

**FEDERATION OF LIC CLASS I OFFICERS' ASSOCIATIONS  
NATIONAL FEDERATION OF INSURANCE FIELD WORKERS OF INDIA  
ALL INDIA INSURANCE EMPLOYEES' ASSOCIATION  
ALL INDIA LIC EMPLOYEES' FEDERATION**

To,

Date: 14.01.2022

All LIC Employees

Dear Comrades/ Friends,

**Re: Observance of 19<sup>th</sup> January 2022- Nationalisation of Life Insurance Day- as  
"Save Public Sector, Strengthen LIC Day"**

19<sup>th</sup> January is a day of historic significance to LIC employees and officers. Six and a half decades ago, on January 19, 1956 the first step towards nationalisation of life insurance was taken. The then Government of India promulgated the Life Insurance (Emergency Provisions) Ordinance 1956 and took over the management of 154 Indian insurers, 16 foreign insurers and 75 Provident Fund Societies. By 20<sup>th</sup> January 1956, all life insurance companies were taken over by 42 custodians appointed by the Government of India. The period between 19<sup>th</sup> January 1956 and 31 August 1956 was utilised as a period of preparation to facilitate the subsequent integration of the various insurers into a single State owned Corporation. 19<sup>th</sup> January is therefore not only very dear to LIC employees and officers throughout the length and breadth of India, but this is a day of reassurance, a day for firming up our convictions and commitment and a day to forge ahead with renewed vigour for protecting LIC in the public sector.

The idea of nationalization of insurance was in fact an integral part of the national consciousness during the independence movement. The Karachi session of the Congress in 1931 set the tone by saying that political freedom must include real economic freedom for the starving millions. The Constituent Assembly which framed the Indian Constitution adopted a resolution in 1948 and resolved that the state should manage the business of insurance. The Chairman of the Drafting Committee of the Constitution Dr. B. R. Ambedkar himself was keen that "insurance should be nationalized and managed by the State".

There were also some proximate causes as to why nationalisation of life insurance had to be done hurriedly, in a surreptitious manner, far away from public glare. The loot and plunder of the owners of the private insurance companies had reached such a scale that the then rulers of India had to keep the decision of nationalization of life insurance a closely guarded secret. The Government felt that the owners of the private companies might resort to last minute bungling at the slightest hint of the ordinance being issued. It is interesting to know that during the decade 1945-55, as many as 25 insurers went into liquidation and equal number had to transfer their business to other companies. Of the companies that managed to stay afloat, 75 were unable to declare any bonus at

their last 1953-54 valuations. What a tragedy that while the companies were piling up huge losses, their owners were indulging in stinking luxury.

It was in these troubled times that the LIC came into being on 1 September 1956 with a lot of hopes and expectations. In his broadcast to the nation the then Finance Minister Dr. C.D. Deshmukh exuded confidence and said: "We will weld together a dynamic and vigorous organization, capable of taking insurance to every sector of people throughout the country and mobilizing their savings while affording to them complete security together with efficient service."

True to that promise, the LIC has over the years, not only registered tremendous growth, but has also played a stellar role in channelizing the community's savings for nation building activities. Since its inception in the year 1956, the LIC has earned the trust and goodwill of millions of Indians and has crossed many milestones. The LIC has set unprecedented performance records in various aspects of life insurance business. Commencing its operations with a paltry sum of Rs. 5 crores in the year 1956, the LIC today commands over an astronomically huge asset base of over Rs.38 lakh crore. It is the largest life insurance company in the world in terms of number of policies with a customer base of over 40 crores. It has 30 crore individual policies in force and another 12 crores are covered under its group policies. Even after over two decades of competition in the life insurance business, the LIC stands tall with the highest market share in the industry. The LIC today is the insurer of choice for millions of Indians. Unfortunately, this finest public sector institution is being sought to be weakened today in the name of IPO and its listing in the stock market. Despite an overwhelming section of the public opinion opposing the IPO move, the government is going full steam ahead. New business channels like online sale of policies has posed new challenges to our huge agency force. Apart from LIC, a large number of public sector institutions have been lined up for disinvestment and privatisation under the garb of 'Atmanirvar Bharat'.

It is in this context that the meeting of the Joint Front which took place on 30<sup>th</sup> December 2021 decided to give a call **to observe 19<sup>th</sup> January 2022 as "Save Public Sector, Strengthen LIC Day"**. We call upon our units all over the country to organise suitable programmes in a coordinated manner to commemorate the occasion and reaffirm our commitment to LIC in the public sector.

With Greetings,

Comradely Yours



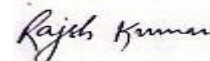
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