

**FEDERATION OF LIC CLASS I OFFICERS' ASSOCIATIONS  
NATIONAL FEDERATION OF INSURANCE FIELD WORKERS OF INDIA  
ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**

July 31, 2019

To All LIC Employees;

Dear Comrades/Friends,

The leadership of Federation of LIC Class I Officers' Associations, National Federation of Insurance Field Workers of India and All India Insurance Employees' Association met at Bangalore on 29<sup>th</sup> July 2019 to discuss issues relating to insurance industry and the LIC employees in great detail and decided to jointly work to address these issues.

**TASKS DECIDED IN EARLIER MEETING ACHIEVED**

The last meeting held at Hyderabad on 13<sup>th</sup> February 2019 had decided on an agitational program to secure the final pension option and open negotiations on wage revision. The meeting noted with great satisfaction that both the tasks laid were successfully accomplished. The Final Pension Option was secured in the background of the governments across the world abolishing the defined benefit pension schemes. The Indian governments too had adopted the same policy and refused to reopen the defined benefit pension scheme for 60 lakh government employees. It had also rejected the recommendation of RBI to give a final option to its employees. In the background of these facts, the securing of a final pension option was a tremendous achievement. It was noted that nearly all eligible in-service employees have exercised their options to join the pension scheme. An overwhelming number of eligible retired employees have also joined the pension scheme. The Joint Front strongly recommends all eligible retired and those eligible for family pension to join the scheme well before the last date for exercising such options. The Joint Front has decided to seek improvement in family pension and updation of pension as this demand has been accepted in the RBI.

The meeting expressed satisfaction that negotiations on wages were opened and an offer of 10% wage increase is already secured. While this is a good beginning, the offer fell short of the legitimate aspirations of the employees and the paying capacity of the institution. The Joint Front has decided to take up the issue with LIC management for an early satisfactory wage settlement.

**BUDGET DISAPPOINTS INSURANCE INDUSTRY**

The Meeting noted that the Union Budget for 2019-20 has ignored the insurance sector. The demand for withdrawal of GST on life and health insurance premium is not considered. The other important suggestion for a separate income tax exemption limit for life insurance premium to promote savings through life insurance too is not considered. It was decided to take up these issues once again with the Finance Minister. The proposal to further hike the FDI limit in insurance sector was opposed as it would not bring any benefit to our national economic interests. On the other hand this measure would help

the foreign capital to gain greater access to our domestic savings. At a time when Indian economy is suffering from lack of investments and a decline in domestic savings, this measure would be counter-productive. The allowing of 100% FDI in insurance intermediaries will impact the insurance sales force and surveyors and loss assessors.

### **LISTING LIC IS A STEP TOWARDS PRIVATISATION**

News reports have appeared that government is contemplating disinvestment in LIC and listing it on the stock exchanges. This certainly is a step towards privatisation of the most successful and the biggest financial institution in the country. The LIC was created to provide security to the policyholders and save them from the fraudulent practices of the private insurers. The other objective of nationalisation was to channelize the peoples' savings for peoples' welfare. Privatisation of this great institution will negate both these objectives. It is needless to say that a privatised company will have to work to enhance value for the shareholders rather than taking up social obligations and working for the national interests.

In the background of these facts, it was unanimously decided to lodge a strong protest against the idea to list LIC, hike the FDI limits and privatisation of public sector units through a **lunch hour demonstrations in front of all LIC offices on 2<sup>nd</sup> August 2019**. We request the entire workforce of LIC to massively participate in this demonstration.

The meeting also discussed the business performance of LIC and the challenges of the regulatory and competitive environment. It noted with concern that there is some decline in the market share but hoped that with innovative products and better servicing standards, LIC would continue to dominate the market. The Joint Front will take up joint programs on these important issues. **The Joint Front firmly believes that Agency force is the lifeline of LIC and appealed to all officers and employees to extend full support, whatever help and guidance the agency force needs to meet the present challenging situation.**

Many other issues were also discussed. These will be communicated in due course.

With greetings,

Comradely yours,



S. Raj Kumar  
General Secretary  
Federation of LIC  
Class-I Officers' Associations



Vivek Singh  
Secretary General  
NFIFWI



V. Ramesh  
General Secretary  
AIIEA