

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
LIC BUILDING SECRETARIAT ROAD HYDERABAD 500 063
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8th August, 2019

To
All the Zonal/Divisional/State/Regional Units

Dear Comrades,

Letter addressed to the Chairman, LIC by the Joint Front of Associations in LIC

We reproduce hereunder the letter addressed to the Chairman LIC, regarding certain issues relating to employees and insurance industry as per the decision of the Joint Front Associations in its meeting held at Bengaluru on 29.07.2019.

With greetings,

Comradely yours,



General Secretary.

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

August 8, 2019

The Chairman,
LIC, Central Office,
Mumbai

Dear Sir,

Wage Revision

Two years have elapsed since the wage revision fell due on 1.8.2017. Our organisations submitted Charter of Demands for upward revision of wages and improvement in service conditions based on the aspirations of the employees and the financial strength of LIC. We were happy that the negotiations

were finally opened on 12th March 2019 and an offer of 10% wage increase was made. While welcoming the opening of negotiations and making an offer, we pointed out that the offer falls short of the expectations and genuine aspirations of the employees. We requested that the process of negotiations has to be carried forward aiming to settle the issue at an early date so that all our energies are pooled together to meet the challenges of competitive environment and regulatory mechanism. However, we note that even after five months of the opening round of negotiations, there has been no move forward in this regard.

We would like to point out that LIC today is the finest financial institution in the country due to the dedication and commitment of its work force. Since the last wage revision in 2012, the LIC has registered enormous growth and prosperity. The employees contributed to this prosperity through increased productivity. This can be seen from the fact that the per employee generation of premium income increased from Rs.1.69 cr in 2012 to Rs.2.6 cr in 2017. Similarly the per capita total income increased from 2.4 cr to Rs.4.27 cr during this period. Therefore, it is reasonable for the employees to expect a good wage revision on the basis of their increased productivity and the financial strength of LIC. We, therefore, request you to commence the process of negotiations aiming to take it to finality at an early date.

Improvement in Pension Scheme

We have been representing for the past several years the necessity to bring about some improvements in the benefits available under the LIC Employees' Pension Scheme 1995. We have pointed out that the rate of family pension requires immediate revision on the lines of what is obtaining in the central government and the RBI. The non-revision of the family pension to 30% severely impacts the life standards of the family pensioners.

We have also been demanding that there should be updation of the basic pension along with the wage revision as is done in the Central Government. The government recently has decided to extend this provision to the employees of RBI. The government has decided the issue in RBI on the grounds that it has the capacity to pay. We are convinced that LIC too has the financial strength to bear the additional cost on updation of pension. We would like to point out that the projected growth in total premium income is capable of absorbing any additional cost on the updation of pension. We, therefore, request you to take up these two demands with the government and pursue for a favourable response.

Scrap the Defined Contribution Pension Scheme

The employees recruited in LIC on or after 1.4.2010 have been made ineligible to join the LIC Employees' Pension Scheme 1995 through an arbitrary notification. These employees are compulsorily covered under Defined Contribution Pension Scheme. This has created two different set of service conditions for employees in the Corporation which is not healthy for industrial relations. We urge upon you to scrap the Defined Contribution Scheme, the details of which are still unknown to those covered and bring them under the LIC Employees' Pension Scheme 1995.

Vigilance Cases

It is a matter of grave concern that there is inordinate delay in finalizing vigilance cases which result in withholding retirement benefits, refusal of housing loan and even NOC to visit abroad. Therefore, it is necessary that vigilance cases should be closed as per corporate guidelines and employees should not

be penalized for delay from Management. We hope you will take immediate remedial steps in this direction.

On LIC's Performance

The market share of LIC had marginally declined in the financial year 2018-19. We are happy that LIC has regained the market share in June 2019 and we hope that this positive trend would continue in the current financial year. We strongly feel that LIC has to be more innovative in developing products and marketing through increased support to the agency force. LIC also has to focus on creating infrastructure for better servicing of the policyholders. We also feel that in the present situation where there is economic slowdown and the stock markets have become volatile and showing a bearish trend, we need to be cautious in our investments. The sole consideration for our investment decisions should be to protect the interests of the policyholders and enhance the value of their investments. Our organisations remain committed to the interests of our great institution and its policyholders.

Thanking you,

Yours faithfully,



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



Vivek Singh
Secretary General
NFIFWI



V. Ramesh
General Secretary
AIEA