

## Insurance employees' body demands 40 pc pay hike

Forty percent pay hike and merger of four public sector non life insurers, are the key discussion points at the 21st general conference of the All India Insurance Employees' Association (AIIEA) that began at Kanpur Saturday.

Justifying the whopping 40 percent wage hike demand at a time when the four government owned insurers are unable to meet the management expense limits, J. Gurumurthy, secretary, AIIEA, told IANS: 'Talented people are leaving for the private sector that is offering better pay scales. This has to be arrested.'

During 2006-07, the four PSUs together posted a profit of Rs.32.20 billion, up from Rs.15.83 billion the previous fiscal, he said.

The dividend paid to the government last fiscal was Rs.5.82 billion, up from Rs.2.66 billion paid the earlier year.

'There is a massive increase in work load. With depleted staff strength the companies posted such impressive results, which reflect increase in productivity,' he argued.

According to him, Members of Parliament are writing to the prime minister and the finance minister to merge the four government owned non life insurers - National Insurance Company Limited, New India Assurance Company Limited, Oriental Insurance Company Limited and United India Insurance Company Limited.

Gurumurthy claimed Finance Minister P. Chidambaram in his reply to an MP on the subject of merger had said an officer in the ministry has been asked to look into the matter for appropriate action and a reply would be sent soon after having the matter examined.

He also questioned the logic of three PSU non life insurers - New India Assurance, Oriental Insurance and United India - in hiring Boston Consulting Group to suggest measures to become the top non life insurer in the country at the same time.

He wondered whether the insurers took into account the conflict of interest that would arise by such a move.

The conference is being inaugurated by P. Sainath, Ramon Magsaysay Award Winner for Journalism, and Subhashini Ali, president, All India Democratic Women's Association, will be the chairperson for the Reception Committee of the Dec 8-12 conference.

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