

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

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17th December, 2021.

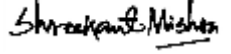
To
All the Zonal/Divisional/State/Regional Units

Dear Comrades,

Abnormal increase in premiums in employees' group schemes

AIEEA wrote a letter to ED (P) regarding huge increase in GIS & GTIS premiums and sought for subsidy to reduce the financial burden on the employees. We reproduce the same hereunder for the information of all employees.

With Greetings,

Comradely Yours,

General Secretary.

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16th December, 2021.

The Executive Director (Personnel),
LIC of India,
Central Office,
MUMBAI.

Dear Sir,

GIS 2004 & GTIS'97 Schemes– abnormal increase in premiums

This is with reference to CO circular ref: CO/Per/ER-A/283/2021 dated 1.12.2021 and CO/Per/ER-A/278/2021 dated 31.8.2021 on the above cited subject.

It is observed that there is huge increase in the premiums charged while the coverage of risk remains unchanged. The rise in premiums is around 42% in GIS and 62% in GTIS for all cadres of employees as also to the retired employees. The rise in absolute amounts is also very high in GIS 2004. The premium rates per thousand Sum Insured in GIS has gone up to Rs.5.24 from Rs.3.68 and in respect of GTIS to Rs.4.70 from Rs.2.90 compared to the present rates.

While we understand that the huge number of deaths of employees due to Covid19 (High Claim Experience Ratio), could be one of the reasons for this rise in premium rates, you will appreciate that this abnormal increase in premiums in both the above referred schemes is obviously causing unbearable financial burden to the employees.

Keeping in view the financial burden caused to employees, we are of the strong opinion that it has now become an imperative need to introduce an element of subsidy by the Corporation on the premiums charged in the above group schemes so as to mitigate the burden on all cadres of employees to certain extent. We hope that the Corporation would be responding positively to our request.

Thanking you,

Yours faithfully,
Sd/-
General Secretary.