

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
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To
All the Zonal/Divisional/State/Regional Units

Dear Comrades,

AIIEA DELEGATION MEETS LIC CHAIRMAN

A delegation of AIIEA comprising of Coms Amanulla Khan, President, V.Ramesh, General Secretary and H.I.Bhatt, Jt. Secretary met Shri M.R.Kumar, Chairman, LIC at Central Office on 2nd May, 2019 and discussed some issues of importance relating to the institution and the employees. Shri B.Venugopal, Managing Director, Shri Mukesh Gupta, ED(P), Smt. Pratibha Kher, Addl. ED(P), Shri S.G.Wanwar, Chief (P) and Smt. Aruna Seth, Secretary (P) were also present.

The AIIEA congratulated Mr M.R.Kumar on his appointment as Chairman of LIC and hoped that under his leadership this great institution will scale greater heights. The AIIEA expressed concern over the decline in the market share of LIC in the new business premium in the financial year 2018-19 and requested that proper strategies be drawn to regain the share so as to continue to dominate the market in all segments of the businesses. The Chairman pointed out that the marginal decline in the market share is primarily due to absence of a ULIP product. The LIC has filed a ULIP product with IRDA and regulatory approval is expected soon. He expressed confidence that LIC would register growth in the current financial year. The Chairman pointed out that the policy persistency ratio is an area of concern and LIC is taking necessary steps to overcome this issue.

The AIIEA pointed out that a perception is being created that LIC investments at times are not prudent and they are taken just to meet the policy requirements of the government ignoring the interests of the policyholders. The recent statements of some political leaders in this regard and the reporting by a section of the press are creating this negative perception. It is therefore necessary that we win this battle of perception with transparency in investments and assuring the policyholders of utmost security of their policy monies and decent returns. Both the Chairman and the Managing Director said that investment decisions of LIC are carefully taken keeping the interests of the institution and policyholders. They said that the investment in IDBI will be rewarding in the long term and will also help LIC to consolidate the bancassurance channel. They informed the delegation that in the last one month, the Bank has performed very well on this front.

Pension

Since the notification on final option is already issued, we urged LIC to issue the administrative instructions for its implementation early. We said that the administrative instructions should be clear and should leave no scope for any ambiguity. To meet the financial requirement of cost sharing by the employees opting for the pension scheme, we suggested that non-repayable withdrawal from the accumulation of employees' contribution to PF should be allowed. The Chairman assured to take up this issue with the PF Trust.

We also suggested that the retired employees opting for pension should be allowed to adjust the arrears of pension which becomes payable from the date of notification against the repayment of 1.3 times the employer's PF accumulation and interest they received at the time of retirement. The AIIEA also suggested that the commutation value also can also be adjusted. The Chairman said they will look into these suggestions.

The AIIEA pointed out to the urgent necessity of improving the rate of family pension in line with the RBI and the government. We also reminded that the assurance of giving an option to join the Mediclaim scheme for those retired employees who are out of it at present is still to be honoured. The Chairman said this is being discussed with the insurer as this would increase substantially the premium across the board. He, however, assured that this issue is still open and being looked into to find a reasonable solution. The AIIEA suggested that considering enormous contribution made to the institution by those retired, the LIC can consider introducing a cash medical benefit to them. We also pointed out that the cost of this benefit is not much and can be easily absorbed. The Chairman assured to look into this demand.

Wage Revision

The AIIEA said that all efforts must be made to settle the wage issue early so as to channelize our collective energies to meet the challenging competitive environment. We stressed that external developments should not be allowed to influence the course of our wage talks. The Chairman expressed agreement with the AIIEA and assured continuous follow up with the government to reach finality on wage revision at an early date.

The AIIEA expressed unhappiness that the demand for recognition of unions in LIC is still unsettled. This is undermining industrial democracy and urged for immediate steps in this direction.

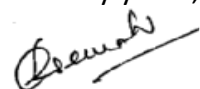
Recruitment

The delegation held separate discussions with the ED (P) thereafter. We were informed that steps have been taken for recruitment of 8000 Assistants and Zonal Offices have already identified division-wise vacancies. He expressed hope that in the next couple of months progress would be made in this regard. We pointed out there are some employees who were recruited through employment exchanges and are working continuously for nearly two decades. We demanded that these employees should be given the benefit of absorption in terms of the Supreme Court ruling in Hashmuddin case. The ED (P) informed that legal opinion on this issue has been sought and LIC will take necessary steps once the opinion is obtained. We demanded recruitment in the Class IV cadre too. The AIIEA also demanded an amicable solution to the CGIT issue without further prolonging the litigation. The delegation also discussed issues like PLLI for early solution.

The AIIEA will further pursue the issues discussed.

With greetings,

Comradely yours,



General Secretary.