

ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION
LIC BUILDINGS SECRETARIAT ROAD HYDERABAD 500 063
(E-mail: aiieahyd@gmail.com)

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To

All the Zonal /Divisional /State /Regional Units

Dear Comrades,

Re: Information Sharing Session called by LIC Management today

The LIC Management called the Unions for a virtual Information Sharing Session today i.e. 16th February 2024. The LIC was represented by Sri Siddhartha Mohanty, Chairperson; Sri Satpal Bhanoo, Managing Director; Sri R. K. Dubey and Sri A. Sarkar, Executive Directors (Personnel); Sri L. Chendurnathan, Chief(Personnel) and other officials from Personnel Department. Com. Shreekanth Mishra, General Secretary; Com. T. V. N. S. Ravindranath, Joint Secretary and Com. B. S. Ravi, Treasurer represented the AIIEA.

Sri R.K. Dubey, ED (Personnel), welcomed the participants of the Information sharing Session and spoke briefly on the positive strides made by LIC in the recent times. He said that the brand image of LIC had improved considerably in the recent period due to the all-out co-operation of all sections of the employees. The Managing Director, Sri Satpal Bhanoo, congratulated the employees for their magnificent co-operation for the all-round growth of the institution and called upon the employees to meet the challenges unitedly. He said that a committed workforce was the biggest strength of LIC. Recounting the large number of benefits that have flowed to the employees recently, he pointed out that a satisfied workforce was the surest antidote to the challenges confronting the institution. Expressing his concern over the slightly muted business growth, sliding market share and relatively low persistency ratios he called upon the employees to adopt "Do Good Have Good" as their credo so that the challenges could be successfully met through the collective efforts. He informed that the Corporation was trying its best to meet the growing aspirations of the employees.

The Chairperson LIC, Sri Siddhartha Mohanty, complimented the employees for their support and co-operation. He pointed out that LIC had done extremely well even in the most trying situations. He was happy that LIC continues to be the market leader in the Indian insurance market. He spoke at length about the recent achievements of LIC in terms of profitability, huge increase in the assets under management (touching almost Rs.50 lakh crore), increase in VNB margins and persistency ratios. The Chairperson felt that the recent surge in LIC share prices in the capital market was symptomatic of a new found enthusiasm and interest in the LIC amongst the people of the country. Speaking elaborately on the post IPO challenges before LIC, the Chairperson outlined a vision incorporating five basic elements therein: i) Market Share Retention by showing higher growth ii) Enhanced business profitability iii) Committed Distribution Channels iv) Service Delivery in keeping with customer expectations and v) Reining in Management Expenses to reasonable levels. He also spoke about the new initiatives being planned by LIC like DIVE (Digital Innovation for Value Enhancement), HRMS (Human Resources Management System) and Technological upgradation. Saying that LIC is always aspiring to be "Employer by Choice", he said that Artificial Intelligence and other modern technology will bring about a redefining of the roles

with increased focus on marketing and rationalization of the workflow. The Chairperson informed that the Corporation intends to introduce flexible timings and attendance through digital mode to cater to the needs of the changing times. He also said that the Corporation is contemplating recruitment in all cadres with a view to augmenting customer servicing and customer experience. He called upon the employees to give their undivided attention to all aspects of LIC's functioning so that the institution continues to retain its pre-eminent position in the market.

The Chairperson concluded by making a Wage Offer of 14% and requested the unions to place their points of view in detail in the individual discussions with the personnel department.

Responding on behalf of AIIEA, the General Secretary said that the meeting should have been called in the physical mode rather than planning everything at break-neck speed without any rhyme or reason. He also questioned as to why the management was shy of calling these sessions as wage revision discussions when the centrality of the discussion was wage revision. Com. Mishra condemned the utterly undemocratic and patently illogical stand of the management to restrict the union delegations only to in-service employees. He said that it is the inalienable right of the employees to choose their representatives and the management cannot usurp this basic trade union right of the employees. Calling it repugnant to the basic ethos of industrial democracy and the basic spirit of the law of the land, he cautioned the management to refrain from such anti-trade union moves in the interest of LIC and industrial peace.

The General Secretary said that the AIIEA shares the concerns expressed by the Chairman and Managing Director on the issues related to the industry. He said that LIC had shown remarkable growth even in difficult times. The growth of LIC was more than that of the Indian economy. LIC was showing positive growth even when the entire Indian economy was going through severe contraction. Commenting that LIC's performance was admirable in a situation of falling disposable incomes and severe dip in net financial savings, he suggested that LIC should develop a product-mix in tune with the flavour of the market and strengthen its distribution channels. The General Secretary categorically told that the management was barking up the wrong tree by suggesting attendance through digital mode and flexi-working hours as the remedy to arrest the slide in market share. He said that the wage offer of 14% was not in keeping with the growth and prosperity of the institution or the aspirations of the employees. Drawing extensively from IRDA reports, he said that LIC's operating expense ratio was much better than many of the leading private insurers. Moreover, total management expenses in relation to the total premium income is the best in the industry. In this background, he called upon the management to come out with improved offers and settle the wage question at the earliest so that the workforce can give their undivided attention to meeting the challenges before the industry.

The General Secretary demanded that:

1. LIC should hold periodic discussions with the unions on the challenges confronting the institution rather than waiting for five long years to perfunctorily talk about challenges at the time of wage revision.
2. Apart from substantial hike in the wage offer, the management should seriously consider two more Stagnation Increments in the cadre of Assistants, reduction in the periodicity of Stagnation Increments in HGA cadre from three to two years and fitment on Stagnation to Stagnation basis.
3. LIC should take immediate steps for notification of the promised enhancement of management's contribution to NPS from 10 to 14 per cent (without prejudice to our demand of scrapping of the NPS and its replacement with the OPS).
4. Management should seriously explore periodic updation of Pension in view of rising cost of living and fast erosion in value of money, Payment of Uniform rate of Dearness allowance to pre 01.08.1997 pensioners, substantial enhancement in the Ex-Gratia and Cash Medical benefit payable to pre 01.01.1986 retirees
5. Recruitment in Class III & IV cadres should be taken up on a priority basis in view of the huge attrition in these cadres.

The meeting concluded with the customary vote of thanks by the new Executive Director (Personnel) Sri A. Sarkar.

Comrades, the wage revision process has just begun. The AIIEA shall pursue all the issues of the employees in the individual session which is expected anytime next week. In the meanwhile, we request our comrades to remain united and be ready for struggle at the call of the organization if and when the situation warrants.

With Greetings,

Comradely Yours



General Secretary