

THE NEW INDIA ASSURANCE OFFICERS ASSOCIATION,

[Regd. Under the Trade Unions Act, 1926 Regn. 7380]

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

C/o. THE NEW INDIA ASSURANCE CO. LTD., 2ND FLOOR, 87 M.G. ROAD, FORT, MUMBAI 400 001.

[Affiliated to National Confederation of General Insurers Officers' Association]

June 30, 2010

Dear Friends

Re: WAGE REVISION.

Wage revision is due since 01.08.2007 and till date there is no headway in the negotiations. On call of STRIKE by NIAOA, GIPSA vide its letter dated 30.03.2010 appealed for withdrawal of the two hour strike call with an assurance that "welfare of employees has been the upper most in the minds of the management of our member companies and at this hour also, it continues to be so." Further appealed for conducive atmosphere as the issue was to be deliberated in the governing body of GIPSA on 7th April 2010.

On appeal of the management, strike was called off with an expectation that GIPSA shall offer respectable revised offer in the next round of talks on the back ground of wage hike for central government employees, other PSUs.

To make the wage revision talks more serious & conclusive the meeting was presided over by Chairman, GIPSA along with the other four chairmen of the GIPSA member companies. But we were extremely disappointed by the repeated offer of 17.5% including non-core benefits and organizational agenda. All along we have been pursuing with the Management to start the talks in an earnest way. NIAOA including all associations have unanimously & categorically REJECTED the offer since it is far below our expectations.

It is the hard work by the employees that has made the public sector general insurance companies survive in the stiff competitive scenario by improved customer service, marketing, creating brand value of the public sector insurers and achieving growth in this turbulent times. The officers deserve a decent pay & perks package in tune with the trend in the service sector to motivate the employees and to restrict brain drain from the companies. The internal customers remain unsatisfied by the HR policy of GIPSA.

It is unfortunate that non-core benefits of the employees were not discussed for the last at least one decade thus no improvement is made in the non-core benefits, whereas the nationalized life insurer LIC has revised the non-core benefits substantially. NIAOA reiterates its demand for revision of non-core benefits immediately. Car Loans, increase in reimbursement of telephone expenses, Computer Loans, Increase in Basic Housing loan, LTS etc.

During the course of discussion on 8th May we once again reiterated our stand that wage revision talks should be delinked from organizational agenda and conveyed our willingness to discuss this issue independently. Flexi pay will not stop brain drain. Flexi