

GENERAL INSURERS' [PUBLIC SECTOR] ASSOCIATION OF INDIA

5th ROUND OF DISCUSSIONS WITH UNIONS/ASSOCIATIONS ON WAGE REVISION

AT KOLKATA, THE 22ND DECEMBER, 2009

PROPOSAL FOR WAGE REVISION (SUBJECT TO APPROVAL BY GOVERNMENT)

A. OFFER

- Wage Bill as on 01.08.07 (excluding SVRS Amortization) : Rs. 2,569 crs.
- Additional expenditure proposed in Wage Bill as on 01.08.07 : Rs. 449.575 crs.(incl. non-core)
- Overall percentage rise proposed : **17.5%**
- Average Per capita resultant rise : Rs.64,310/- p.a.
- Average Per capita rise as on 01.08.02 : Rs.32, 477/- p.a.
- Current proposed rise in Per Capita terms higher than last rise by : **98%**
- The proposed rise is subject to the Organizational Agenda as appearing in B. below.

B. ORGANIZATIONAL AGENDA FORMING PART OF THE OFFER

1. The Organizational Agenda that formed part of Wage Revision w.e.f. 01.08.02 to continue with modifications as may be found necessary by the Management :-
 - a. TMP for Class III to be freed from the geographical limitations of 150 kms. so as to further synchronize with Company's contemporary needs
 - b. Further outsourcing of certain activities (including some service benefits such as Housing Loan) to fall in line with current competitive business environment
 - c. Code of Conduct for Unions/Associations relevant to contemporary business requirement and conducive to productivity, accountability and discipline to be evolved and strictly implemented.
2. Annual **GDPI Growth Rate to be minimum 8.5%**
3. Flexi-pay and Variable pay for maximizing motivation levels, retention of talents and optimizing returns on productivity
4. Flexibility in hiring manpower - Lateral induction – short term appointments at various levels in officers' cadres in line with current competitive business environment
5. Flexi working hours to address the requirement arising out of the impact of IT interventions and the need for 24 hours connectivity
6. Introduction of modern gadget-monitored and IT enabled entry (including biometric scanner) and surveillance system in office premises to address the safety and security requirement of employees and customers
7. New measures, such as training followed by mandatory passing of Tests, to empower the workforce at various levels and enable them update their knowledge and skills to cope up with the changing business requirements and technological changes
8. Implementation of provisions for Compulsory Retirement on grounds of gross inefficiency / Company's interests with adequate system of checks and balances and exit option for employees with incompatible profile
9. Any other measure to improve productivity, accountability and discipline

C. PAY SCALES , OTHER ALLOWANCES AND NON-CORE BENEFITS LINKED TO THE PROPOSED WAGE REVISION

The Pay Scales, rates of Allowances and non-core benefits to be worked out once a broad understanding / agreement is arrived at on the proposed overall Wage Revision.