

**ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**  
**LIC BUILDING SECRETARIAT ROAD HYDERABAD 500 063**  
(E-mail: aiieahyd@gmail.com)

Cir. No. 15 / 2018

8<sup>th</sup> August, 2018

To

All the Zonal/Divisional/Regional/State Units,


Dear Comrades,

Re: Pending issues of the employees

AIIEA has written a letter to the Chairman, LIC today seeking solution to some of the long pending issues of the employees. We append herein below the letter addressed to Chairman for your information.

With greetings,

Comradely yours,

  
General Secretary.

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8<sup>th</sup> August, 2018.

Chairman,  
LIC of India,  
Mumbai.

Dear Sir,

**Pending Issues**

This is further to our letter dated 02.08.2018 wherein we brought to your notice certain important issues of employees viz., Wage revision, Recruitment in class-III & IV; One Final Option for Pension under 1995 scheme etc., for a satisfactory solution at the earliest.

We also would like to bring to your knowledge some other long pending issues which can be resolved at management level where the clearance from the government is not required.

**Mediclaime & High Cost / Protracted Treatment (HCPT):**

We welcome the decision of the management of increasing the overall limit for the reimbursement of medical expenses under Ex-gratia for HCPT scheme from Rs. 10 lakhs to Rs. 50 lakhs for treatment taken in India and overall limit of Rs.1 Crore for treatment taken abroad; and also the inclusion of four additional diseases/treatments under HCPT scheme. However, there is a condition that this enhanced limit is available only to those employees who opted for optional increased cover of Rs.50 lakhs under Mediclaime scheme.

The circular CO/PER/ER-A/188/2018 dated 26.7.18 on the above subject is silent about what would be the HCPT limit if the employee did not opt for optional cover of Rs.50 lakhs under Mediclaim scheme. We construe that the limit to such employee would be the earlier limit of Rs. 10 lakhs only. Under Floater Policy, there are 10 options to choose under optional floater cover ranging from Rs. 6 lakhs to Rs.50 lakhs. An employee who opts for a floater cover of Rs.6 lakhs and another employee who opts for floater cover of Rs. 40 lakhs are kept on same footing and would not be eligible for Rs. 50 lakhs under HCPT. This condition is not justified as per our understanding.

We demand that the HCPT cover limit should be uniform to all the employees irrespective of the optional cover chosen by the employee. We expect a favourable response in this issue.

We brought to your perusal many times seeking certain improvements in Mediclaim scheme. We request you to refer our **detailed NOTE submitted on 5.12.2017**. Some issues have been addressed while many issues remain unresolved. We request you to arrange to include the 4 diseases/treatments (which are included in the HCPT scheme) in the Mediclaim policy also. We have been urging you to extend **one more option to join the Mediclaim scheme to the retired employees as well as in-service employees and dependents of the deceased employees**. We have been persistently raising these issues but there has been very little progress in this regard.

#### **Fixation of Ex-Servicemen:**

We requested you to re-examine the whole issue regarding the revised guidelines in the matter of fixation of Ex-servicemen which adversely affected their take home pay as well as causing huge recovery as arrears. The matter, though is sub-judice, can be resolved if the cut-off date of applicability is taken prospectively i.e., making applicable to those recruited after 6.1.2017, the date of issue of the revised instructions. This will not only avoid legal litigations but also will not put the Ex-servicemen to any financial hardship. Detailed submissions were made through our letter dated 17.10.2017.

#### **Sports Policy:**

We drew your attention regarding the unilateral changes in the Sports Policy which adversely affects the sports persons of LIC. We wrote several letters in this regard stating that promotion of sports is not just an activity to propagate healthy life style but also to promote Brand LIC. Our contention has always been that the 'performance' should be criterion and not merely the 'age' of the participant. Apart from this, unilateral guidelines were also issued regarding formation of Sports and Recreation Clubs at various levels of the organisation. We already brought to your knowledge that this is nothing but infringing the democratic rights of the General Body of the Sports Clubs. We, therefore, demand an amicable solution on these issues at the earliest.

#### **Interest rate on Housing Loan:**

We raised the issue of reducing the rate of interest on "Extended Cadre Loan" on employees' housing loan. The LIC management promised to consider our appeal. But till date no favourable instructions have been issued in this matter. You are aware that the market rate on housing loan is coming down and at present it is around 8.5%. Therefore, there is a genuine reason for reduction of interest rate to LIC employees on Extended Cadre Loan. We expect a positive decision from your end at the earliest.

**Interest rate on NPS:**

Though we reserve our opposition to this scheme, the National Pension Scheme (NPS) is made compulsory to LIC employees who were recruited on or after 1.4.2010. The main feature of the scheme is that it earns returns based on the investment yield of the Fund. The individual employee's account is accumulated with each year's earnings till the date of his/her retirement. However, it is brought to our notice that the employee's account is earning a fixed rate of return; the rate which is applicable for Provident Fund - the present rate being 8.55%. The average yield on NPS is more than 11.5% to outsiders. We, therefore, request you to review the process and ensure that the yield to the LIC employees under NPS should not be less than market rate of return.

**Five Day Working Week:**

During the last concluded wage revision the LIC management offered the Five Day Working Week for LIC employees as approved by the LIC Board. But this commitment was not fulfilled by the management and to our surprise the LIC suddenly issued instructions on 26.4.18 declaring every 2<sup>nd</sup> and 4<sup>th</sup> Saturdays of the month as additional holidays while the remaining Saturdays of the month will be full working days. This is nothing but the undermining the commitment of the management and also demeaning the functional autonomy of the LIC Board. We, therefore, demand the LIC to honour its commitment.

We once again urge you to resolve all the above pending issues at the earliest.

Thanking you,

Yours faithfully,  
Sd/-  
(V. RAMESH)  
General Secretary.