

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

The Chairman
L.I.C. of India
Central Office
MUMBAI

Date:21.04.2020

Dear Sir,

Challenges to the Institution due to crisis brought by COVID 19

The COVID-19 has created havoc. It has created unprecedented health and economic crises. While infecting over 16000 people as we write this letter, it has claimed over 500 lives. It has left the Indian economy in tatters. There is probably no sector of the economy which is not in a moribund state today. The crisis has gone so deep that even the most optimistic projections about the growth of the Indian economy peg it at 1.5 per cent. The IMF says that this could be the worst growth performance in almost six decades.

The only silver lining, in this otherwise bleak scenario, is the commendable performance of LIC. As the Provisional Business figures indicate, LIC has registered positive growth on both the counts of Premium Income and Number of Policies. This is certainly a creditable performance under the most trying circumstances. Had the country been fortunate to escape this unprecedented crisis, surely LIC would have recorded a spectacular performance. We would like to congratulate you for having successfully steered the institution by striking a perfect balance between the interest of the institution and that of the employees. We also appreciate that LIC has taken some proactive measures to avoid the spread of the disease in our premises while deciding to open the offices in keeping with the guidelines of the government. We also appreciate the fact that LIC has granted some immediate relief to our Agency force in terms of moratorium on recovery of loans and advances from commission payments, waiver of MAB for the months of March and April 2020 and payment of COVID advance to all ERC agents etc.

We do feel that COVID-19 will have a deleterious impact on our business in the short term because of the serious disruptions that it has caused to the lives and livelihoods of the people. However, we are confident that our growth momentum will rebound with a flourish in the medium and long term because the crisis itself will reinforce the need for life insurance among the people. We assure you of our determined efforts and co-operation in ramping up our business once the situation stabilises.

In the meanwhile, we would like to bring some important issues to your notice for your consideration. Both the administrative side and field forces of our institution are confronted with new challenges. Despite clear instructions of Central Office on lockdown related issues, we find that the implementation is tardy in some centres putting our administrative personnel to great discomfiture. This has to be remedied. The worst affected in this is the Class-I Officers who are orally instructed to keep the Offices open even in hotspot areas,

ignoring MHA guidelines and even the LIC's Central Office instructions. The LIC Management, especially at the middle and lower level should understand the psychological conditions of the Officers and Employees who attend the office by putting their life at risk and have an empathetic view rather than threatening with consequences. The problems faced by employees who were forced to leave headquarters as no means of survival are available there, have to be considered sympathetically. Our field force - Agents and Development Officers- are the most affected lot due to the COVID-19 induced crisis. Soaring unemployment, fast spreading distress in the countryside and escalating private debt have created a challenging situation. Restrictions on mobility and severe erosion in the disposable income of our clientele have landed our field forces in an unenviable situation. Under such an unprecedented situation our Development Officers are facing a big problem not only to justify their prescribed cost ratio as per Special Rule but also to maintain the eligibility criteria to earn many other fringe benefits based on certain business parameters fixed during normal situation.

Since an overwhelmingly large part of our business is procured by our tied agency force under the active supervision of the Development Officers, we would request that LIC should leniently view their business procurement criteria in the obtaining situation and protect them from any type of permanent losses. The Development Officers should not be penalised in any manner including reduction of any financial or fringe benefits to come out of the crisis situation and take our institution to greater heights. It will be of help if some discussions relating to the industry and its immediate challenges are held with the Unions once a semblance of normalcy is restored.

We assure you of our continued commitment to our great institution and our esteemed policyholders.

Thanking You,

Yours faithfully



S. Rajkumar
General Secretary
Federation of LIC
Class I Officers' Association



Vivek Singh
Secretary General
NFIFWI



Shreekanth Mishra
General Secretary
AIIEA