

**EAST CENTRAL ZONE INSURANCE EMPLOYEES'
ASSOCIATION**

Jeevan Deep Buildings (1st Floor), Exhibition Road, Patna-800001

Circular No. : 05/2011

Date: 27.05.2011

To, All Members

Dear Comrade,

Re: Decisions of the ECZIEA Secretariat Meeting

The Secretariat of the ECZIEA met, as scheduled, at Patna on 22 – 23 May 2011. The Secretariat was called basically with a view to making a detailed reporting on the decisions and deliberations of the AIIEA Secretariat meeting held at Hyderabad on 15 – 16 May 2011 and to keep the organization in readiness to further the struggle as envisaged by the organization.

The ECZIEA Secretariat endorsed the decision of the AIIEA Secretariat to continue the campaign for protection of public sector insurance industry, to leave no stone unturned to prepare the temporary employees for the process of recruitment, to campaign and struggle for resolution of all pending issues including one more option for pension, to prepare in a big way for celebrating the Diamond Jubilee of AIIEA on 1st July 2011. Besides this, the ECZIEA Secretariat also resolved to keep the organization in absolute readiness to carry forward the struggle and campaign of AIIEA in the states of Bihar, Odisha and Jharkhand as also to meet the future challenges head on.

While reviewing the performance of public sector insurance industry in the last financial year and our campaign to protect the nationalized character of insurance, the Secretariat noted with satisfaction the numerous programmes undertaken all over the zone. The campaign was by and large successful insofar as Human Chain Programmes, Leaflets distribution programme and holding of Press conferences were concerned. The Secretariat drew satisfaction from the fact that with an annualized new business income of Rs.86,444.72 crore LIC has been able to regain a market share of 4% in the financial year 2010-11. With a market share of 68.7% in FPI and 76.9% in No. of Policies LIC today is the unquestioned market leader with a composite premium income growth of 22%. While the overall growth rate of private sector insurance companies in the last year has been around 3%, most of the private sector biggies have suffered huge de growth. Bajaj Allianz (-22%), Reliance Life (-23%) and Birla Sunlife (-30%) are leading the pack. Like LIC, the public sector general insurance companies have also registered a spectacular growth rate of 21.68% in the last fiscal and have mobilized a GDPI (Gross Domestic Premium Income) of Rs.25,001.60 crore. The public sector general insurance companies have cornered a market share of 59%.

The multinational insurance companies, at the global level, have been undertaking substantial restructuring with Mergers and Acquisitions (M&A) being progressed to optimize opportunities in the expanding markets in the Asia Pacific and Latin American regions. It is estimated that US \$37 billion has been paid out by insurance companies to cover incurred losses from catastrophic events in 2010. Insurance majors like Aegon, AIG, AXA, Brit Insurance, Zurich Financial Services etc. have all seen their profit margins and net earnings nosedive in the last quarter of 2010. The huge growth potential of the Indian insurance market and the dwindling profit margins

of multinational insurance companies have created a situation where there will be more hue and cry to further liberalise the insurance market in India. In this context, the ECZIEA Secretariat endorsed the decision of the AIIEA Secretariat to further intensify our campaign programme and meet the peoples' representatives on the issue of the two Bills (LIC Act amendment Bill 2009 and Insurance Laws Amendment Bill 2008). In this context the meeting hailed the decision of AIIEA secretariat to hold lunch hour demonstrations on the opening day of the monsoon session of Parliament and also appreciated the call of AIIEA to hold solidarity demonstrations on 7th July 2011 in support of the Strike Call of United Forum of Bank Unions (UFBU) against banking reforms.

The Secretariat appreciated AIIEA's dogged follow up of the Temporary Employees' issue and its eventual culmination through the Supreme Court Judgment dated 18th January 2011 which has paved the way for solution of a long standing problem. Divisional units have been called upon to leave no stone unturned to prepare the temporary employees for the recruitment process. The Secretariat appreciated the fact that Cuttack, Hazaribagh and Jamshedpur Divisional units have already started imparting training to the eligible daily wagers.

The meeting discussed the pending disciplinary proceedings relating to Jamshedpur, Bhubaneswar and Bhagalpur divisional units and authorized the ECZIEA to take necessary organizational steps for resolution of the issues. The Secretariat took a firm resolve to start preparations for celebrating the Diamond Jubilee of AIIEA all over the zone on 1st July 2011 and called upon units to try to involve family members of the employees also in the Diamond Jubilee celebrations. While divisional units can independently chalk out programmes pertaining to their Divisions, the Secretariat felt that the Flag Hoisting and Oath taking (to protect and strengthen AIIEA) ceremonies should be held on 1st July itself.

The Secretariat noted with satisfaction the fact that close on the heels of the ECZIEA trade union class at Sambalpur on February 12-13 2011, Cuttack, Bhubaneswar and Hazaribagh divisional units have already held their divisional level classes and Patna and Berhampur divisional units are about to hold the same. All units were requested to complete trade union classes for branch level leadership also as per the Diamond Jubilee year Conference of AIIEA. The Meeting called upon all members to contribute @20/- in the minimum for ensuring the all-round success of the ensuing 5th All India Conference of the All India Insurance Pensioners' Association (AIIPA) at New Delhi to be held during 16-19 October 2011. There was a detailed discussion on the shifting of the publication of Insurance Worker from Chennai to Bangalore with effect from July 2011. The meeting appreciated the fact that efforts were being made to secure approval from the Press Council of India for making Insurance Worker a bilingual journal. This would definitely cater to the needs of the insurance employees in the Hindi speaking areas and help augment subscribership also. All divisional units were requested to procure Advertisements worth of Rs.4000/- each, for the special Silver Jubilee edition to be brought out in the month of July 2011. The meeting was followed by a very well attended employees' meeting in the evening of 23rd May 2011.

With Greetings,

Comradely Yours



General Secretary