



CONFED

THE NATIONAL CONFEDERATION OF GENERAL INSURANCE OFFICERS' ASSOCIATIONS

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Confed/SecGen/2017/034

22nd November 2017

To

All the Office Bearers & Members of CONFED & its Constituents.

Dear Friends,

Re: **CHARTER OF DEMANDS FOR WAGE REVISION**
due from 01st August 2017

You are aware Wage Revision in our Companies have fallen due for Revision w.e.f. 01st August 2017. CONFED & its Constituents, being the main negotiators on behalf of Officers in our GIPSA member Companies, have always assured the best possible Wage Revision and Service Conditions for officers in these Companies.

Accordingly, a Committee was constituted from amongst the Office Bearers of Confed Constituents – NIAOA, NICOA, OICOA & UIIOA - way back in July 2016 to draft a Charter of Demand commensurate with the aspirations of Officers in PS_General Insurance Industry. The Committee further called for suggestions from various office bearers and members of officers community. The Committee also studies the pay packages across other PSUs and Government including the developments of Central Pay Commission from time to time.

We are thankful to our Members, Office Bearers & Veterans for their valuable inputs and guidance in drafting of the Charter. We are also thankful to the Members of Committee for drafting the Charter of Demands.

A copy of the Charter is appended for information of all concerned. We look forward to constructive feedback in the matter.

Sincerely yours

Girish Khurana

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National Insurance Company Officers' Association
New India Assurance Officers' Association
Oriental Insurance Company Officers' Association
United India Insurance Officers' Association





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Team NIAOA submitted Charter of Demand to Mr G Srinivasan, CMD, New India



Team NICOA submitted Charter of Demand to Mr K Sanathkumar, CMD, National



Team OICOA submitted Charter of Demand to Mr A V Girijakumar, CMD, Oriental



Team UIIOA submitted Charter of Demand to Mr M Nagaraj Sarma, CMD United India



**National Insurance Company Officers' Association
New India Assurance Officers' Association
Oriental Insurance Company Officers' Association
United India Insurance Officers' Association**



**THE NATIONAL CONFEDERATION
OF
GENERAL INSURANCE OFFICERS'
ASSOCIATIONS**

(CONFED)

**CHARTER OF DEMANDS
ON
PROPOSED WAGE REVISION**

Effective 01.08.2017

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submitted to

**GENERAL INSURERS' (PUBLIC SECTOR) ASSOCIATION OF INDIA – GIPSA
NEW DELHI**



National Insurance company Officers' Association



New India Assurance Officers' Association



Oriental Insurance company Officers' Association



United India Insurance Officers' Association

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I N D E X

SECTION	TOPIC
PART I	PREAMBLE
PART II	CORE
PART III	NON-CORE
PART IV	OTHERS

CHARTER OF DEMANDS

INTRODUCTION

The revision of wages notified during January/February 2016 was effective from 1st August 2012 and since then, the 5-year timeline is over, this Charter of Demands is presented, so as to initiate and conclude early, the process of revision due from 1st August 2017.

The Public Sector General Insurance institutions have been performing to its optimum levels despite most difficult economic environment and recorded their best performance as they have mopped up a combined Written Premium Income of **Rs. 93,107.75 CRORES** in **2016-17 – PSGI Companies including GIC Re**, registering an unprecedented growth over the previous year. This remarkable performance has opened up wide possibilities for further growth of the industry.

The productivity of the employees has also increased substantially as seen from the jump in per capita documentation and per capita premium income. The contribution of the employees to this growth, prosperity and setting up high servicing standards has been enormous. It is, therefore, legitimate for the employees to aspire for a share in the growth and prosperity of their institution. The demand for forty percent wage hike is reasonable and totally justified. We, therefore, expect you to begin the process of wage revision without much delay.

Some of the Key indicators of the performance of the Public Sector General Insurance Companies during the period 2012-13 to 2015-16 :

Description	2012-13	2015-16
No. of Offices	6231	8343
No. of employees	66,540	65,431
Capital	600 cr.	800 cr.
Capital & Free reserves	24,140 Cr (2013-14)	28,202 cr.
Investment Income	8,610 Cr.	12,147 Cr.
Average GDPI per employee	0.53 cr	0.80 cr.
Gross written premium	39,284 cr.	52,846 Cr.
Net retention ratio – NRR	79.6%	85.5%

**GROSS WRITTEN PREMIUM OF PSGI COMPANIES AND GIC RE IN 2016-17
: Rs. 93,107.75 CRORES**

Total Dividend declared by PSGICs including GIC Re (amounts in Crores.)	2012-13	2013-14	2014-15	2015-16
	521.64	598.66	664.53	482.15
GIC Re.	468.70	449.35	540	860
TOTAL	990.34	1048.01	1204.53	1342.15

The Last SALARY Revision of General Insurance Public Sector Officers took place with effect from 1st August 2012 and it was notified in January 2016. Hundred Percent of DA as on 31st July'2012 i.e. D.A. relating to 4708 points with a base of 100 Points in 1960 was merged to formulate new pay structure. Wage Revision for GIPSA Officers is now due w.e.f. 1st August 2017. Last time Wage Revision took place with a delay of about 41 months, the period which forced the entire workforce on the back foot due to uncertainty hovering around. The same revision if offered in time would have induced a feeling of high motivation among the employees during these three odd years yielding into much better results. The workforce if given a timely decent wage revision will enthuse them to perform better and serve better resulting into better results for the Companies.

RECOGNITION TO ASSOCIATIONS

PROMISED autonomy for Managements in service matters and resultant bipartite mechanism is possible only if majority association in Industry is recognized as sole bargaining agent. Issue of recognition of Majority association in Industry has been pending for long. Though process of Check-off is now in place, recognition to majority association is yet to be done. The logical conclusion of Check-off process is recognition of majority association. The decision to Recognise the Check off qualified Association by the respective Companies was taken by GIPSA long-back, in the Governing Board Meeting held in March 2003.

We are demanding participative management as a token of recognition of majority association.

BACKGROUND

THE PREVIOUS pay revision did not meet the aspirations of GIPSA officers in full - e.g., Option for 1995 Pension scheme at par with option given in Banking Sector in 2010, bonus to all, litre based conveyance to officers on administrative side, issues in respect of perquisite tax, etc. The time has now come to address such issues with all seriousness.

1995 Pension Scheme :

It is pertinent to refer here to the deliberations had during the previous wage revision exercise spread over a period which was culminating during August 2015. It would be quite appropriate to draw the attention to the final round of discussions, wherein, on behalf of the GIPSA/Company Managements, emphatic assurances were given, which would be part of the minutes of the meeting too, in regard to providing an option to join the 1995 Pension Scheme through which it was emphasized that **immediately** after the Wage revision Notification, this issue would be taken up with the Government in all earnestness to resolve it on priority. As this issue remains pending till preparation of this Charter, it would be incumbent upon the GIPSA/Company Managements to address and resolve the same well before initiating the discussions on Charter 2017.

Remuneration/Compensation - Elsewhere :

Revision of Pay Scale in our Industry cannot take place in isolation. It has to have a relation to Pay Scales prevailing within Industry, other Public Sector Undertakings and in Government. Compensation level in Private Sector Companies within Industry is 3 to 4 times higher than what it is in our set up. Better career prospects available in other industries/Sector induces our employees to switch over, resulting in talent drain, besides not attracting fresh talent to our industry. Even in comparison to banking sector, GIPSA companies lag behind in terms of non-core benefits. This aspect needs serious consideration as an input for revision of Pay Scales. At the time of Nationalisation, the Pay Scales in our Companies were far better than Government Pay Scales, that is the reason a good number of Officers joined our Industry after leaving the Government Jobs at Central as well as state level. The situation was so up to 1987 wherein the Fourth Pay Commission left us behind and the situation worsened in 1996 & in 2006 with the implementation of Fifth & Sixth Pay Commission. We have been given a raw deal since then. In 2002, Ministry agreed to give Litre based Conveyance to Officers on Administrative side on the lines of some of the Banks and accordingly the Petrol being given to Marketing Personnel was reduced but the cut was never given to Administrative side.

Seventh Pay commission- an insight :

The very idea of forming Pay commissions headed by Eminent Personalities from the field of General Administration/Justice at a periodical interval to decide the salary structure of Central Government Employees, is primarily to carry out a holistic review on the global socio economic transformations and on relating such findings , suggest administrative reforms to attain such global standards and also to offer suitable and acceptable compensation to the workforce with ultimate objective to achieve excellence. The recommendations of the seventh pay commission were fully accepted by the GOI gives credentials to the methodology adopted for arriving compensatory package for the various levels.

We quote from the Seventh Pay Commission report :

“In this 21st century, the global economy has undergone a vast change and it has seriously impacted the living conditions of the salaried class. The economic value of the salaries paid to them earlier has diminished. The economy has become more and more consumer economy. Therefore, to keep the salary structure of the employees viable, it has become necessary to improve the pay structure of the employees so that better, more competent and talented people could be attracted for governance.” *The Seventh Pay Commission has done exhaustive studies as seen below;* “To gain insight into the principles of emoluments, workshops were organized in association with IIM, Bangalore, Administrative Staff College of India, Hyderabad and SVP National Police Academy, Hyderabad. The local country office of the World Bank was requested to provide inputs on best global practices in remuneration. The World Bank team made several presentations on relevant subjects, viz., international trends in public sector pay, allowances, pension etc.”

There is an expectation of employees at all levels that there should be a significant increase in their pay and improvement in other facilities. At the core of this demand is the economic development, the country has witnessed in recent times, which has opened up avenues for talented young persons; several of them are being hired by the private sector for emoluments much higher than in the Government sector.

The focus for the Commission was that emoluments should be such which attract the right kind of talent by a transparent method, keeping in mind the financial limitations of the government. The attempt has been to provide wages commensurate with comfortable living. The pay structure should also need to address any significant deterioration in real value of emoluments as a consequence of inflation.”

“One should get proper and adequate compensation for his merit. The increase in pay structure cannot keep pace with the market forces, at the same time it should not be so unattractive that talent is not attracted to government service.”

“Therefore, we have attempted a pay structure which has as its basis the Aykroyd formula, which reflects the basic average cost of living in the country. The attempt has been to arrive at a proper pay package so that the essentials of life can be availed comfortably.”

The Pay Commission says “While finalizing the levels of salaries, allowances and other perquisites of compensation structure, we have tried to take a holistic approach. We also commissioned three studies by expert bodies towards this end:

1. Study by IIM, Ahmedabad to understand the nature and quantum of total compensation of select job profiles in the government sector vis-à-vis similarly placed profiles in the CPSUs and the private sector

2. Study by Institute of Defence Studies and Analyses on nature, quantum and components of defence expenditure and defence pension;
3. Study by IIM, Kolkata on fiscal implications of implementation of the V and VI CPC on the finances of the Union and State Governments."

On stagnation, the 7th Pay Commission notes,
"The new pay structure has been laid out by and large broadly as an open ended, layered matrix, for civilians as well as for the armed forces personnel. **It has been kept in view that a person should not stagnate but should have fair opportunity to progress by dint of merit and secure better emoluments so that frustration does not set in.** The prevailing rate of increment is considered quite satisfactory and has been retained. The concept of separate grade pay has been done away with and the grade pay at all levels has been subsumed into the pay matrix. The Modified Assured Career Progression (MACP) scheme has been further modified. It is expected that the present formulation will address the widespread dissatisfaction prevailing in the earlier system, in which the gain or progression through the MACP was considered inadequate. **The remuneration package is such that employees would feel that they are valued and they are fairly paid and their remuneration is not less than a person who is similarly situated in another organisation."**

The Pay Commission has also recommended that there is no need for commission once in 10 years and it recommends as:
"It is also recommended that the matrix may be reviewed periodically without waiting for the long period of ten years. It can be reviewed and revised on the basis of the Aykroyd formula which takes into consideration the changes in prices, of the commodities that constitute a common man's basket, which the Labour Bureau at Shimla reviews periodically. It is suggested that this should be made the basis for revision of that matrix periodically without waiting for another Pay Commission."

On the National Pension System the Commission says:
"We have also kept in view the needs of the pensioners under the old pension system, (employees who joined before 01.01.2004) and suggested some measures to alleviate their plight. They should also not be left in straitened circumstances.

We have suggested their proper fixation in the new pay matrix which will provide them a respectable living. Almost the whole lot of government employees appointed on after 01.01.2004 were unhappy with the new pension scheme.

While the National Pension System does not form a part of our Terms of Reference, we have recorded the sentiments of the affected employees. The government should take a call and step in to look into their complaints."

In this connection, it will be useful to quote the observations in the case of Bhupendra Nath Hazarika and another vs.

State of Assam and others (reported in 2013(2)Sec 516) wherein the Apex Court has observed as follows:” **It should always be borne in mind that legitimate aspirations of the employees are not guillotined and a situation is not created where hopes end in despair. Hope for everyone is gloriously precious and that a model employer should not convert it to be deceitful and treacherous by playing a game of chess with their seniority. A sense of calm sensibility and concerned sincerity should be reflected in every step. An atmosphere of trust has to prevail and when the employees are absolutely sure that their trust shall not be betrayed and they shall be treated with dignified fairness then only the concept of good governance can be concretized. We say no more.”**

On issues related to vigilance and discipline the Commission says: **Lastly, we must emphasize that the government should inspire confidence in the minds of civil servants that they will not be hounded by unnecessary harassment by investigation agencies. The recent trend of hounding civil servants as criminals for the failure of bona fide decisions is not a happy one. This will discourage the bureaucracy to take bold decisions in fear of being hounded if such a decision misfires. Any misadventure should not be looked upon with suspicion unless it has definite criminal intent to benefit either himself or someone else. If this trend is not checked it will lead to disastrous consequences. The sole consideration with the Commission was to ensure that employees do not suffer economic hardship so that they can deliver and render the best possible service to the country and make the governance vibrant and effective.**

The Central Pay Commission considered additional components of expenditure to cover for children's education, medical treatment, recreation, festivals and ceremonies. This followed from the Supreme Court's ruling in the Raptakos Brett Vs Workmen case of 1991 for determination of minimum wage of an industrial worker.

Performance of PSGI Companies vis-à-vis Inter-Company unhealthy Competition – Detariffing/underwriting prudence :

Despite vigorous competition and loss of talent from GIPSA companies to private companies, GIPSA companies have grown in terms of Premium generation from Rs.17282 crores in 2007 to Rs.34,126.17 crores in 2011-12 and to **59,357.92 crores in 2016-17 and with premium of GIC Re, it has reached upto Rs. 93,107.75 CRORES.** The Competition has been more fierce over the last five years. Despite increased competition, the market share of the PSU is 50.48%. This achievement is laudable considering the challenges the PSGI Companies faced not only from outsiders – viz. the Private Companies but also from within – the illogical and unhealthy INTER-COMPANY Competitions among the PSGI Companies, losing out collectively in the process, an estimated whopping Rs. 7,500 crores. With removal of tariff barriers/controls, the well nurtured concept of ‘UNDERWRITING

PRUDENCE' has been given a big GO-BY with around unhealthy vying for business. Though this has remained in focus in various for a/discussions, no viable solution emerged so far from the policy-makers.

There have been internal challenges as well, which the Industry has been able to withstand. The Transfer & Mobility Policy introduced in 2002 gave an initial jolt to the Industry as the Officers who were responsible for Premium procurement & servicing the Clients were transferred forcibly without any rationale. As a result either these officers started leaving the Companies & joined Private Companies who needed experienced workforce and were ready to pay handsome packages. This game plan worked even better in favour of the Private Insurers with the introduction of SVRS in the four PSU Companies and made the thought of leaving the Company more lucrative. Promotion Policy 2006 proved to be another jolt to destabilize and de-motivate the workforce. The formation of a Common Seniority List for Scale V & above and movement of Scale VI & VII officers from the parent Company to another one was another nail in the Coffin which forced the Senior Officer to change the Loyalties overnight which was not very easy and it was even more difficult to get accustomed to the culture of the respective Companies. No adequate Recruitment since 1991 and a high attrition level during this period was a great handicap in the growth of the Companies, but the Industry has done extremely well. Against all these odds, the four Companies have stood the test of time and are ready for a bigger fight ahead. The Four PSU Companies in no way are lagging behind any of the Private sector Companies. These Companies can even do wonders if the Compensation and HR practices are conducive, as the core strength of the Industry is its skilled & experienced loyal workforce.

The charter is the valid expression of hopes and aspirations of the Officers in the Industry. We hope that this time Management will create history by giving a handsome pay revision whereby the aspirations of our Officers are accommodated to the fullest, the dignity of the officers-fraternity is maintained in the society and rising cost of living is met with.

The volumes of business and customer's expectations of 24X7 customer services have become high and the dearth of Officers in the Industry is increasing the workload of the existing workforce. Average age of present work force is approximately 48 years and Industry desperately requires young blood being recruited and retained to achieve the targets. Talent Management is a must for the Organization to cope up with the volume and to bring new ideas for sustaining the Industry in the market. Global benchmarking of our New Business procurement and policy-servicing can be done only by offering salary packages as per global bench-marks. We wish that our industry should be one of the best preferred PSU employer.

We hereby submit this charter for your favourable consideration.

PART – I I - CORE BENEFITS

It is suggested to have the present Seven scales elongated to Nine scales to take care of continuing stagnation in different scales – particularly in Scale II cadre.

BASIC PAY

In the last pay revision effective from 01/08/2012, as against our demand for an entry level basic pay of Rs.42000/-, basic pay was fixed at Rs.32740/- i.e. much below our expectations. Hence this anomaly needs correction in the ensuing wage revision exercise. Keeping in view the need to retain talent within our industry and to attract fresh talent to our industry, it is imperative to have pay scales well above the scales applicable in Govt/other PSUs. Hence, our Basic Pay at the entry level need to be fixed at minimum of Rs. **65,000/- (Scale I)**.

During the discussions on the last revision of pay effected from 1st August 2012, we had been consistently focusing on the need to maintain 'RELATIVITY' between the scales of Scale 1 through Scale VII Officers at a ratio of **1: 3.25** from the starting scale of a Scale 1 Officer to the end scale of the Scale VII Officer. Though during the discussions this point focused by us was appreciated, there was further elongation at the time of publication of the Scheme only in respect of Scale IV, V and VI – had resulted in anomalous situation as pointed out earlier and look for proper remedy therefor.

It is reiterated that in consonance with the elongations made in Scale V, VI and VII levels in the earlier revision, the scales of Scale I to IV are required to be suitably formulated so as to bring and maintain the relativity ratio to 1 : 3.25.

Accordingly, we demand that the new payscales are to be drawn with merger of 100% of DA as at 1st August 2017 – i.e., DA payable at **6352** points of AICPI (1960 series) and with a **minimum hike of 40%** after merger of DA into Basic pay, together with maintaining the inter-se relativity between scales and stages.

RUNNING SCALE

This has been the demand of the Confederation for over two decades. Many of the Industries/institutions have implemented the 'Running Scale' concepts and therefore, it is demanded that in the current round of revision, firm beginning is required to be made on this count.

With elongation of scales of Scale V, VI and VII Officers in the earlier revision, the principal acceptance of the concept has been made evident and therefore, apart from elongation of scales in Scale I to IV, the concept of 'Running Scales' should also be introduced.

With considerably high number of Officers in each Scale getting stagnated, the concept of 'stagnation increments' to be removed and the '**Running Scales**' are to be brought in. It is pertinent here to mention that at the time of Promotion of an Officer, for the fitment of basic in the promoted cadre, Officer lands in one of the stagnation stages of the promoted cadre and **even 'one increment' on promotion** is denied virtually. In this context too, the Running scales would assume importance so as to ensure justice to this section of Officers who are left high and dry, without any monetary benefit upon promotion to the next higher cadre.

GROUPING OF SCALES:

The proposed scales should be classified into functional groups as below:

- Junior Management Cadre: Scales I to III
- Middle Management Cadre: Scales IV and V
- Senior Management Cadre: Scales VI and above

We therefore demand that Officers reaching maximum of pay in a scale should be automatically allowed to draw increments in the next two higher Pay Scales as per band above, till he/she reaches maximum of such alternate higher scale.

ANNUAL GRADE INCREMENT

Annual Grade Increment should be 4% of Basic Pay stage-wise

FITMENT:

The fixation should be on stage to stage basis and in no case number of increments drawn by the officer in the revised scale should be lesser than the number of increments drawn in the existing scale as on 1.8.2017. So to say, while fixing up the new scale, at no stage it should result in an anomaly of getting fixed at a lower stage than the present one.

DEARNESS ALLOWANCE

In previous revision, DA for CPI 4708 (Base 1960-100) was merged with basic pay and thereafter continued with 100% neutralization. We demand that

- i. DA should be revised monthly;
- ii. DA should be based on CPI for second previous month;
- iii. DA should be paid on 100% neutralization basis. After DA crosses 50% of Basic Pay, the same should be merged with basic pay for all benefits including Terminal Benefits.
- iv. DA slab should be calculated as per existing formula
- v. DA should be treated as Basic Pay for all purposes.

DA at **6352** Points as per AICPI (1960 series) as at 1st August 2017 shall be merged in Basic.

HOUSE RENT ALLOWANCE

GIPSA Officers should be provided with free furnished accommodation and those who are not provided with quarters should be paid HRA. In line with rates at which HRA is paid for Officers in Government and other Public Sector Organizations, rate of HRA should be as under:

PLACE OF POSTING	RATE PER MONTH
Population of 50 lacs and above	40 % of revised basic salary without any ceiling
10 lacs to 50 lacs	35% of revised basic salary without any ceiling
2 lacs to 10 lacs	30% of revised basic salary without any ceiling
below 2 lacs	25% of revised basic salary without any ceiling

Self-lease facility as prevalent in various PSU Companies to be introduced

CITY COMPENSATORY ALLOWANCE

CITY Compensatory Allowance should be paid at the following rates without any ceiling.

PLACE OF POSTING	RATE PER MONTH
Tier I cities	15 % of revised basic salary without any ceiling
Tier II cities	12% of revised basic salary without any ceiling
Tier III cities	10% of revised basic salary without any ceiling
Tier IV cities	8% of revised basic salary without any ceiling

TRANSPORTATION ALLOWANCE

WE demand that litre-based Transportation Scheme should be extended to all GIPSA Officers in administrative side every month as under on reimbursement basis :-

Tier I	Tier II	Tier III	Tier IV
60 litres	50 litres	40 litres	35 ltrs

FIXED PERSONAL ALLOWANCE

Fixed personal allowance was introduced following granting of increment for Computerisation with effect from 1st November 1993. With passage of 23 years therefrom, upon a re-look into the same, it is demanded that the FPA be converted to a stage increment with elongation of the stage of scale accordingly. The conversion of FPA into a stage increment is required to be effected for all those who are entitled therefor.

HILL STATION ALLOWANCE

HILL Station Allowance should be paid at the rate of 15% , 12% and 9% of revised basic pay+ based on existing classification, without any ceiling.

RURAL POSTING ALLOWANCE

15% of Basic Pay+ Grade pay beyond Tier 3 Cities as per mid-Census projections for 2016

MEAL COUPON : The Meal Coupons as provided in LIC may be provided in our Companies also.

CONVEYANCE ALLOWANCE TO PHYSICALLY HANDICAPPED OFFICERS

An amount of 3% of revised basic pay with minimum of Rs 5000/- pm should be paid to handicapped employees irrespective of cadre/scale.

KIT ALLOWANCE

KIT Allowance should be paid at Rs.25,000/- per annum for all eligible Officers.

QUALIFICATION PAY

QUALIFICATION Pay should be granted to Officers for acquiring insurance qualifications at following rates:

LIII	:	Rs 2000/- PM
AIII/Int-ICWA/Int-CA/LL.B/B.E./Equivalent		Rs 3000/- PM
FIII/ICWA/CA/MBA/LL.M/M.E/Equivalent		Rs 5000/- PM

LEAVE

- CASUAL Leave should be restored to 15 days. Provision of ACL should be restored.
- Half-a-day CL to be permitted without any ceiling/no. of occasions
- ACCUMULATION of Earned Leave should be allowed up to 360 days and entire accumulation to be allowed for encashment at the time of superannuation.
- Accumulation of Sick Leave should be allowed up to 300 days.
- Minimum requirement for availing EL be reduced to 5 days

- Un-availed CL to be converted and credited to EL account in the subsequent year
- ENCASHMENT of EL should be allowed **every year** subject to a max of 15 days.
- 30 days Full Pay Sick Leave for each year of completed service.
- A day's sick leave be allowed without making Medical Certificate mandatory therefor.
- 50% of unutilized Sick Leave should be allowed to be en-cashed at the time of retirement/death. This would cut down the absence of Officers during the last leg of their Services.
- PATERNITY Leave of six weeks may be allowed on two occasions during entire service period.
- EXTRA-ordinary leave should be raised to two years during entire period of service.
- Child care leave for all officers may be introduced for two years during entire period of Service, with stipulation of maximum of 18 years of age of two legitimate children.
- Sabbatical Leave upto 5 years may be allowed.
- With five check-off exercises having been concluded, the rudimentary benefit of TRADE UNION leave has not been extended so far, to the representatives of Check-off qualified Associations – viz., NICOA, NIAOA, OICOA, UIIOA and CONFED. It is hereby demanded that the Trade Union leave which has remained part of provisions be implemented forthwith.

TERMINAL BENEFITS

PROVIDENT FUND /CONTRIBUTORY Provident Fund should be at 12% of Basic+Grade Pay + DA for all Officers.

Officers who are member of NPS may also be allowed to open PF Account with their own share which can be a great saving & can be used by them in difficult times.

GRATUITY – one month's gross salary for every completed years of service, without any ceiling – with removal of anomaly of 'No Gratuity' for services rendered from 16th year to 30th year in our Gratuity Scheme

ENCASHMENT of Earned leave – limit for accumulation and encashment should be increased to 360 days on retirement. Encashment of EL to be allowed on Resignation.

PENSION

All OFFICERS including Retirees on the roll of the Company as on 31/03/2010 who have not opted therefor, should be given an option to join the Pension Scheme 1995.

Those who are presently governed by New Pension Scheme (NPS) should be given an option to join the 1995 Pension Scheme

REVISED basic pay to be made applicable for Pension and updation of Pension for existing pensioners.

Eligibility of full Pension after 20 Years of Service.

Pension should be calculated @ 75% of average last 10 months Basic instead of 50% at present.

COMMUTATION benefit to be allowed on 50% of pension and commuted portion of pension should be restored after 12 years.

For service beyond 20 years of pensionable service, additional pension to be paid at 1% per additional year of service.

Officers who joined the Industry after serving another PSU or Govt. job, their earlier service period should be taken into account.

Pension in respect of surviving Officer/s after their attaining 80 years need to be enhanced

FAMILY pension should be paid at uniform rate of 35% for all.

Minimum pension should be enhanced substantially.



FUNCTIONAL ALLOWANCE:

Inspection and Audit Officers to be paid an amount at least Rs. 5000/- which should be treated as additional pay ranking for Pension and PF, etc. and it should be payable irrespective of period of outdoor office duties/ touring.

ACTUARIAL ALLOWANCE:

Allowance for actuarial qualification be given at a minimum of Rs. 10,000/-



PART – I I I - NON-CORE BENEFITS

CONVEYANCE FACILITY

ENTITLED OFFICERS

ACTUAL cost of Car shall be allowed.

REIMBURSEMENT of cost of Tyres and Tubes should be allowed after 3 years or after 24000 kms.

REIMBURSEMENT of Garage and cleaning charges at the rate of Rs.1000/- per month and Service Charges at the rate of Rs.5000/- per year be allowed on declaration basis.

100% increase in Major Repairs be extended since with increase in population of vehicles vis-à-vis traffic, chances of accidents have become more. In case of major accidents where budget under Major Repairs and Insurance Claim exceed cost of repairs, Company should absorb balance amount.

100% increase in Petrol/Diesel facility.

Payment/reimbursement of actual Insurance Premium of the Vehicle, including the premiums for Add-on Covers such as – Nil Depreciation, Return to Invoice, etc. to be made.

NON-ENTITLED OFFICERS

ACTUAL cost of vehicle shall be allowed for Cars as interest free loan.

REIMBURSEMENT of Road Tax and actual cost of re-registration of the vehicle on transfer.

REIMBURSEMENT of Garage and Cleaning charges at the rate of Rs.500/- per month and Service Charges at the rate of Rs.5000/- per year be allowed.

FACILITY of providing Car loan after every Five years should be extended.

ENTERTAINMENT ALLOWANCE

ALL Officers with Marketing assignment and Officers in Scale IV and above should be paid entertainment allowance. The present entertainment allowance should be increased by 100 %.



HONORARIUM FOR FACULTY

Creation and Strengthening of Training Structure in the industry needs to done. HONORARIUM paid to Officers who are visiting Faculty Members in Learning Centers both at Head Office and Regional Centers should be increased suitably with a conveyance facility on the day of lecture.

TELEPHONE FACILITY

Telephone/ Cell phone/ Data card/ Broadband Communication facility shall be provided to all Officers with reimbursement of charges up to Rs.20,000/- per annum.

CELL Phone shall be provided to all Officers up to an amount of Rs 15,000/- without any call charges.

ENTITLED Officers shall be reimbursed charges up to Rs.30,000/- per annum.

LAPTOP COMPUTERS

ALL Officers with Marketing as well as administrative functions should be provided with Laptop/ Tablet Computers.

MID ACADEMIC YEAR ALLOWANCE

MID Academic allowance for Officers should be increased by 100%.

MEDICAL BENEFITS

MEDICAL facility being an employee welfare measure, all Officers should be entitled for reimbursement of entire medical expenditure on actual basis for self, spouse, children and dependent parents, both for domiciliary treatment and for hospitalization.

ALTERNATIVELY, by way of seeking improvement in existing provisions, we demand following:

Domiciliary treatment – One Month of initial Basic in the scale per annum for all Officers on declaration basis.

Hospitalisation – Present Basic Mediclaim limit of Rs. 1.10 Lacs be increased to Rs. 6 lakhs free of cost

Corporate Buffer for Rs. 10 Crores for the Company as a whole.

Free health check up facility once in Two years should be extended to all Officers on attaining 40 years of age irrespective of cadres.

Free health check up facility for Retired Officers to be introduced with a periodicity of once in a block of two years.

Domiciliary lump-sum payment to Retired Officers should be introduced.

MODE OF TRAVEL ON TOUR

ALL officers should be allowed to travel by Air on tour.

DAILY halting allowance should be increased by 100%.

REIMBURSEMENT of Local conveyance at the place of tour subject to a maximum of one day halting allowance per day as in government sector.

HOTEL STAY

HOTEL stay eligibility for all Officers be linked with basic as below :

METRO	: 10%
A CLASS	:7.5%
B & C CLASS	: 5%

LEASED ACCOMMODATION

a. Metros, State Capitals and : **50% of revised basic pay as monthly rent with provision for enhancement in tune with movement of Basic pay.**

Other specified places

b. OTHER Places : **40% of revised basic pay as monthly rent**

Alternatively the Leased Limits as available in SBI may be implemented in our Industry.

SELF-Lease facility should be allowed.

Leasing of Accommodation owned by the Blood relatives may also be allowed to be taken on Lease.

LEASED accommodation should be provided at the place of choice of Officer automatically on transfer without any further representation/ sanction to be made and the entitled amount should relate to the previous place of posting/where the facility is availed. In case of difficult/ Hill station postings where Bachelor's Accommodation is not provided, Lease at two stations may be provided as provided in LIC.

ADVANCE/Deposit of maximum of 10 months rent.

MAINTENANCE charges payable to be borne by Company.

BROKERAGE to be allowed not exceeding half month's rent.

FURNITURE

Rs. One Lac as Furnishing Allowance should be allowed every Four Years.

HOUSING LOAN SCHEME :

We demand overall improvement in the provisions of the Housing loan

LEAVE TRAVEL SUBSIDY

Air Travel should be allowed to all the Officers

TRAVEL distance should be enhanced to 5000 kms (each way).

MODE of travel should be as per the choice of Officer.

Package Tour should be allowed within overall limit.

AN Officer should have option to surrender and encash LTS, upon which he shall be entitled to receive an amount equivalent to 100% of eligible fare subject to I.tax dispensation for mode of travel to which he is entitled to.

TRANSFER BENEFITS

WITH the introduction of TMPO, transfer on a structured basis has become an integral part of the service life of an Officer. The concept of protection of HRA and CCA on transfer has already been introduced in the GIPSA setup for other Classes of employees. To mitigate the hardship we demand protection of HRA and CCA on transfer of Officers and payment of an allowance, called Transfer Allowance, at the rate of 10% of basic of the scale of pay of the transferred Officer per month during the period of posting on such transfer.

ALL family members shall be allowed to travel as per entitled class either jointly or separately without any time limit. At Metro cities and State Capitals, Company should enter into agreement with reputed Packers & Movers for transportation of H/H goods of transferred officers.

TRANSFER grant equivalent to Two months revised basic pay.

JOINING time of 10 days.

ALL transferred Officers should be provided with Company owned/leased accommodation. Otherwise, in addition to 30 days halting allowance, 30 days lodging expenses also should be allowed.

Alternatively, the Officers may be allowed to raise the Housing Loan from the Housing Finance Company of his/ her choice and the subsidy of the difference in the Loan eligibility may be paid to the concerned officer through Salary.

FESTIVAL ADVANCE

FESTIVAL advance should be increased to two month's revised basic salary.

FLOOD/DRAUGHT ALLOWANCE

EQUAL to One month's revised gross salary in notified areas on **declaration basis**.

COMPENSATION TO OFFICERS ATTENDING LOK ADALATS & OTHER COURTS

OFFICERS attending MACT/Lok Adalats on Holidays should be paid compensation equal to Two days salary and on Working days One day's salary.

OFFICERS who attend Court relating to Marine Recoveries, Ombudsman, WC Cases, MACT Evidence etc should be paid One day's salary.

PERSONAL LOAN

OFFICERS should be provided with an Emergent Personal loan of Rs.2 lacs for any purpose.

BONUS / EX-GRATIA

BONUS/Ex-gratia should be paid to all Officers at same rate as dividend paid to Government, subject, however to a minimum of 20% of annual gross salary.

GTIS & GSLI

GTIS is envisaged to compensate family of an Officer who dies in harness to protect commutation of pension. We demand increase in sum assured under GTIS scheme to Rs.25 lacs.

GSLI limits also need to be revised up to Rs.25 lacs.

SCHEME FOR CHILDREN

Tuition Fee Reimbursement : Rs. 2500/- PM PC up to two legitimate children

HOSTEL Subsidy : Rs.2500/-PM PC up to two legitimate children

EDUCATION LOAN : The present restriction of Rs. 10 lacs per child to be removed with enhancement of the quantum of loan to Rs. 25 lacs.

SCHOOL/College tie up arrangement with major schools/college for admission of children of transferred Officers in all Major cities and State Capitals.

TAX ON PERQUISITES :

Income tax calculated on various Perquisites as per provisions of Income Tax Act – Tax on perquisites – to be borne by the Companies entirely so as to reflect the spirit of totality of the benefit without the Officer being taxed upon.

GRIEVANCE REDRESSAL MECHANISM :

Internal grievance machinery on the lines of CAT to be constituted to settle unresolved vigilance cases, so that officers are not unnecessarily harassed in vigilance cases of omission nature involving procedural deviations/lapses followed on routine basis. Vigilance cases to be concluded within one year as per CVC guidelines or else all benefits should be continued/restored pending conclusion of vigilance cases.



PART – I V - OTHERS

ORGANISATIONAL STRUCTURE

The Company should have the same four tier organizational structure but instead of having two types of Operational offices it should have the following structure:

Corporate Office – To take care of Corporate functions only

Zonal Office – To take care of all the Operational Issues in the Five Zones

Regional Office – To take care of all the Operating offices under the Region

Operational Office – To be a profit Center & report to Regional Office

Corporate Office may have the following designated officers

Chairman

Executive Directors – Scale IX (as Proposed)

Chief General Manager – Scale VIII (as Proposed)

The Zonal Office (five) should be headed by a General Manager (Zonal) – Scale VII (Present)

The Regional Office should be headed by a Dy. Gen. Manager – Scale VI

The Operating Offices should be headed by a suitable officer as per the business handled by the Office.

RE-DESIGNATIONS

Executive Director – Scale IX

Chief General Manager – Scale VIII

General Manager – Scale VII

Deputy General Manager – Scale VI

Asst. Gen. Manager – Scale V

Chief Manager – Scale IV

Senior Manager – Scale III

Manager – Scale II

Asst. Manager – Scale I

DEFINITION OF FAMILY

DEFINITION of family should be uniform for all benefits. Family should consist of self, spouse, unemployed male child up to the age of 25 years, unmarried/separated daughters, non-gainfully employed parents (Parents having the Pension Income should be treated as Dependent Parents), unmarried/separated sisters and unemployed brothers up to the age of 25 years in case parents are not there.

CONCLUSION

LIST of demands given above is only illustrative and not exhaustive. The National Confederation of General Insurance Officers Associations and its affiliates National Insurance Company Officers Association, New India Assurance Officers Association, Oriental Insurance Company Officers Association and United India Insurance Officers Association reserves the right to add, alter or amend any demand in this Charter of Demands, keeping in view of situation prevailing within Industry or outside at the time of negotiations/finalization of Charter of Demands.



(GIRISH KHURANA)
SECRETARY GENERAL