



ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION

Standing Committee (General Insurance)

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To,

All the Zonal/ Regional and State Units

Sub:-Joint Meeting on Wage Revision on April 04, 2019

The Joint meeting on wage revision was held at Mumbai on April 04, 2019. The meeting, termed as exploratory was attended by the Chairman, GIPSA, CMDs and GMs(P) of all the PSGICs including GIC:Re, Chief executive, Sr. Vice President and Vice President of GIPSA and two representatives from each check off qualified Union/ Association. AIIEA was represented by Coms. Amanulla Khan, President and Sanjay Jha, Secretary, Standing Committee (GI).

The meeting began with welcome address by Sri A.V. Girija kumar, Chairman, GIPSA and CMD, OIC. He congratulated the Associations on the achievement of the final option of Pension under 1995 Scheme and informed that the notification on the same is likely in next ten days. He also informed that the factors for cost sharing suggested after discussion with LIC is 3.7 times the current basic pay for existing employees. The retired employees have to refund 1.3 times of the amount they received as employer's contribution of PF and interest.

He expressed his satisfaction on a decent performance of the PSGICs on various business parameters during the last five years. He also dealt in detail on the challenges currently being faced by the Public Sector Insurance Industry. Sri Ravi Rai, Chief Executive, GIPSA, through Power Point Presentation provided detailed insights into the performance of Public Sector General Insurance on various criteria viz. Growth Rate, Market Shares, ICR, Combined ratios, Management expenses etc. He also delved into the shortcomings in their functioning and the threats being presented by the Private insurers. However, no offer for upward revision of wages was made.

Responding on behalf of AIIEA, Com Amanulla Khan, President thanked the Management for successful conclusion of the issue of Pension option and also stated that imposition of cost sharing on employees has taken away the grace of conceding this long standing demand. He stressed that the Companies were capable of bearing the entire cost of the final option. He further stated that due to its commitment to the institution, AIIEA shares the concerns of the Management on the challenges being confronted by the PSGICs in the competitive market; but these issues need to be discussed on a regular basis and should not be linked to wage negotiations. He suggested the Management to hold a separate workshop with Associations on the challenges being faced by the PS General Insurance Companies.

He asserted that the performance of the GI industry is interwoven with the overall economy. The Indian economy has registered a drastic reduction in private investments, capital formation and savings rate in the recent few years. In this scenario, the performance and growth shown by the PSGICs are commendable. He emphasised that looking at the various business criteria in relation to the Premium procured, it is obvious that the PSGICs, over the few years have shown a steady improvement in productivity, ICR, Combined ratios, profitability, underwriting experiences etc. The workforce of the Companies including the Managements deserves appreciation for the same. Hence, it is quite legitimate on the part of the employees to aspire for a satisfactory revision of their wages and the GIPSA should come forward with a meaningful offer early. This is necessary to have proper negotiations and taking it forward towards a culmination early so as to channelize the energies of everybody connected with the industry to meet the challenges of competitive atmosphere, regulatory changes and government policies.


Com. Amanulla Khan said that the Charter submitted by AIIEA is a reflection of hopes and aspirations of the employees. He made it clear that wage revision has to be industry-wise; the external developments should not be allowed to influence the wage talks; the entire DA as on 1.8.2017 be merged with the Basic and loading on this should not be less than what was decided in the last wage revision. He further said that retiral benefits should be given necessary attention. The demand for periodical updation of Pension and increase in the family pension has to be looked into seriously.

The CMDs of the Companies, while giving their observations appreciated the suggestion for a separate workshop on challenges confronting the industry. The Chairman, GIPSA in his concluding remarks said that though GIPSA could not make any offer for wage increase, it is making all efforts to settle the issue as early as possible. He requested the Associations to cooperate with GIPSA and bear with some unavoidable delay. He however assured that GIPSA would make all efforts to meet the hopes and aspirations of the employees.

Comrades, the talks on wage revision have begun. It would be a long and hard battle to secure what legitimately belongs to us. The AIIEA is determined to secure a good wage revision. We request the employees to remain vigilant and in preparedness for any eventuality in our onward march towards securing a good wage revision.

Greetings,

Yours sincerely,



(Sanjay Jha)
Secretary