

**ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**  
**LIC BUILDING SECRETARIAT ROAD HYDERABAD 500 063**  
**(E-mail: aiieahyd@gmail.com)**

Cir. No. 30 / 2020

7<sup>th</sup> August, 2020

To  
All the Zonal / Divisional / State / Regional Unis

Dear Comrades,

**Leadership of Joint Front Unions in LIC meets on 05.08.2020**

The leadership of Federation of LIC Class I Officers' Associations, National Federation of Insurance Field Workers of India and All India Insurance Employees' Association met through video conferencing on 05.08.2020 to discuss issues relating to the insurance industry, issues of the LIC employees and decide the future course of action.

We append hereunder the circular issued by the Joint Front which is self-explanatory.

With greetings,

Comradely yours,



General Secretary.

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**FEDERATION OF LIC CLASS I OFFICERS' ASSOCIATIONS**  
**NATIONAL FEDERATION OF INSURANCE FIELD WORKERS OF INDIA**  
**ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**

August 07, 2020

To All LIC Employees;

Dear Comrades/Friends,

The leadership of Federation of LIC Class I Officers' Associations, National Federation of Insurance Field Workers of India and All India Insurance Employees' Association met through video conferencing on 05.08.2020 to discuss issues relating to the insurance industry, issues of the LIC employees and decide the future course of action.

**Covid 19 and Issues related to Employees:** The meeting felt that the Covid 19 pandemic had given rise to an unprecedented crisis. The crisis had already started impinging on the economy and the insurance industry. The meeting appreciated that even in trying circumstances LIC had been performing admirably well as reflected in the final business figures as of 31 March 2020. The meeting exuded confidence that in the medium and long term LIC's business would pick up momentum and LIC would be able to retain its pre-eminent position in the insurance industry. The meeting felt that this had been possible due to the unwavering commitment of

its workforce even in the face of gigantic challenges. The meeting was of the considered opinion that three constituents of the Joint Front together represent an overwhelmingly large section of the workforce of LIC and it was their legitimate right to be taken into confidence by the LIC management on issues related to the institution and the employees. The meeting however expressed its concern that LIC management did not appear to be having a proper appreciation of the difficult situation under which the employees were working. This was reflected in the inexplicable silence of the management on issues related to a fair and justifiable treatment of absence during the pandemic period. The meeting was of the opinion that the silence of the management on this important issue defies explanation at a time when analogous financial institutions and even the Government of India have come up with clear cut instructions. The meeting also expressed its concern that the instructions of the Central Office are not being implemented in letter and spirit in some places and contrary instructions are being issued. The marketing officials with scheme VI car are instructed to attend the office daily, irrespective of the local situations and in some Divisions all class-1 officers are asked to attend, contrary to the instructions of the local administrations. This is exposing the employees and officers to the risks posed by Corona virus.

The meeting was also dismayed that the LIC management was turning a blind eye to the growing incidence of Covid positive cases among the workforce all over India. Covid treatment is a prohibitively expensive proposition. PPE kits form an important and costly component of the treatment protocols. The amount billed for the PPE kits are being disallowed by TPA/ GIC on the plea that these are non-medical items. Employees affected with Covid are left high and dry in a state of absolute helplessness. Given the exorbitant cost of Corona treatment, it was felt that LIC had to act in a proactive manner in attending to the genuine health concerns of the employees in keeping with the traditions of a model employer. We have already demanded for suitable amendments in the existing Mediclaim scheme or alternative arrangements for which no response has come so far. The meeting decided to take up these issues with the management in all seriousness. The meeting was further of the opinion that LIC management should review the eligibility criteria for payment of different allowances and fringe benefits payable to the class of Development Officers based on certain performance norms considering the present pandemic situation.

The meeting also noted with concern that a large number of employees including Development Officers are being drafted for Covid duties in Bangalore. Even employees nearing retirement and those with co-morbidities are being asked to join Covid duties for unspecified duration. The LIC being a financial institution and having to compete with 23 other private players must take up this issue with the concerned authorities in order to protect interests of both the employees and the institution. This issue must be taken up with the authorities with the urgency it requires.

**Listing of LIC:** The Joint Front was critical of the fact that despite commendable performance by LIC, the government of India was going ahead with the decision to list LIC in the stock exchange through an Initial Public Offering (IPO). Now utilizing the pandemic induced crisis as an opportunity, the government has begun the process of inviting and selecting transactional advisors to advise the government. As per the reports, the transactional advisors have already been selected. The meeting noted that the Government intends to raise around Rs.1 lakh crore by selling between 5 to 10 per cent of its stake in LIC. Media reports indicate that the

government is expected to hit the market with the IPO in the last quarter of the financial year. The Joint Front viewed this as the first step towards privatization of the most successful financial institution in the country. The meeting of the Joint Front expressed its unhappiness that the Finance Minister has not even acknowledged the receipt of our letter. Terming this a serious undermining of the process of democratic consultations, the meeting felt that our campaign and struggle against LIC's listing and disinvestment needs to be intensified. It was decided in this context that we would write once again to the Presidents/ Heads of all major political parties/ Members of Parliament of all political parties / Chief Ministers of various States requesting them to oppose LIC's listing and disinvestment in the floor of Parliament if and when the LIC Amendment Bill is placed for consideration. The meeting decided to launch wide campaign amongst the employees and other stake holders against this destructive proposal of the government. **The meeting also noted that our campaign and mobilization has to ensure that our policy holders were given necessary confidence that the vigilant trade union movement in LIC would continue to protect their interests.** With a view to further deepening and broadening our struggle against the disinvestment of LIC, the meeting reiterated the earlier understanding that there was a need to further expand unity on the issue. Given the undue haste with which the Government was moving in the direction of disinvestment of LIC, the meeting decided to go on a **One Day Strike immediately if the Government brings in any Bill to amend the LIC Act or brings any Ordinance to dilute its equity holdings in LIC.**

**Wage Negotiations:** The Joint Front meeting expressed its dissatisfaction over the inordinate delay in settlement of the wage revision issue. The meeting was critical of the fact that the wage revision issue is due for three years now. Three years is a pretty long time to settle the genuine demands of the employees. The meeting noted that a positive ambience was created after our meeting with LIC Chairman on 13<sup>th</sup> of March. The Chairman assured to call the unions for a discussion in the month of April. The ED (P) assured in writing that the concerns of the employees will be taken care of. We suspended our programs of action on this positive note. Since no developments took place thereafter, the Joint Front has addressed a letter to the Chairman LIC on 21<sup>st</sup> of July demanding resumption of negotiations with improved offers. The meeting felt that the issue cannot brook any further delay and the management had to be conveyed this feeling of the employees in no uncertain terms. The meeting has urged LIC to immediately convene negotiations on wage revision and come out with offers reflecting the growth of the institution and its financial strength.

#### **Pending Demands:**

The meeting expressed its concern over the long delay in securing approval of the government on Board recommendations on improvements in pension scheme including the quantum of family pension. The routine issues like ex-gratia in lieu of Bonus are also pending for nearly two years. The proposals on easing the procedures on vigilance matters are pending for years with Government resulting in unwarranted victimisation of employees. The meeting urged LIC to immediately take up these issues with the government and secure the approval without further delay. At a time when interest rates are falling, there is no justification for the rates charged on housing loan. The demand for reduction of interest rates on housing loan is pending for well over two years now. This situation is unacceptable.

The meeting also decided to strengthen the unity of the three organizations forming the Joint Front at all levels. Therefore, Units of the constituent unions all over India are requested to immediately form Joint Front platforms at the Zonal/ Divisional levels and take up the campaign and struggle programs in right earnest. This unity at all tiers of the organizations would help better understanding of issues and developing proper campaign to protect the interests of the employees and the institution. We request our members all over India to remain prepared for a grim struggle ahead on the issues related to the employees and on the issue of LIC's listing and disinvestment.

With Greetings,

Comradely Yours

Sd/-  
S. Rajkumar  
General Secretary  
Federation of LIC  
Class I Officers' Association

Sd/-  
Vivek Singh  
Secretary General  
NFIFWI

Sd/-  
Shreekant Mishra  
General Secretary  
AIEA