**ALL INDIA INSURANCE EMPLOYEES’ ASSOCIATION**

**LIC BUILDING SECRETARIAT ROAD HYDERABAD 500 063**

**(E-mail: aiieahyd@gmail.com)**

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To

All the Zonal/Divisional/State/Regional Units

Dear Comrades,

**LIC ENTERS THE DIAMOND JUBILEE YEAR**

On **September 1, 2015, LIC will enter into the Diamond Jubilee Year**. The story of LIC is a story of the success of a public sector enterprise. It has been a fascinating journey of winning over the trust of the policyholders and serving the national interests. **LIC emerged as the finest financial institution in the country.**  Beginning the business with a capital of just Rs.5 crore it has built assets amounting to Rs.20.31 lakh crores. It is the single biggest contributor to the national development with an investment of Rs.12.86 lakh crore in government securities and social sector. With a customer base of over 30 crore, it is the largest life insurance company in the world. **The LIC also has the proud distinction of the best claim settlement record in the world.** Indeed, it is a very impressive performance.

This remarkable performance was achieved under very difficult conditions. **The LIC had to work for achieving the objectives of nationalization in conditions where large section of the population was illiterate, a hopelessly low per capita income and overwhelming sections of the population not having any fixed income**. There were many occasions when this great institution became the target of vicious attack by powerful vested interests. The infamous Mundhra deal relating to LIC purchasing the shares in the companies owned by H.D.Mundhra was utilized to denigrate and destabilize this institution. Backed by the Era Sezhiyan Committee Recommendations, the Indira Gandhi government made a determined effort to split LIC into five regional corporations. It required an equally determined and **massive struggle by AIIEA to defeat this sinister design and to retain the monolithic character of LIC.** The onset of neo-liberal era in 1991 saw fresh and renewed attacks on public sector insurance industry. The Malhotra Committee came out with recommendations to increase the capital base of LIC to Rs.100 crore and divest 50 percent of the capital in the stock markets. This was by far the most serious effort made to privatize this glorious institution. This situation gave birth to an **exceptional movement to defend LIC and the public sector general insurance industry. Such massive mobilization of public opinion by a trade union was unprecedented in the history of global working class.** It is a struggle that halted the government policy of privatization for over two decades. Unarguably, **this struggle of the AIIEA remains unparalleled in the history of trade union movement across the globe.**

The LIC survived all these efforts towards destabilization to face a new challenging situation when the government monopoly over insurance business was given up to allow the entry of private sector in 1999. The detractors of public sector saw in this an opportunity to weaken and finally dismantle LIC. They were mistaken. LIC stood up to the competition and various actions of the regulator to stride Indian life insurance market like a colossus. It continues to remain the undisputed market leader leaving the competitors way behind. It is this resilience and strength of LIC that forced Mr. Chidambaram to acknowledge LIC as a Jewel in the Crown and Arun Jaitley to concede that LIC is a great institution making massive contribution to the nation building activities.

The strength of LIC lies in its workforce. This fact is clearly visible in the decades of struggles of LIC employees under the banner of AIIEA. **The challenges thrown at LIC were repulsed by a dedicated and committed workforce.** The LIC was defended not only through building closer relationship with the policyholders through setting high standards of policy servicing but also through campaign in the streets. This unique combination of better servicing and street campaign helped LIC to ward off all the sinister attacks. Therefore, unarguably **brand LIC is a creation of its employees.** It is this devotion and commitment that made this institution earn the trust of its huge clientele and appreciation of the nation.

As LIC enters its Diamond Jubilee Year, greater challenges confront this magnificent institution. The Indian ruling classes today have total consensus on neo-liberalism. They have a firm conviction that only freedom to the market can help growth of the Indian economy. They feel that public sector has very little role to play in an economy dominated by the market forces. Therefore, running the public sector is considered as wasting the resources of the nation. In such a situation, public sector in our country will come under vicious attacks. **The struggle of AIIEA forced the government to drop the moves to take steps towards privatization of LIC through LIC Act (Amendment) Bill 2010**. But now with the passing of the Insurance Laws (Amendment) Bill 2015 which empowers disinvestment in the public sector general insurance companies, the attacks on LIC are bound to increase. The government policy will encourage the private sector and the foreign capital to demand privatization of LIC. These voices which are already heard are bound to become shriller by the day. Therefore, the Diamond Jubilee Year must be utilized to develop campaigns and struggles throughout the year to enlist the support of Indian people in defence of LIC. **LIC is a national treasure** and we have to defend this institution at any cost.

With greetings,

Comradely yours,



General Secretary