

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
LIC BUILDINGS SECRETARIAT ROAD HYDERABAD 500 063
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22nd February, 2022

To
All the Zonal /Divisional /State /Regional Units

Dear Comrade,

The Joint Front of Unions/ Associations in LIC met at Hyderabad on 20th February 2022 to discuss issues related to the industry and the employees. We reproduce hereunder the circular issued by the Joint Front on the decisions of that meeting.

Please bring it to the notice of all the employees.

With Greetings,

Comradely Yours



General Secretary

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

To,

Date: 22.02.2022

All LIC Employees

Dear Comrades/ Friends,

JOINT FRONT MEETING AT HYDERABAD DECIDES

(A) TO INTENSIFY PROTEST AGAINST LIC IPO

The Joint Front of Trade Unions in LIC comprising of Federation of LIC Class I Officers' Associations, National Federation of Insurance Field Workers of India, All India Insurance Employees' Association and All India LIC Employees' Federation met at Hyderabad on February 20, 2022 to review the industrial situation and take appropriate decisions.

The Joint Front was critical that despite opposition of the wide sections of the society, the government is moving ahead with breakneck speed to list LIC in stock markets before the end of current financial year. This is being done in order to raise resources through disinvestment in

LIC to meet the projected fiscal deficit target. The Joint Front took note of the fact that the campaign against LIC IPO has created a definite impact as seen from the fact that the government had to incorporate in the LIC Amendment Act a provision committing itself to hold 51% stake in LIC for all times to come. The government also had to assure the policyholders that the sovereign guarantee on LIC policies will continue. The scaling down of the issue to 5% from the earlier projected 10% was also the result of the campaign.

The Meeting noted that a large number of prominent economists, academia, journalists, legal luminaries individually and some of them collectively through forums like People's Commission have raised substantial questions over the need for LIC IPO. They hold the opinion that LIC as an institution is too important for social and national development and therefore the objectives of such an institution should not be subordinated to the motive for profits of the private entities. The meeting appreciated the support extended to the agitation by the Chief Ministers of Tamil Nadu, Telangana and various political parties to our struggle. The solidarity extended by Central Trade Unions was also noted.

The Joint Front was clear in its understanding that LIC has grown and prospered through the policyholders' funds. This benefitted the society as a whole through social and national development. Unfortunately now, the government as the shareholder has appropriated the entire value generated through policyholders funds and is handing over this value for the private profits. It was noted that there was no transparency in valuing LIC. The requests to LIC and the government to hold discussions on this issue with the stakeholders such as employee organizations fell on deaf ear. The Meeting was unanimous in its view that no proper valuation has taken place of the real estate of LIC and the embedded value as determined by the Actuarial Firm is a gross under-valuation.

The Meeting also analysed in great detail the impact of LIC IPO on the workforce and the possible change in business model post IPO. There was unanimity that the process will hurt the interests of the workforce in long run. The change in surplus distribution pattern will force the institution to sell policies that will bring maximum profits to the shareholders. This will have an adverse impact on the small policyholders who insure not only against the risk of dying early but also that of living longer. They see a LIC policy both as a risk instrument as well as a saving instrument. The possibility of use of high technology and artificial intelligence and its impact was also discussed. The impact on the agency force with great use of intermediaries and online sale of policies was also analysed.

The Joint Front was unanimous that LIC IPO has to be opposed and there is a need to have a sustained struggle on this issue. **It was decided to organize a Dharna at Jantar Mantar at Delhi on 5th March 2022** to sharply focus reasons of our opposition and to seek support from the general public. The program of action on the day LIC IPO opens for subscription was also

discussed and the same will be announced shortly. LIC is an institution built by the sweat and toil of its workforce and the trust placed by the policyholders. It has played the most important role in industrialisation of the nation and social development. Therefore, the Joint Front said that it is the patriotic duty of LIC employees to defend this great institution by continuing the struggle.

(B) AGITATION ON INDUSTRIAL ISSUES

The Meeting was critical of LIC management for the indifference shown towards many issues represented and its failure to resolve them. Despite repeated requests, no discussions have been held on the residual issues after the finalization of wage revision. The Meeting noted that improvement in Family Pension approved by the Board nearly two years back are still to flow to the pensioners. The Meeting was clear that it is the responsibility of LIC to secure the necessary approval from the government and ensure flow of benefits. Even on a routine issue like restoration of increments deferred for participation in strike is pending for over one year. LIC is the only institution where increments are deferred and wage recovery is made for participation in strike. This is a double punishment for a single action. This is both illegal and immoral. The promised improvement in LTC, encashment of LTC benefit and a relook on the interest rates on housing loan still remain unresolved. It was felt that the employees have waited patiently for a long time hoping resolution of these issues. The Unions have made repeated requests both oral and written. But things do not seem to move. Therefore, the meeting felt that there is no choice but to take to the path of agitation. As a first step, the Joint Front has called upon all employees **to hold demonstrations on these issues in front of all offices during lunch recess on 3rd March 2022** and intensify the agitation if no solution is found in a short time.

We request our units all over the country to organise the programmes in a coordinated manner.

With Greetings,

Comradely Yours

Sd/-

S. Rajkumar
General Secretary
Federation of LIC
Class I Officers'
Associations

Sd/-

Vivek Singh
Secretary General
NFIFWI

Sd/-

Shreekant Mishra
General Secretary
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Sd/-

Rajesh Kumar
General Secretary
AILICEF