

**ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION**  
**LIC BUILDINGS SECRETARIAT ROAD HYDERABAD 500 063**  
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31<sup>st</sup> July, 2023

To

All the Zonal /Divisional /State /Regional Units

Dear Comrade,

**Re: AIEA Delegation Meets LIC Chairperson**

A delegation of AIEA consisting of Com. V. Ramesh, President; Com. Shreekant Mishra, General Secretary; Com. H. I. Bhatt and Com. T.V.N.S. Ravindranath, Joint Secretaries met Sri Siddhartha Mohanty, Chairperson LIC in the presence of Sri R. K. Dubey, Executive Director (Personnel) on 27<sup>th</sup> July 2023 and discussed a number of issues of the employees and the institution. Some of the issues that were discussed are given below.

**Inordinate delay in the Notification of Board approved Family Pension:**

The delegation expressed its unhappiness over the inordinate delay of more than 4 years in Notification of Board Approved enhancement of Family Pension. Our delegation pointed out that for the last four years the constant refrain of the management has been that LIC has given all clarifications sought by the Ministry. Our delegation was critical that when the same benefit has already been extended to pensioners of public sector banks, RBI, RRBs and NABARD it was utterly unjust to delay the matter for LIC pensioners. It was pointed out that many pensioners have passed away in the interregnum leaving their families in dire financial straits. The delegation was critical that the inordinate delay has not only amounted to denial of a legitimate demand of the employees and pensioners but it also raises some fundamental questions about the autonomy of a systemically important institution like the LIC. It was pointed out that LIC should not abdicate its responsibility towards its employees citing delay on the part of the government; the LIC should take up the matter with all seriousness.

**The delegation also expressed its unhappiness over the long pending issue of increasing management's contribution to DCPS beneficiaries from 10 to 14 percent**, as is applicable to central government employees and those of public sector banks. The delegation was critical that the recommendation of LIC Board on this important issue was hanging fire since long. The delegation sought the personal intervention of the Chairperson on the two important issues to settle the long pending demands.

The Chairperson appreciated our concerns on the issues and informed that regular follow-up was being done while clarifying the details sought by the Ministry. He assured to take up the matter afresh and try for an early resolution.

The delegation brought to the notice of the management the recent government approval for revision of pension of those RBI employees who retired from the services before 01.11.2017. It was also informed that the benefit has also been extended to NABARD pensioners. The delegation demanded that LIC should also seriously consider, as a model employer, revision of pension of the senior citizens who have immensely contributed to the growth and prosperity of the institution.

### **Restoration of the Increments postponed due to participation in the two-day strike action on 28-29 March 2022:**

The delegation was critical that LIC was unnecessarily delaying decisions on trivial matters which are well within the administrative powers of the management. Citing the example of the long delayed restoration of Normal Grade Increment which was postponed for participating in 2-Day strike on 28<sup>th</sup> & 29<sup>th</sup> March, 2022 the delegation said that unrest was brewing over the issue which was not in the interest of the institution. The management assured that the instructions will be released soon.

### **Treatment of Intervening Holidays during the Period of Casual Leave:**

The delegation decried the inordinate delay in giving relief to the employees by giving a fair treatment to the intervening holidays during a period of casual leave. It was pointed out that the issue was giving rise to much consternation amongst the employees especially after the implementation of the five day week. The management appreciated our concern and assured to follow up the matter for its early resolution.

### **Recruitment:**

Our delegation demanded recruitment to Class III & IV cadres. Given the growing customer expectations and fiercely competitive environment, recruitment was an imperative need to improve customer servicing, the delegation argued. Citing the example of the pitiable conditions of Satellite Offices, the AIIEA delegation reasoned that Class III & IV employees should be posted in satellite offices to augment customer servicing and increase the footprints of LIC in rural areas. The delegation demanded that LIC should immediately go ahead with filling up the more than 2600 Class III vacancies existing from the last recruitment round. The management sounded positive on recruitment to Class III cadres and informed that a call would be taken once the contemplated reorientation of work processes was firmed up. The delegation demanded recruitment to Class IV cadre also by giving a onetime solution to the problem of temporary employees who have been working since long.

### **GST on Mediclaim:**

The AIIEA delegation expressed its dissatisfaction over the LIC management's decision to make the insured pay the GST on their share of premium. The delegation pointed out that the increase in basic sum assured brought no real relief to the employees as the amount of premium had increased following imposition of GST. The delegation observed that recovery of GST from the insured had become particularly harsh for the pensioners. It was also pointed out that this measure violated the understanding between the LIC and the Unions on this important issue. The delegation requested the Chairperson to reconsider the issue and continue with the earlier practice of the Corporation bearing the GST. The management sought some time to examine the issue.

### **Ex-gratia Relief to Pre-1986 Retirees and their surviving spouses:**

The AIIEA delegation expressed its unhappiness over the paltry increase in the ex-gratia relief to pre-1986 retirees and their surviving spouses. The delegation observed that rather than bringing any cheer to this section of the retirees, the enhancement has become a subject of public ridicule. Our delegation demanded substantial enhancement in the quantum of the relief in the light of developments in analogous institutions. The Chairperson appreciated our concerns and assured to examine the matter afresh in the light of our contestations.

### **Wage Revision:**

The delegation of AIIEA took strong exception to the fact that discussions on revision of wages had not yet commenced even one year after the submission of Charter of Demands. Pointing out that the Ministry had already given the go-ahead signal to commence wage talks in public sector banking industry, the delegation said that there should be no reason why the process cannot start in LIC. The Chairperson agreed to take up the matter at the appropriate level and start the discussions early.

### **Post IPO Challenges and the need for Constructive Dialogue:**

Our delegation expressed its serious concern over the multifarious challenges confronting the institution in the post IPO period. Taking strong exceptions to some of the regulatory changes being mooted by the industry regulator, the delegation averred that these were intended to take the insurance industry back to the pre-nationalisation days. Our delegation observed that at a time when LIC should be harnessing the goodwill and support of all sections of the workforce to meet the challenges head on, there was no structured dialogue with the stakeholders in the post IPO period. Without disputing the need for business process reengineering in the context of the changing times, the delegation demanded that there should be constructive dialogue at each tier of the organisation and there should not be any unilateralism. The Chairperson responded positively to this issue and said that LIC's spectacular journey over the years has been possible because of its dedicated and committed workforce. He assured that LIC will continuously engage in dialogue and discussion to thrash out whatever minor irritants are there and march ahead by leveraging the synergies of all stake holders.

The discussion with the Chairperson in the forenoon session was followed by a **discussion with the Executive Director (Personnel)** and his team of officials in the afternoon session. **Apart from broader issues like Recognition to AIIEA, amenities to the employees like mobile handsets, provision of furnitures, reimbursement of Tea/ Coffee, improvement and encashment of LTC, one more option to Ex-Servicemen employees to join the 1995 pension scheme, issues relating to re-fixation of pay of ex-servicemen employees etc. were discussed at length.**

Issues pertaining to some individual zones were also discussed and these will be communicated to them in due course.

AIIEA shall pursue these issues till their logical conclusion.

With Greetings,

Comradely Yours



General Secretary