

THE NEW INDIA ASSURANCE OFFICERS' ASSOCIATION

(REGISTERED UNDER THE TRADE UNIONS ACT, 1926 REGN NO. 7380)

NEW INDIA ASSURANCE BLDG., 87, M.G. ROAD, MUMBAI – 400 001

<http://www.niaoa-hyd.itgo.com>

(Affiliated to National Confederation of General Insurers' Officers Association)

Date: 16-2-2010

To

**The Chairman-Cum-Managing Director,
The New India Assurance Co. Ltd.
Head Office, 87, Mahatma Gandhi Road,
Fort, Mumbai.**

Dear Sir,

Re: Wage Revision Talks

With reference to above subject, we would like to draw your kind attention to the last letter dated 5-2-2010 that GIPSA body had written to us. In that letter, GIPSA, following a mandate from our company management, made a concluding and overall offer of 17.5% (including non-core items) revision in wages with effect from 01-08-2007 alongwith organizational agenda.

Before commenting on the main subject we would like to put it on record that after the **1st Introductory Round of Talk**, the negotiating team from Management, i.e. GIPSA, never intended to have a free and fair atmosphere for holding a meaningful talk. Without casting any shadow on any individual, the manner meetings were held and subsequent follow ups, pre-condition to participate for talks, made us to believe that true and fair version of our views and suggestions were never placed before the appropriate authority in its right spirit. It seems that is the reason perhaps Governing Body had been misled to take this kind of decisions which is neither good for Management nor for the Employees.

As the current offer of 17.5% inclusive of non-core benefits and with Management Agenda, made through GIPSA Negotiating Team is being termed as Final Offer we feel it is proper to respond to Our Company Management and would like to place the following views /comments /reactions for your kind review:

1. First, we fully believe that our company had ability to improve this offer of 17.5% over-all hike and therefore, it is not acceptable. Moreover, there is genuine need to improve this. Some of these reasons (among long list of reasons) are placed in following paragraphs:

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Vice Presidents

Shri D. Ganguly
Shri V. K. Shetty
Shri K.V. Raju
Shri Madhu Elayath
Shri Ram Mohan Reddy
Shri Manoj Muir

Gen. Secretary

Shri K.K.Mozumdar

Joint Secretaries

Shri S Balan
Shri Arun Joshi
Shri S. Malakar
Shri Ashok K Biyani
Shri (Dr.) R S Walia
Shri Vijay Sharma

Treasurer

Shri Mahesh Joshi

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(a) In a competitive labour market, particularly when to develop an insurance professional requires much longer time than any other industry / sector, to attract talent and to retain trained man-power we need to improve this offer. Officers at all levels started feeling that they are being deprived of what industry should have compensated them. Even we feel, the new recruits are also dissatisfied with this pay-structure and their chances of leaving insurance sector (particularly PSUs) are much higher than what management had estimated.

(b) Even on taking the cases of those who had been recruited 15-20 years back and still earlier, we find that over the period their real income had eroded and comparing with the salary growth and career growth of other sectors, they feel heavily let down. It is indirectly affecting performance, morale and may be loyalty and integrity level also.

(c) As the market is getting harder, the job is also becoming more demanding but these pay-scales are not enough to compensate. No doubt over the year our productivity has increased. Even though our company has performed much better and growth had been in multifold, we have never received our share of contribution. Definitely we deserve better pay-packets than what is being offered.

Of course, there are many more arguments which have already been placed in length.

2. Secondly, we strongly oppose the inclusion of Non-core items in the proposed wage hike and want its deletion from the agenda. In fact we feel seriously let down by this hidden agenda. In real terms after removing non-core items and after adjusting the inflation / price-index factor, **there will be no WAGE-HIKE but it will turn out to be a WAGE-CUT.** It only generate negative satisfaction, leading to wide spread re-action and may disturb the industrial harmony.

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3. Thirdly, on Management Agenda issue, as a responsible exclusive officer oriented representative body NIAOA have already expressed that we are open to separate discussion and also ready to take up each of them on its own merit but definitely we do not want it to be linked to Wage Talk. During 3rd Round of Wage Talk we have already given our reaction in writing to the Negotiating Team but we are not sure if that was placed before the appropriate authority in its right spirit. Instead we observed that before anything agreed on wage front many of these agenda items are in the process of implementation in respective companies. We also observe that in every meeting additional agenda item were being introduced. We would like to oppose the inclusion of Management Agenda in Wage-Talks and making it a Pre-condition. Therefore, **we firmly convey that Implementation of Management Agenda as placed in Wage Talk is not accepted.** If it is implemented then this will again attract large-scale dissatisfaction among officers' community.

Sir, time is running out for all of us and our feed-back from various corners indicates that people are losing patience. **You being the Right Person at helm of affair** will understand our feelings and hope that you will be able to resolve the dead lock for taking the industry to a prosperous path instead of pushing us to path of no return.

With Regards,

K.K.Mozumdar
All India General Secretary