

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

Dear Comrades,

Information Sharing Session

The information sharing session with the unions on wage revision and other issues convened by LIC was held as scheduled at Mumbai today. The LIC was represented by its Chairman Shri S.K.Roy and Managing Directors Shri S.B.Mainak, Shri V.K.Sharma, Smt. Usha Sangwan, Executive Director (P) M.R.Kumar, Executive Director (IT) B. Venugopal, Chief (P) T.R. Mendiratta and other senior officials of the Corporation. Coms Amanulla Khan, President, V.Ramesh, General Secretary and H.I.Bhatt, Joint Secretary represented the AIIEA.

The three Managing Directors informed the unions of the business performance of the Corporation and its financial position. Concerns were expressed over the negative growth of the first premium income and the drastic fall in the number of new policies procured. They also spoke on the increasing expenses of the management. The Managing Directors complimented the employees for the excellent performance in claim settlement and setting higher standards of servicing. They requested all classes of employees to help the marketing force so that the Corporation can improve its performance in the remaining days of the current financial year.

Thereafter, a power point presentation was made by the Executive Director (IT) on Bio-metrics. The unions were informed that this is done to ensure security as the password today is no more secure. We were also informed that introduction of Bio-metrics system is necessary to comply with the objectives of the Central Vigilance Commission and to tackle the problem of growing frauds.

Speaking after this, Shri S.K.Roy, Chairman pointed out to the challenges thrown up by the Insurance Laws (Amendment) Bill and the Regulatory changes that are taking place. The Chairman too expressed concern over the not very happy performance of the Corporation up to now in the current financial year. He, however, expressed optimism that the Corporation would benefit from the revival of the economy. The Chairman said that the Corporation has to have a transfer and mobility policy to develop skills and to comply with the directives of the Central Vigilance Commission. He proposed a transfer and mobility policy and requested the union to have discussions on this. The Chairman offered a wage increase of 12.5% on the total wage bill as on 31.7.2012. He said that this is the best offer that could be made considering the financial position of the Corporation and requested the unions to accept the same.

AIIEA'S RESPONSE

Responding on behalf of AIIEA, Com Amanulla Khan said that AIIEA shares the concerns expressed by the top officials of the Corporation. He pointed out that the Corporation's performance critically depends upon the performance of the economy. The sluggish growth, stagnating incomes, high rate of unemployment and lack of demand are the factors that have adversely impacted the national economy and LIC cannot be expected to remain insulated from these developments. Despite this adverse environment LIC has done well to retain dominance in market both in terms of premium income and number of policies. He pointed out that in areas which remained unaffected by these developments such as claim settlement and policy servicing, LIC's record is unbeatable. Com Amanulla Khan was critical as to why these concerns are shared with the unions only at the time of wage negotiations. He said as a responsible trade union AIIEA is committed to the progress and prosperity of the Corporation and it is willing to discuss issues

related to this at any time. He made it clear that AIIEA is disappointed with the offer of 12.5% wage increase and see no justification in making such low offer. The AIIEA pointed out to the unmatched performance of LIC in terms of giving astonishingly high rate of return on both capital employed and on the assets. The AIIEA made it clear in unequivocal terms that the present offer is unacceptable and LIC must come out with offer that is reflective of the prosperity of the Corporation and the aspirations of the employees. The LIC was informed that AIIEA will not accept the linkage of talks on mobility, bio-metrics and other issues with the wage.

There was unanimity among all unions that the 12.5% wage hike offer is not acceptable though there were divergent opinions on bio-metrics. The LIC proposed that individual discussions with the unions in detail could be had on 11th and 12th February 2015. With this, the information sharing session came to an end.

DELEGATION MEETS THE MANAGING DIRECTOR

The delegation of AIIEA met Smt Usha Sangwan, Managing Director in the afternoon. The ED (P) was also present. The delegation explained in detail the rationale of our demand on wage increase. We pointed out that wage in LIC has to be decided on the strength of the institution and also taking into view the developing situation in the government, insurance industry and analogous institutions. We said the delay in concluding a satisfactory settlement is demotivating the employees, which is not healthy for the Corporation. We suggested that LIC should forcefully place arguments for a good wage revision with the government and make efforts to settle the issue early so that we concentrate our energies on meeting the emerging challenges. The Managing Director informed us of the efforts taken so far and assured the delegation of all efforts to conclude a satisfactory settlement early.

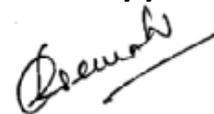
DELEGATION MEETS THE CHAIRMAN

The delegation met the Chairman separately to express concern over the delay in reaching a wage settlement that is satisfactory to the employees. The delegation appreciated the efforts of the Chairman on the issue of another pension option and wanted an early solution to this long pending issue. The Chairman shared with the delegation the difficulties that are being faced on this issue but assured that he would continue to make sincere efforts to secure a solution to this long pending issue. The Chairman also assured the delegation that LIC will approach the government on the issue of wage revision and make efforts for an early settlement of this issue. He once again requested the AIIEA to help the Corporation in meeting the enormous challenges confronting LIC today.

Comrades, the wage discussions have entered a crucial phase. The AIIEA is convinced that LIC employees deserve a good wage revision having contributed to the prosperity of the institution through increased productivity and commitment to defend the industry. We pointed out to LIC the campaign AIIEA is carrying out in defence of the public sector insurance industry and we informed all participants in the information sharing session of the all women jatha that crisscrossed from Hyderabad to Karimnagar to promote the interests of LIC as an example of our commitment to defend our industry. We request the employees to remain in preparedness for struggles both to secure a good wage revision as also to defend the interests of LIC.

With greetings,

Comradely yours,



(V.Ramesh)
General Secretary