



## ALL INDIA INSURANCE PENSIONERS' ASSOCIATION

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**President : Com Ashok Tiwari**

**Date : 15<sup>th</sup> January 2021**

**General Secretary : Com T K Chakraborty**

**Cir No : 01/2021**

**To**

**All Divisional/Regional/State units of AIIPA**

**Dear Comrades,**

### **Re: LET SPIRIT OF JANUARY NINETEEN TRIUMPH**

For Insurance Pensioners and Employees, 'January Nineteen' had been a day to cherish and celebrate all along and January 19, 2021 will be a day to express their resolve to fight against and defeat the move of the Government for an IPO in LIC.

January has been a momentous month for the insurance pensioners and the onslaughts on their rights and privileges, earned through relentless struggles and sacrifices, sought to be unleashed, were squarely met.

The one and only Lock-Out in select Departments and Offices by LIC in the year 1974 and promulgation of an Ordinance in the year 1981, to curtail Bonus and Dearness Allowance, witnessed counter response, in the form of selective continuous strike and 'Work to Rule' and an 'All India Continuous Strike' with the slogan "Implement Supreme Court Judgement".

As all insurance pensioners are aware, prior to 1956, Insurance Industry was in the hands of big capitalists and employees were exploited and victimised under private regime. The imperative need for an All India Organisation led to a call:

"From Isolation to Solidarity/Through Solidarity to Success/Long Live Unity of Insurance Employees". Thus was born the Great ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION(AIIEA) and that declared Nationalisation of Insurance Industry only can end the present state of affairs and put the Industry on a proper and sound footing.

With campaigns and struggles on a large scale, the Nehru Government issued an Ordinance on January 19, 1956, that vested the Management of Life Insurance Sector of Stand alone and Composite Insurance Companies with the Government.

During the debate in Parliament, there were political parties that opposed the move, there were discussions on how private companies were cheating the policyholders and how Policyholders' money were squandered etc., and LIC Act, 1956 came into being.

From 01 September 1956, when LIFE INSURANCE CORPORATION OF INDIA (LICI) was formed, the avowed objectives have been eminently fulfilled. The objective to spread Life Insurance widely and in particular rural areas and to socially and economically backward sections, to maximise People's Savings for Nation Building, to act as a Trustee of the Policy Holders' money in their individual and collective capacities and conduct the Business with full realisation that money belongs to Policy Holders as envisaged, have been the motto of LIC in the true spirit of "Yogakshemam Vahamyaham".

The monolith character of Premier Public Sector, LIC, was disturbed with the BJP-led Government allowing private companies to partake in Insurance Business. The effective campaign by Insurance Employees ensured then that LIC was not privatised.

However, the Central Government, with BJP at the helm, had announced in the last Budget that LIC will be listed in Stock Exchanges and it seems is toying with idea to list in Foreign Stock Exchanges also.

From the days in 1956, when Life Insurance was nationalised, through the days in 1971 when General Sector was taken over and whole Insurance Industry was in Public Sector, there had been attempts to weaken and destabilise the public sector.

The decision for listing of LIC through IPO has wider ramifications and the Golden Goose, that LIC is, is attempted to be killed. LIC has been a contributor to the National Exchequer, through its contributions to Government Projects. Again LIC has been a big tax payer and has been a major factor in stability of Stock Markets and has been a helping hand in the disinvestment processes.

If and when LIC is privatised, the shareholder's, may be corporates, MNCs and HNIs, will have a say in the conduct of its business, in declaration of bonus to Policyholders, in its investment policy and in its overall management, which may not bode well for LIC and the Nation at large.

In spite of stiff opposition by all stakeholders to the ill-conceived move, the Government has proceeded ahead and has selected pre- transaction advisors and actuarial firm for determination of embedded value. Even though it may not be possible for the Government to stick to its original time schedule, the Government may try to expedite.

The Parliamentary approval for changes in LIC Act has to be obtained and already many MPs have been apprised and requested to oppose the sinister moves of the government.

Insurance Pensioners, Employees/Officers and Agents are determined to mobilise public opinion against LIC IPO and the current Farmers protest is a pointer, how the Government may be compelled to backtrack.

AIIPA urges upon all its members to actively participate and join in campaign, by Insurance Employees, Agents, Policyholders and Left and Democratic forces.

AIIPA feels confident that the movement against the decision to go in listing of LIC will surely succeed and the Government forced to roll back.

LET 'JANUARY NINETEEN' BE THE FOCAL POINT FOR A VICTORIOUS STRUGGLE TO PROTECT LIC, THE COUNTRY'S ECONOMY AND TO PROVE PEOPLE'S SUPREMACY.

With Greetings,

Comradely yours



General Secretary