



ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION

LIC BUILDING SECRETARIAT ROAD HYDERABAD 500063

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AMANULLA KHAN

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Camp: Mumbai

Chairman,
LIC of India,
Central Office,
Mumbai.

Dear Sir,

CHARTER OF DEMANDS

The present wage structure for class III and class IV employees has come to an end on July 31, 2017. As such, revision of wage has become due on August 1, 2017. We are very happy to submit the Charter of Demands for upward revision of wages effective from August 1, 2017 and also for improvements in amenities and other service conditions. The Charter of Demands was finalized in the Working Committee meeting of AIIEA at Surat on 24-25 July, 2017. There were nationwide debate and consultations on the basic contours of the Charter of Demands before these were finalized and formalized in the Working Committee of AIIEA. This Charter is therefore a collective expression of the hopes and aspirations of the employees. We are also disappointed to note that some of the issues including the 5 day week agreed to in the last wage settlement are yet to be implemented. These commitments made by LIC must be honoured early.

The fundamental demand of the Charter is a wage hike of 40 percent across the board. This demand is premised on the strength of the institution and its growth and prosperity. The performance of LIC has been quite admirable in very difficult economic situations and against the background of a sluggish growth in the global insurance industry. While the growth in global life insurance premiums has dropped from 5.4% in 2016 to 4.8% in 2017, the growth in the first premium income of LIC in the year 2016-17 has been a commendable 27%. The total premium income has touched a historic high of Rs. 3,04,000 crore thereby registering a growth rate of around 13%. The total assets of LIC have touched an astronomically high figure of Rs. 25 lakh crore.

Not only has the performance of LIC been remarkably well since the last wage revision effective from August 1, 2012 but the productivity of the employees has also increased in tandem. The average premium income per employee has improved from Rs.1.70 crore in 2012 to Rs.2.77 crore in 2017. Similarly, the per employee policy servicing has also improved substantially.

The claim settlement ratio has also been exemplary. The management expense ratio of LIC today is by far the best in the industry. It is therefore legitimate for the employees to aspire for a share in the growth and prosperity of their institution. This aspiration for a legitimate share has found expression in the demand for 40% wage hike. The demand therefore is eminently justified.

Apart from the fundamental demand of wage hike of 40%, the Charter also raises certain issues relating to benefits and amenities and need for improvement in service conditions. This too has to be considered in right earnest.

The Charter of Demands raises a very important issue relating to industrial democracy. It is too well known that the level of unionization of work force in LIC is very high. Despite this fact, perhaps LIC is a rare organization in the country which has not recognized the majority trade union of the Class III & IV employees. This is subversion of democracy. The employees have waged relentless struggles to defend the interests of LIC but in turn they are denied their democratic right and democratic choices. This situation is unacceptable. The LIC must take immediate measures to respect the democratic choice of the employees and recognize the majority union.

The LIC is celebrating its Diamond Jubilee. During the last 60 years, the entire workforce has strived hard to make LIC as the finest financial institution in the country. It is also an acknowledged fact that LIC today has emerged as a truly world class organization. The commitment and belonging of the workforce to LIC is well known as has been recorded by Prof. Noel Machado who made a study of this great institution. The Charter of Demands that we are presenting today reflects the hopes, aspirations and dreams of the employees. It is the responsibility of the institution to meet these genuine aspirations.

We hope that you will initiate the process of discussion on the Charter of Demands to arrive at an early settlement. We also hope that you will not fail to note the importance of industrial democracy as mentioned in the earlier paragraphs. On our part, we assure you of our fullest cooperation and support to meet the challenges of the competitive environment and in defending the interests of our great institution.

Thanking you,

Yours faithfully,

General Secretary.