First Year Premium Income of Rs. 1,24,396.27 crore registering a growth of 27.22% by selling 2,01,31,500 policies in the financial year 2016-17. The Pension and Group Business recorded a phenomenal growth with a premium income of Rs. 78,464.35 crore. The total premium income of the Corporation touched a historic high of Rs.3,04, 000 crore and total assets are in excess of Rs. 25 lakh crore. The Working Committee took note of the fact that along with the performance of LIC the productivity of the employees has also increased manifold since the last wage revision effective from 01 August 2012. The average premium income per employee had improved from Rs.1.70 crore in the year 2012 to Rs.2.77 crore in the year 2017. The management expense ratio of LIC was also by far the best in the industry. The performance of public sector general insurance industry was also equally brilliant. The PSGI companies earned a Gross Direct Premium Income of Rs. 67,689.68 crore in the financial year 2016-17 thereby registering a growth rate of over 28 per cent. The per employee productivity in general insurance industry in terms of premium income generation had also improved considerably. The Working Committee of the AIIEA was therefore of the unanimous opinion that the employees have worked hard to take their institutions to this level and they deserve a wage revision of 40 per cent.

While deciding to place a demand for 40% wage hike, the Working Committee also sounded a note of caution. Wage revision is never decided merely on the basis of financial strength of an institution or on the basis of the strength of arguments. It also depends on the government policy. The attitude of the present day regime vis-a-vis the workers was more than evident from the recommendations of the seventh pay commission for central government employees and also from the implementation of the 3rd pay revision committee recommendations for CPSE employees. There has been systematic erosion in the share of labour in the total value added ever since India embraced the neo liberal economic policies. The working committee therefore called upon the employees to remain prepared for a protracted struggle to realise the Charter notwithstanding the strength of our arguments and the stunning performance of our industry.

The meeting also discussed on the long pending issue of one more option for pension and decided to raise the demand that all the employees should be covered by the 1995 pension scheme. The meeting also decided to join the broader struggle to achieve this demand and extend solidarity to the struggle being planned by central government and state government employees on the demand of abolition of the National Pension Scheme and its replacement with the defined benefit scheme.

The Working Committee was critical of the move of the union government to disinvest the public sector general insurance companies under the garb of mobilisation of additional capital. The public sector general insurance companies were adequately capitalised and were capable of raising resources internally. Therefore, the meeting felt that there was absolutely no need for their disinvestment. The government, however, wedded as it is to the ideology of neo liberalism, wants to disinvest these companies by taking the plea of additional resource

mobilisation. The Working Committee, therefore, decided to launch a powerful campaign on this issue by mobilising all patriotic and democratic sections of the people.

The meeting extended solidarity to the strike of BSNL employees on 27th July 2017. Similarly the meeting called upon the insurance employees to extend their support to the proposed one day strike of bank employees on 22nd August 2017.

Analysing the prevailing economic, political and social situation of the country the Working Committee of AIIEA came to the unanimous understanding that our units can never remain mute spectators to the goings on in the Indian society. It called upon all units to undertake campaigns and seminars on the three important issues identified by the Hyderabad Secretariat meeting of AIIEA i.e. Neoliberalism, Privatisation and Joblessness, Agrarian Distress - Food Security, and Unity of Working Class – the essence of Progress.

The Working Committee of AIIEA felt that GST would unnecessarily increase the rates of insurance premium and impair the resource mobilisation efforts of public sector insurance industry. Accordingly it gave a call that all units should collect signatures from policy holders in a memorandum addressed to the Union Finance minister requesting him to drop GST on insurance premium. The meeting called upon all units of AIIEA to campaign till 31st August, 2017 and mobilise the signatures and submit the same to Union Finance Minister and a copy of the same to the member of GST council of the state respectively.

The Working Committee of AIIEA concluded with the final adoption of the Charter of Demands. The Charter finalised in this meeting naturally reflected the collective aspirations of the employees of LIC and PSGI companies. The Charter therefore remained not merely a Charter of Demands; rather it became a 'Document of Unity' embodying the hopes and aspirations of the employees for a better life and living. The Charter of Demands would now be submitted to the Chairman LIC and the Chairman GIPSA on **2nd August 2017**. The Working Committee has called upon all units in LIC and PSGI to **observe Gate Meetings during lunch recess** on this historic day and explain the rationale of the demands to the employees.

The Working Committee placed on record its deep sense of appreciation and gratitude to SDIEU, Surat and all the units of WZIEA for organising the Working Committee meeting in a befitting manner. The working committee meeting was followed by a massive employees' meeting which was addressed by Com. H.I. Bhatt, General Secretary, WZIEA; Com. Shreekant Mishra, Convenor Charter Sub Committee, Com. Sanjay Jha, Secretary (Standing Committee) and Joint Secretary AIIEA, Com. Amanulla Khan, President AIIEA and Com. V. Ramesh, General Secretary, AIIEA.

With Greetings,

Comradely yours,

General Secretary.