

# **EAST CENTRAL ZONE INSURANCE EMPLOYEES' ASSOCIATION**

Jeevan Deep Buildings (1<sup>st</sup> Floor), Exhibition Road, Patna-800001

**Circular No. : 05/2012**

**Date: 30.10.2012**

To, All Members

Dear Comrade,

## **Re: Launch a Massive Campaign against the Insurance Reforms**

As you are aware, the UPA II government at the centre has initiated a number of sweeping reforms measures relating to the insurance industry and the pension sectors. The Cabinet that met on October 4 has decided, among other things, to increase foreign direct investment (FDI) in the insurance sector from 26 to 49 percent; to allow the public sector general insurance companies to raise capital from the market to meet future capital requirements; to allow foreign insurers to conduct reinsurance business in India; to reduce the minimum capital requirement for standalone health insurance companies from Rs.100 crore to Rs.50 crore and to allow 49 per cent foreign direct investment in the pension fund industry. It is to be noted that the government has decided to increase FDI in the insurance industry totally ignoring the unanimous recommendation of the Standing Committee of the Ministry of Finance not to proceed with any FDI hike. The decision of the government is therefore totally undemocratic, apart from being against the interest of the nation and the people.

The government is determined to bring in the necessary legislations in this regard in the winter session of Parliament, which is scheduled to commence from 22 November 2012. We must therefore step up our campaign from now on. The festivities are almost over. The first three weeks of the month of November should be utilized to launch a vigorous campaign especially on the issue of insurance/pension reforms and the anti people policies of the government.

The campaign can take the following forms:

- Extensive campaign among the members, to start with, as to why we are opposed to the so called insurance reforms. Unless our cadres are educated, they cannot be expected to take up the campaign in a big scale. Agents and Development Officers should be mobilized in a big scale; wherever possible joint programmes can be held.
- Conventions, Seminars, Street Corner meetings along with widespread pamphlet distribution programmes should be undertaken, Pamphlets should be simple, easy to understand and should be in vernacular.
- Efforts should be undertaken to rally the support of retail traders by explaining to them the dangerous import of FDI in retail trade. (Leaflets can be so prepared as to incorporate certain aspects of FDI in retail trade)
- Members of Parliament (MPs) are to be approached again, with a detailed note.
- All units should hold lunch hour demonstrations on the opening day of the winter session of Parliament i.e. on 22<sup>nd</sup> November 2012.

- Employees/ Units should remain in absolute preparedness to observe One Day Strike if the government proceeds with enacting the Insurance Laws (Amendment) Bill, 2008 (As per the decision of the AIIEA Working Committee Meeting in Mysore)
- The overall thrust of the campaign should be to mobilize the employees as well as the public at large for successful observance of the two day strike on 20-21 February 2013. We must realize that the success of the two day strike action will crucially depend upon the support of the common people to our cause. Issues like price rise, limiting the number of LPG cylinders to six in a year, diesel price hike, the upcoming railway fare hike etc. should be projected in the street corner meetings.
- Units should try to co-ordinate our programmes with those of other central trade unions and fraternal unions so that a broad based movement can be developed.

We are giving a brief write up on “why should we oppose FDI hike in insurance”, just to make matters simple and presentable. We should make extensive use of the materials published in Frontline (Nov. 2 issue, sent earlier); we are also attaching another article by Com. Amanulla Khan published in the October 28<sup>th</sup> issue of Peoples’ Democracy.

Let’s launch a massive campaign against the so called insurance reforms.

Wishing a Very Happy Diwali and Chhath to all comrades.

With Greetings,

Comradely Yours



General Secretary