

**ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**  
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To

All the Zonal /Divisional /State /Regional Units

**AIEA Secretariat meeting at Hyderabad on 21-22 January 2024 Decides**

**To Intensify the Struggle for Realisation of Charter of Demands**

**To Broaden Struggle in Defence of Public Sector Insurance**

**To celebrate the 75<sup>th</sup> year of Indian Republic in a befitting manner**

The Secretariat of the AIEA met at Hyderabad on 21-22 January 2024. The Secretariat discussed the latest developments pertaining to the insurance industry and the dangers confronting public sector insurance, the latest position of the wage revision issue of employees in LIC and PSGI companies and issues relating to the organisation.

The Secretariat congratulated the employees of LIC for the remarkable show of unity displayed by way of the successful **one-hour walk-out strike on 10<sup>th</sup> January 2024**. The success of the strike demonstrated in clear terms that the employees were no longer prepared to brook any delay on the question of their legitimate wage demands, enhancement of management's contribution from 10 to 14 per cent without prejudice to AIEA's demand for scrapping of the NPS and its replacement by the 1995 pension scheme, recruitment to Class III & IV cadres and the unilateral attitude of the management on issues relating to the institution and the employees. The Secretariat resolved to cement the unity of the officers and employees under the banner of the Joint Front still further and carry out struggles for realising the genuine demands of the employees. Expressing serious concern over the sharp communal polarisation, fast institutional degradation and growing authoritarianism taking place in Indian society, the Secretariat noted that maintaining the class unity of the working class was of utmost importance.

The Secretariat felt that LIC was performing admirably well in spite of a difficult macro-economic environment. Noting that LIC's remarkable performance had come in the background of a sluggish growth performance of the economy and in the background of net financial savings falling to a historic low of 5.1 per cent, the Secretariat exuded confidence that LIC would improve its market share in the coming months of this fiscal. Analysing the performance of the insurance industry globally, the meeting noted with satisfaction that Indian insurance industry, particularly the LIC, was doing much better than insurance companies of even the developed countries of the west. The Secretariat was of the opinion that the LIC management and government should appreciate the contribution of the employees to the growth and prosperity of the institution and reward them by way of a decent **wage revision**. Expressing serious disappointment over the fact that negotiations on wage revision had not started even after more than seventeen months of submission of the charter, the meeting called upon the employees to remain prepared for intensified struggle on the issue.

The meeting noted that there was considerable improvement in the performance of **PSGI companies** in the current financial year in spite of the unwarranted interference of the government by way of the KPI and restructuring exercises. The meeting discussed the growing number of mergers and consolidations taking place in the private sector insurance industry and the financial muscle it was lending to these companies. It was decided that a serious struggle had to be taken up

by our units on the issue of merger of PSGI companies so as to enable them to derive the economies of scale. The Secretariat authorised the Standing Committee (General Insurance) to devise appropriate programmes of struggle for realising the pending demands of the employees including the wage issue in close co-ordination with the Joint Front.

Citing a recent report of the Swiss Re, the Secretariat discussed that India is poised to have the fastest growing insurance sector among G20 nations for the next five years to 2028 (2024 to 2028), with real term growth of 7.1% in total insurance premiums. The life insurance segment is expected to expand 6.7% during the period while the non-life insurance sector is likely to grow at an annual average rate of 8.3%. According to this report, the total premium income which now stands at \$224 billion (\$163 billion life premium and \$61 billion non-life premium) are likely to grow to \$450 billion during the decade of 2024 to 2034. Similarly, insurance penetration which is 3.8% today may go up to 4.5% by then. The report says that India's real term growth rate of 7.1% in total insurance premiums outpaces global, emerging markets and advanced markets averages at 2.4%, 5.1% and 1.7% respectively. In view of the unremitting commitment of the government to neoliberalism, especially to the privatisation of public sector enterprises, the Secretariat felt that the growth potentiality of the Indian insurance industry would be used as a ruse to bring further reforms and weaken the public sector insurance industry.

The secretariat also sought to draw the attention of the employees to the shrill media hype over LIC surpassing SBI, ITC and Hindustan Lever in terms of market capitalisation and becoming the country's most valued PSU firm and 7<sup>th</sup> most valued company overall in terms of market capitalisation. The meeting analysed as to how the corporate media had started using the uptick in LIC share prices as a justification for further dilution of government equity from the LIC. As per the minimum public shareholding norms of the SEBI, the promoter's shareholding should be 75% or less. The government had offloaded only 3.5% of its equity by way of LIC's IPO in 2022 and still continues to have 96.5% of the shareholding. The LIC has got a breather till 2032 to bring down the government equity to 75% as per SEBI norms. The secretariat expressed concern over the media campaign that the government can unlock Rs.1.2 lakh crore, as of the current market price, by divesting its excess stake in LIC. **The Secretariat cautioned the employees to remain vigilant and thwart any attempt at further dilution of government equity from the LIC and privatisation of public sector general insurance companies.** The meeting called upon the employees to integrate their struggle against privatisation with the broader struggle against neoliberalism being jointly developed by the farmers and workers in different parts of the country.

There was a critical discussion in the Secretariat on the **unilateral attitude of the management** especially with regard to implementation of new initiatives. The secretariat noted that while there was no doubt about the need for modern technology to upgrade customer servicing, there cannot be any compromise on protecting the interests of the employees. The meeting expressed its serious concern over the depleting staff strength in LIC and PSGI companies. While some recruitment had started in PSGI companies of late, the meeting was critical that LIC management had been maintaining a stoic silence on the issue. **The Secretariat decided that recruitment in LIC cannot brook any delay and a struggle had to commence on the issue.**

The secretariat decided to observe **13<sup>th</sup> March 2024** as **"My LIC My Pride"** Day across the country. The day should be observed as a mega business day so that all stake holders show their love and commitment to the institution by procuring maximum business on that day. Zonal units were requested to finalise the programme by suitably guiding the divisional units about the likely amount

of business they can bring in on that day. It was also decided that suitable programmes like Agents' **activation programmes, No Termination Months for Agents, Employees-Agents Interaction programmes** should be organised on a regular basis to smoothen the relationships in the office and help procurement of more business. It was decided that the Standing Committee (General Insurance) would take up a spirited campaign to **popularise the products of PSGI companies** by involving all sections of the stake holders.

The Secretariat decided to **Organise Solidarity Demonstrations on 16<sup>th</sup> February 2024** across the country in support of the nationwide mass mobilisation of the Central Trade Unions and Samyukt Kisan Morcha on important issues of the country and the people. It was also decided that pressing issues of insurance employees like Wage Revision, Enhancement of management's contribution to NPS to 14 per cent, Recruitment, threat of Outsourcing, Recognition to AIIEA, Enhancement of Family Pension in PSGI companies to a uniform rate of 30 per cent etc. are also to be projected in the Gate meetings and memorandums to be handed over to the In-Charge of the Offices. (The memorandum will be sent by AIIEA headquarters to the units at the appropriate time).

The Secretariat of the AIIEA decided to commemorate the **75<sup>th</sup> year of the Republic of India** by organising seminars and conventions on topics related to the Constitution of India; the ideas of Justice, Liberty, Equality and Fraternity as enshrined in the Indian Constitution; the syncretic and pluralistic culture of India; Impact of neoliberalism on employment and livelihood of the people and other important issues identified by the zonal units.

The Jodhpur Secretariat of the AIIEA in July 2023 had formed a **Committee to study the changes in the insurance industry** and suggest measures for successfully meeting the emerging challenges. The Secretariat had a detailed discussion on the report submitted by this committee and suggested that there should be wider discussions at all tiers of the organisation on the recommendations of this committee to firm up our position on the emerging challenges. Similarly, the report submitted by the **Committee on Social Media usage** (as decided in the Jodhpur Secretariat) was also discussed at length and it was decided that AIIEA would take up social media campaign in right earnest. **Accordingly, it was decided to have a You Tube Channel, Facebook Page and a Twitter Handle for AIIEA.** The modalities would be worked out soon.

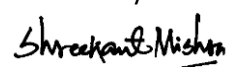
The Secretariat reiterated the need to form and activate **Insurance Workers' Readers Groups** across the country. The meeting congratulated SZIEF for ensuring almost hundred percent utilisation of these forums across the zone and called upon other units to replicate the experience. Realising that Insurance Worker publication had become very expensive in view of the huge escalation in costs; the Secretariat felt that **there was a need for revision in the subscription rates.**

The Secretariat of the AIIEA unanimously decided to organise the **27<sup>th</sup> General Conference of the AIIEA at Bhubaneswar**, tentatively around December 2025-January 2026, as per the request of ECZIEA.

We request our units across the country to implement the decisions of the Secretariat in letter and spirit.

With Greetings,

Comradely Yours



General Secretary