

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

Dear Comrades,

DEFEND THE INDUSTRY
DEFEND UNITY OF WORKING CLASS
AIIEA SECRETARIAT CHARTS OUT VISION OF THE ORGANISATION

The Secretariat of AIIEA met at Goa on 8-9 June 2019. This meeting of the Secretariat was convened to review the progress on developments relating to issues of employees and the industry in the background of the current political situation. It was for the first time that the Goa divisional unit of AIIEA hosted any all India event of the AIIEA. A sense of jubilation and enthusiasm was clearly visible among the rank and file of the Goa divisional unit.

The Secretariat noted with satisfaction that the period since the last Secretariat meeting in January 2019 had been a period of phenomenal progress for the employees of public sector insurance industry. The Secretariat meeting at Hyderabad had planned agitations on two important issues of the employees, namely final option for pension and wage revision. The Secretariat drew satisfaction from the fact that while the final pension option is secured, there was a breakthrough on the question of wage revision too. The meeting of the Secretariat congratulated the employees for securing the long pending demand of the final option on pension after a protracted struggle of over one decade. The Secretariat noted that the Vajpayee led BJP government took a policy decision in 2004 to put an end to the defined benefit pension scheme for Central and State Government employees. However the AIIEA had forced the managements of public sector insurance companies to hold their ground and continue with the defined benefit pension scheme till up to 31st March 2010. The arbitrary ending of the defined benefit scheme with the NPS for those joining the services after 1.4.2010 was responded by a strike action by the AIIEA and thereafter a movement was developed on the issue of Final option for Pension Scheme 1995 to those who had not joined the scheme earlier. Simultaneously the AIIEA also has been making efforts to build up a broader movement of employees of Central and State Governments and banking industry for the replacement of NPS with the defined benefit schemes for those who joined the industry after 1.4.2010. The Secretariat felt that the achievement of final option for pension was particularly noteworthy because this was secured at a time when defined benefit pension schemes are under attack all over the world. The Secretariat also noted that when the government finally agreed to the recommendations of the LIC and GIPSA for giving a final option, it was not graceful enough to concede this benefit without imposing costs on employees as recommended by LIC and GIPSA. Despite this the Secretariat noted that this is a great achievement considering the policy of the government on pension schemes. The

meeting called upon all the existing PF optees and retired employees not to let go of this opportunity and exercise their options for Pension at the earliest.

The Secretariat expressed its satisfaction over the fact that on the question of wage revision also there were some positive developments. It was noted that the tactical line developed by the Secretariat which at Hyderabad in January, 2019 had yielded concrete results. While appreciating the initial offer of 10 per cent wage hike made by the LIC management in the first round of negotiations, the meeting reiterated that this falls short of expectations and paying capacity of the institution. Though negotiations were called by GIPSA, no offers were made. The meeting decided that GIPSA management should be impressed upon the need to come out with concrete offers early. The meeting also made it clear that the wage revision in LIC and public sector general insurance companies should be on the basis of the strength of the institutions and be independent of developments taking place in analogous institutions.

The Secretariat meeting noted with satisfaction that AIIEA's long pending demand of Recruitment to Class III cadre in LIC was going to materialise soon by way of recruitment of around 8000 Assistants. It was decided that AIIEA would bring necessary pressure for recruitment to Class IV cadres in LIC as well in view of the fast depleting staff strength in this cadre. On this issue, AIIEA also has to confront the policy of the government for abolition of Class IV posts.

The Secretariat meeting noted that both LIC and PSGI companies have registered impressive progress in the financial year 2018-19. However, it expressed concern over the decline in market share of LIC in new business premium and felt that LIC must draw proper strategies to regain the share so as to continue to dominate the market in all segments of the businesses. The meeting felt that there was an urgent need to arrest the decline in persistency ratio and take measures to augment collection of renewal premium income. Expressing serious concern over the stagnant position in number of policies in the last couple of years the meeting called upon the divisional and Zonal units to chalk out concrete campaign programmes aimed at revival of lapsed policies and improvement in servicing related aspects. The meeting also underscored the need of increasing the market share and profitability of public sector general insurance companies by giving a thrust to retail business and adopting prudent underwriting methods.

The Secretariat meeting was of the unanimous view that the results of the Lok Sabha elections have reduced the space for struggle and dissent. It noted with concern the undermining of democratic institutions set up as checks and balances in Indian democracy. Now that the elections are over, it is the responsibility of the leaders of the government to put an end to divisive and hate campaign and work on an inclusive agenda for economic and social development of our society. The Secretariat firmly believes that unity of workers is essential to advance their interests and therefore it expressed hope and confidence that the working class will defend our constitutional values, the rich diversities, cultural, religious and linguistic pluralities to defend the unity of the working class and the nation.

The Secretariat noted that the Indian economy is going through a difficult period. The growth is declining and inequalities increasing. Economy cannot run and sustain itself on the basis of the consumption needs of a narrow section of the population. Therefore, the government must take immediate steps to reorient the policy to include all citizens in the process of development. The Secretariat noted with concern the announcement of the decision to privatise the public sector units, bring legislations to amend labour laws in favour of the employers and make land acquisition easy. The experience around the world clearly demonstrates that these policies failed to solve the crisis in economies. The government which refuses to raise resources through taxing the rich and attacking the black money finds it convenient to raise resources through sale of public sector units. This policy poses a serious threat to LIC also. Therefore, the Secretariat appeals to all the insurance employees to remain vigilant to thwart any attempt towards disinvestment in LIC. The Secretariat also decided to continue resistance to the privatisation of PSGI companies.

The Secretariat had a serious discussion on employees' issues like PLLI, CGIT, Ex Servicemen's fixation issue, Five Day Week, Sports Policy of LIC, enhancement of the allowance payable to physically challenged employees, improvements in family pension, updation of pension with wage revision, improvements in Mediclaim, inclusion of left out retired employees in the group Mediclaim policy etc. and decided to pursue these issues with the managements till their resolution.

The Secretariat decided to organise an All India Working Women's Convention at Bengaluru on the 11th of August 2019 and requested the convenors/co-convenors of all Zonal women sub-committees and/or state level women's sub-committees and convenors of all divisional level women's convenors to participate.


The Secretariat also finalised the dates of the ensuing 25th General Conference of the AIIEA to be held at Vishakhapatnam. It was decided that the Conference would be held from 27-30 January, 2020 and called upon all units to support the host unit and contribute to the success of Conference.

The Secretariat placed on record its deep appreciation and gratitude to the comrades of ICEU Goa Division for their untiring efforts in organising the meeting in a splendid manner. The meeting of the Secretariat was followed by an impressive employees' meeting which was attended by a large number of employees, officers and retired employees.

The Secretariat is aware that the present times are challenging but has full confidence that insurance employees will overcome these challenges through their grit, determination, faith in struggles and courage of conviction.

With greetings,

Comradely yours,



General Secretary.