

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

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To
All the Zonal / Divisional / State / Regional Units,

Dear Comrades,

- **AIIEA SECRETARIAT DECIDES ON CAMPAIGN PROGRAMS**
- **AGITATIONS PLANNED ON -
WAGE REVISION, PENSION OPTION AND OTHER ISSUES**

The Secretariat of the AIIEA met at Hyderabad on 26-27 January 2019 in the backdrop of the historic two day strike action on 8-9 January 2019. The Secretariat congratulated insurance employees, both in LIC and public sector general insurance, for the magnificent strike action. The main agenda before the Secretariat was to review the developments in the insurance industry and chalk out campaign programs for strengthening the public sector insurance industry, to review the position on wage revision and other pending issues like one more option for pension and frame the contours of struggle and to consider a clutch of issues pertaining to the organization.

The Secretariat felt that the prognosis made by AIIEA a couple of years back on the trajectory of the global capitalist development had proved to be absolutely correct. The projections made by institutions like the IMF and World Bank clearly indicate that the global economy is heading towards a slowdown. The Secretariat noted that the IMF had recently cut its global growth forecasts for 2018 and 2019 to 3.7 per cent from 3.9 per cent. This reduction in the growth rate projection was mainly due to the tariff war between the US and China, weaker performances by eurozone countries, Britain and Japan and the capital outflows from countries like Argentina, Brazil, Turkey, Indonesia and Mexico etc. The meeting felt that a confluence of factors like contraction in output and employment and huge increase in government debt has resulted into a situation of rising fiscal deficit everywhere. Governments across the world, committed as they are to neo liberalism, have resorted to drastic cuts in public expenditure including welfare expenditure of the working classes. The secretariat however noted with satisfaction that the working class in many parts of the world was standing up to the challenges through militant actions. The yellow vest protest movement in France and teachers' agitation in the US were nothing but struggles in this direction, felt the Secretariat.

The secretariat concluded that the situation in India was no different. Despite the tall claims about high GDP growth the Indian economy was in a very bad shape. The growth of the Indian economy has essentially been a debt driven consumption led growth. But at a time when the very income of the people is under severe strain, there are doubts as to how long this consumption led growth can be sustained. It is now an acknowledged fact in India, as well as elsewhere in the world, that forty years of economic liberalization has led to huge concentration of wealth at one end and grinding poverty at the other leading to sharp

accentuation of economic inequalities. This fact has been further corroborated by the recent Oxfam Report. The Secretariat observed that the growing struggles in India involving the peasants, workers and students was indicative of the fact that no section of the Indian people was comfortable with the current policy regime. The disenchantment of the people was one of the prime contributing factors to the electoral reverses suffered by the ruling BJP in the recently held state assembly elections, noted the Secretariat.

The Secretariat felt that insurance employees cannot and should not remain aloof from the emerging struggles of various sections of the society. As a conscious section of the working class they should take up campaign on important issues confronting Indian society today. **Accordingly, it was decided that each zonal unit would hold four seminars on four different topics at different centers of the zone so that at least 32 seminars are conducted all over the country in the next two months. The topics for the Seminars would be: i) Crisis in the agriculture sector; ii) Joblessness and Employment, iii) Dangers before Constitution and Democracy and iv) Importance of Public Sector Financial institutions.** The secretariat felt that a broad spectrum of people should be involved in these seminars and care should be taken to invite senior leaders of important political parties to these seminars.

ISSUES OF THE INDUSTRY

The Secretariat discussed the issues pertaining to public sector insurance industry in great detail. The secretariat noted that competition was heating up in the insurance industry. The decline in household savings was continuing to have its impact in terms of a moderation in growth of the life insurance business. The meeting expressed its concern over the slight erosion in market share of public sector insurance industry and resolved to arrest this decline through appropriate organizational preparedness and further improving the services to the policyholders. It was felt that there was an urgent need to develop products in line with the flavor of the market and the AIEA should take up this issue with the managements. The secretariat called upon the employees to leave no stone unturned to ensure the continued market leadership of public sector insurance industry through sustained campaign both in and out of the industry. The Secretariat reiterated its understanding that GST of 18% on insurance was wholly unwarranted and it was acting as a deterrent in procuring business. Moreover, savings in the form of life insurance policies needed to be given separate tax relief over and above the usual tax rebates under Section 80(C) of the Income Tax Act. **The Secretariat decided that AIEA would write letters to the heads of all political parties requesting them to include these two important issues in their election manifestoes for the ensuing 2019 general elections.**

The secretariat was of the firm opinion that wage revision of the employees in public sector insurance industry cannot brook any further delay. The secretariat decided that the managements of LIC and PSGI companies should be asked to commence negotiations on wage revision with concrete offers. It was also reiterated that wage revision in public sector insurance industry had to be settled in keeping with the strength of the institutions independent of any developments in analogous institutions. **The Secretariat authorized the headquarters of AIEA to chalk out appropriate programs of action including strikes at**

appropriate time for the realization of the Charter. Along with the wage revision question, the secretariat also decided to broaden the agitation on the issue of one more option for pension and improvements in the pension system. In this regard, it was unanimously decided that the AIEA would join the Dharna programme of Central and State government employees during 28-31 January 2019 at New Delhi and the proposed campaign of the financial sector employees on the demand of withdrawal of National Pension Scheme and covering all employees under Defined Benefit Pension Schemes. The Secretariat meeting at Hyderabad felt that there was an urgent need for recruitment to class III & IV cadres in LIC and the issue had to be broached tirelessly for an early resolution.

While drawing satisfaction over the fact that some improvements in Group Medclaim and HCPT issue had come about after the repeated interventions of AIEA, the meeting registered its concern over the inordinate and inexplicable delay on the part of the management in the resolution of issues like Ex Servicemen's pay re-fixation problems, Sports Policy, PLLI, Ex-gratia in lieu of Bonus, five day week etc. The Secretariat noted with satisfaction the sincere efforts put in by the organization so far as taking up the CGIT issue was concerned and placed on record its sense of appreciation for the NZIEA leadership for doggedly pursuing the case on behalf of AIEA. The Secretariat also thanked employees in public sector insurance industry and our membership of South Zone, especially Kerala units, for mobilizing relief for the flood affected people in a big way surmounting myriad challenges on the way. The Secretariat also took pride over the relief work carried out in Tamilnadu to those affected by Gaja floods and in Karnataka to the people impacted by floods in Kodugo.

The meeting commended the leading roles that our units have been playing in organizing the Citizens' Forum for Protection of Public Financial Institutions and called upon the units to organize these forums in as many centers as possible. The Secretariat tentatively decided to hold the 25th AIEA Conference at Vishakhapatnam in the last week January 2020 and requested the leadership of SCZIEF to finalize other modalities in consultation with AIEA headquarters. Issues related to publication of Insurance Worker were also discussed and the zonal units accepted to seriously address the financial issues of the magazine so as to ensure its uninterrupted publication.

The Hyderabad Secretariat meeting called upon all units of AIEA to implement the decisions in letter and spirit throughout the length and breadth of India and consolidate the gains that we have made. The Secretariat exuded confidence that despite heavy odds, the insurance employees under the leadership of AIEA will surely secure their interests and the interests of their institutions while continuing to play a larger role in defence of the unity of our great country.

With greetings,

Comradely yours,



General Secretary.