

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
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To,
All the Zonal/Divisional/State/Regional Units

Dear Comrades,

The Secretariat of AIIEA that met at Hyderabad on 12-13 April 2025 had decided to bring out some educative material on issues confronting the public sector insurance industry, the economy and the people at large. This, it was felt, would help our members have a proper appreciation of the issues on which we are joining the May 20, 2025 countrywide general strike.

Accordingly, we reproduce herein below the **Editorial of the upcoming May 2025 issue of Insurance Worker** for the benefit of our members. We would request our units to make ample use of this material.

With Greetings,

Comradely Yours



General Secretary

INSURANCE WORKER
MAY 2025 EDITORIAL

PUSH BACK THE OFFENSIVE

What other option do we have, when the Government of India refuses to stand up and defend its own institutions? There can be no reason other than it meekly submitting to the demands of the global finance capital. There is no justification for the silence of the government either on the tariffs imposed by the Trump administration nor its comments on the functioning of LIC. This timidity displayed by a government which boasts that it has made the country a super power is both concerning and challenging. It has become the responsibility of the insurance employees to push back this offensive aggressively.

It is becoming clearer by the day that the amendments the government is contemplating to the Insurance Laws are meant to pacify and meet the demands of the US imperialism and the global finance capital. While there were no apparent reasons for the FDI hike in insurance sector, the government proposes to increase it to 100% allowing multinationals total freedom to operate and control the precious household savings. The government has indicated that the Bill to bring amendments to Insurance Laws with far reaching consequences will be introduced as early as in the monsoon session of the parliament.

However, the US and the global finance capital is not satisfied with the contemplated changes the government wants to bring about. They are demanding much more, intruding into the very sovereignty of the nation in making its economic policies. The report of US Trade Representative makes no bones in demanding the withdrawal of sovereign guarantee on the LIC policies. The USTR Report says that the sovereign guarantee on LIC policies is giving an unfair advantage to LIC. The Report considers the sovereign guarantee as a market distortion that disadvantages private and foreign insurers.

There is a deafening silence from the government over this atrocious demand. Fortunately, LIC gathered enough courage to challenge this demand of the USTR. The sovereign guarantee was given to the LIC policies when the life insurance business was nationalised in 1956 to protect the policyholders from the frauds of the private sector. The LIC has never invoked this guarantee. It remains the market leader not because of the sovereign guarantee but due to its impressive performance and building trust and goodwill among the insuring public. The people of India recognise its contribution to the nation building exercise and view it as the most trusted government enterprise. Today LIC has emerged as the most influential and finest public financial institution in the country. Therefore, the silence of the government on the comments and criticism of the USTR becomes suspect. Will the government accept this demand in its eagerness to please the Trump administration? The USTR Report also demands that the regulator should more strictly scrutinise the LIC and PSGI companies. We have already experienced that the policies of IRDAI have been encouraging and facilitating the private sector to the detriment of the public sector companies. Therefore, this observation of the USTR carries the meaning that the regulator is not doing enough to destroy these fine public institutions early. In sum the USTR Report demands removing sovereign guarantees, aligning regulatory oversight, diluting GIC Re's reinsurance privileges, all of which would weaken the LIC and other public sector insurers.

It is not just the USTR that has been making such demands, the IMF has also joined to raise similar demands. The IMF has placed a large agenda as to what the government should do to reform the insurance sector. It makes recommendations that would destroy whatever little autonomy LIC and PSGI companies have relating to their functioning. The IMF recommends that IRDAI be granted greater powers, including overriding Provisions of the LIC Act and principles governing public sector general insurers. The IMF has also suggested that IRDAI's authority should include powers over director removal, board appointments, liquidation, and risk-based supervision on LIC and public sector insurers.

This is the broad agenda to destroy the LIC and PSGI companies. The AIIEA had always been warning that the global finance capital sees LIC as the biggest hurdle in its ambitions to gain and control the savings in India. Therefore, it will demand policies that would weaken, cripple and finally destroy LIC and the PSGI companies. Knowing the character of the government, it is bound to succumb to the demands of the US imperialism and global finance capital. In such a scenario, what is the option before the insurance employees but to fight back. LIC is the ideological commitment of AIIEA and defending this great institution is the sacred duty of all insurance employees. The AIIEA has decided to meet these offensives through a One Day Strike on 20th May 2025. This strike has to be made an unprecedented success to warn all our adversaries as to what awaits them if they decide to attack the LIC and PSGI

companies. Making this strike successful will prepare the workforce in public sector insurance industry to bravely face the huge challenges and meet them successfully.

It is not the public sector insurance industry alone that is under attack. The entire public sector is under attack. The workforce both in the organised and the unorganised sector are facing tremendous difficulties in the face of falling or stagnating wages while corporate profits are soaring as never before. The peasants and workers engaged in agriculture are in real distress. The economic growth is disproportionately benefitting the richer sections of the population making the boasts on growth of GDP meaningless. The workers in different sectors are fighting against privatisation and attacks on their hard earned rights. The promises made to the farmers on their demands remain unredeemed forcing the farmers onto the path of agitation. The government is refusing to recognise those working in Anganwadi, Asha and other schemes as workers. They are being subjected to precarious working and living conditions. In order to divert the attention of the people from the real life issues, the party ruling the country and its affiliates are engaged in dividing the society on communal, linguistic and caste lines. The Constitution and its values are flagrantly flayed.

It is in this situation that ten central trade unions, independent federations including the AIIEA and farmers organisation have decided to call the entire working class to strike work on 20th May 2025 to force the government to abandon its economic policies and give up its servility to US Imperialism and global finance capital. The working class demands policies that would end poverty and force the government to act as a distributor of economic and social justice. Such an alternative also proposes strengthening of federalism and respect for the cultural, religious and linguistic diversity. The insurance employees both in LIC and PSGI companies should not only make the strike in their institutions successful, but should also undertake educative campaign across the society to build a strong force of resistance. It is the time to build solidarities with the other sections of the working class. Only such solidarities and common struggle can safeguard the interests of insurance employees and their great institutions.
