



ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION

Standing Committee (General Insurance)
Royal Insurance Building, Ground Floor
5, Netaji Subhash Road, Kolkata-700001
Mob.9431262816

Mail id: sc17.aiiea@gmail.com

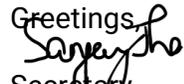
SC/02/2023

February 05, 2023

To,
All Zonal/ Regional/ State Units

Dear Comrades,

We append here the detailed response of AIIEA pertaining to the Minutes of Meeting held on 12/01/2023 at OSTC, Faridabad. You are advised to widely circulate it among employees of PSGICs.

Greetings,

Secretary
Standing Committee GI
AIIEA

AIIEA letter dated 5th February, 2023 to the Chairperson, GIPSA

To,
Smt. Suchita Gupta
Chairperson,
GIPSA
Kolkata

Madam,

Sub: Our response to the Minutes of meeting held on 12th January, 2023 at OSTC, Faridabad

This is in continuation of our mail dated 27th January, 2023 through which we had given our initial observation to the Minutes of the above meeting shared by GIPSA with all Check Off qualified Associations and welfare groups. Needless to re-iterate that the minutes in our opinion is more a report prepared by a GIPSA official on the proceedings of the day than a proper minutes which is supposed to appropriately note and share each and every point and issues raised and discussed by both sides, here the GIPSA as well as Associations. Obviously therefore, the document sent by the GIPSA is lopsided and merely highlights managements' explanations on various issues. The points raised by the Associations are mentioned as passing comments with no context or reasoning attached to them. Hence, such a deficient document presented as Minutes is absolutely unacceptable to us.

Since the Minutes is to be submitted to the Hon'ble CLC, it is incumbent upon us to clarify our

position on every issue discussed and demands raised by us which is as follows:

1. Our demand for sharing of complete report of E&Y is not for any academic exercise. The fact of the matter is due to their dubious record elsewhere we have serious doubts on their capabilities to recommend for any efficiency and profitability enhancing measures, specifically for PSGI Companies where their exposure is bare minimum and they certainly lack in their understanding on objectives and purpose of Public sectors. Therefore we demand a full report from the E&Y to understand and analyse the factors they have considered in arriving at their conclusion in every phase i.e. diagnose, design and implementation.

2. We raised the issue of functional autonomy with the strong conviction that the PSGICs are replete with internal talent which is capable of formulating a blue print for better performance of these companies. We don't need any outside agency or any individual claiming to be "Expert of the Domain" to hand hold our top level management to embark any structural changes in the organization. Left on themselves, our managements as well as our workforce is capable of bringing about necessary changes.

3. The GIPSA failed to explain our question on the logical basis of sending fifty percent of the workforce to the marketing side confirming our position that no feasibility study was carried out before executing the decisions. This clearly shows that the target itself is an arbitrary one. Naturally therefore, the managements down the level are compelled to enlist even unwilling employees to the marketing job. This is despite the repeated assurance from GIPSA and Companies that the Scheme is purely optional. The Associations demanded to rectify the situation through proper communication and assurance to the employees. The Associations also demanded to ensure that nobody was put to any financial hardship for not opting for the job of marketing.

4. The vast network of offices of PSGI Companies have been their strengths as they are able to procure businesses from the remote areas of the country, which the private sectors don't do. Moreover, this is antithetical to the target of more emphasis on retail businesses which can only be mobilized from interior parts of the country, where physical presence of the office is desirable. Therefore we demanded to revisit the decision of mindless closure and merger of offices.

5. Manpower planning is another area where arbitrary targets of one or two support staff was fixed uniformly for all operating offices without considering the underwriting and claims volumes in a particular office. Also, this again is antithetical to the target of more retail business. Therefore we demanded for recruitment in all classes to make up for the depleting strength of employees due to huge retirements so that proper servicing to the policyholders was not hampered.

6. Our query regarding any plan by the Government to merge these four PSGICs with LIC was aimed to know the Governments' future plan for these companies as such a plan would make all these proposed changes redundant and exercise in futility. With this we demanded that the Government should be asked to revive its own plan to merge three companies immediately which will resolve most of the issues of profitability and efficiency due to the economies of

scale and synergy effect. This will also bring, to a large extent, a discipline in the market which is marred by rampant irregularities by private insurers.

7. The concept of Variable pay system based on individual employee's and his/ her companies' performance was summarily rejected by us on the ground that the system is divisive in nature and an assault on the collective rights of the employees. Therefore, we demanded present normal yearly increment to continue and periodicity of five years for upward wage revision on the basis of performance of industry as a whole, as is the case at present in all Government Sectors, PSUs and Public Financial sectors.

9. In absence of any feasibility study prior to implementation of the proposed restructuring, we categorically demanded that the changes should be started on " pilot basis". This was clearly assured by o lesser than the Chairperson, GIPSA herself during out meeting with her on 28th December, 2022

8. Acrimonious incidents during the meeting

This finds mention in the so called minutes of GIPSA. Though such incidents are not desirable, the very usage of the word " acrimonious" is objectionable and unwarranted. It was the Adamant attitude taken by GIPSA in the beginning that whatever changes were decided would not be anywhere affected by the discussions during the day. It was sufficient to enrage the representatives who gathered there for some meaningful discussion. Again stubbornness for some time shown by the GIPSA not to answer to the queries raised and sent in advance to the GIPSA, irked every representative in the house and what ensued was some show of resentment by the representatives on non- cooperative approach of GIPSA. Thereafter, the meeting went on peacefully and in a cordial atmosphere. This should also have found mention in the minutes which was conveniently erased in order to show the Associations in bad light. As already mentioned every constituent of the JFTU is always in favour of cordial discussion with the Management. But provocations by GIPSA through showing strong unwillingness to simple and genuine demands of Associations for sharing some information is neither desirable and not acceptable.

Thank You.

Sd/-
Secretary