

Beginning of The New India Assurance Co. Ltd.

On occasion of centenary year of our company, I have written an article. Please read it and forward it to other 'New Indians' , if you like it.

I have spent 35 years of my life working at New India Assurance Co. and I dedicate a lot of my professional experience to this company. Through this article, I retrace the history of this great company and bring to light, the contributions of many people who helped lay the foundations for a strong company and its culture. The article draws references from numerous issues of New India journals.

In 2002 I was posted in Head Office at Fort, Mumbai. In the basement there is a Library. As I am fond of reading, I was very happy to see many foreign magazines like Times, Newsweek, The Economist and national periodicals like India Today, Insurance Times, Asia Insurance Journal, Business India, The week etc. One day I noticed in the cabinet, well bound copies of 'New India Bulletin'. It was an exhilarating discovery and a lovely experience to read old issues of this magazine. In the years that followed, whenever I had time, I used to borrow these magazines from the library to read at home. These journals gave me a window to look into the history of our company. I was thrilled, when I read that JRD Tata, Sasoon David too had been the Directors of the company once. These issues of New India Bulletins are of invaluable information regarding building of the company where we spent majority time of our life. How our New India Staff Quarters were built, how another office was built at Vile Parle, how institutions like Mutual Benefit Society, Library, Sports Club etc. formed. Through this article, it is my endeavor to share such information with many of our New Indians. If you are a new comer, you may not be aware of the history of the organization where you work. Some of you may already know these details, but for you too, this is an opportunity to look back into those days.

The Inception

As everyone knows, the New India Assurance Company was founded by Sir Dorabaji Tata on 23rd July 1919. In the report of the Directors and Balance Sheet for the period ending 31st March 1920, the company's Head Office was mentioned as Wallace Street Bombay. In that same report, names of the Directors were mentioned as:

Sir D. J. Tata. Kt. (Chairman)

Sir Sassoon David Bart. (Vice Chairman)

The Hon'ble Sir Fazulbhoy Currimbhoy, Kt. C.B.E.

R. D. Tata Esq.

Besides above, there were another 9 Directors on the board of the company. General Manager was Lt. Col. J. Reid Hyde, C.B.E. and Fire and Marine Manager was Mr. R. J. Duff. Secretary was Mr. R. P. Gandhi. Banker was The Tata Industrial Bank Ltd. The capital break-up of the company was as follows:

Authorized capital Rs. 20,00,00,000

Subscribed capital Rs. 11,86,84,250

Paid up capital. Rs. 1,18,68,425

Though the company was formed on 23rd July 1919, the company did not commence to underwrite business until 1st January 1920. The company's agent in Great Britain was Messers Sedgwick Collins Ltd. of London at that time. The Director's Report was signed by Mr. Sassoon David himself. This rich jew businessman had contributed a lot to the history of Mumbai. The famous David Sassoon Library at Fort, Mumbai, and the Sassoon Dock at Colaba are monuments in his memory.

Up to 20th June 1946 AGM was held at Central Bank building, 3rd floor, Esplanade road, Fort.

The reason for holding AGM at Central Bank is that though our H.O. building was completed in 1944, it was taken over by then British government during the Second World War. In 1947, it was returned to New India. So, the next General meeting was held at the New India building, Fort, on 15th May 1947. Chairman was A. K. Shroff and Vice Chairman was S. R. D. Tata then.

First Policy

The company commenced operations as a general insurer in 1919. A decade later, that is in 1929, it realised its objective of a composite company, when it instituted a Life Department.

4th January 1929 was a red-letter day in the history of New India, for on that day, the Life Department secured its first proposal which was accepted at ordinary rates and which resulted into a policy. Since that humble beginning, the Life Dept completed 25 years in 1953.

On 19th January 1956, the Indian Government nationalized the Life Insurance sector. As a result, many employees were transferred from New India to Life Insurance Corporation of India. In the shareholders meeting held on 27th June 1956, the New India Assurance Chairman expressed his gratitude towards such employees who were transferred, for their contribution towards the company. He said, "I would particularly like to convey to those members of our staff who are now transferred to the Life Corporation, our appreciation for their loyal and devoted service to the company and to wish them happiness and prosperity under their new employer."

House Journal

As business expanded, the Company felt the need of an in-house Journal to interact with the staff and to circulate important information. Hence, an in-house magazine, 'New India Bulletin' (NIB) was started. It was issued quarterly mostly confined to Life Department. Though later on, it also started covering activities of the non-life departments. It was published from H.O. by MRU (Management Research Unit).

In 1951, NIB was devoted mainly to office administration. On its cover, it was mentioned as "NIB, Administrative Section" issued by Management Research Unit". From June 1952 however, the New India Bulletin started to be issued by Management Research and Planning Department.

With the March 1952 issue, design of NIB cover was changed. Previous cover was designed by Mr. Manu Desai and the new one by Mr. I. M. Udani. Earlier the cover was printed in black and white color, but later on it was changed to a color print, with its name also changed to 'Vision' .

H.O. Building

As the business of the company expanded, management felt that place is inadequate to accommodate it's employees. So it was decided to add two more floors to the H.O. and accordingly in 1952, two more floors, 6th and 7th were added to office building. While constructing these floors, it was planned that the building would look similar from inside outside even after new construction except for the fact that any building beyond the fifth floor had to look pyramid shaped to satisfy municipal regulations. It was necessary that the top of our building should not be over a line of 45 degrees from the opposite side of the road. This gives rise to a situation where the area of the ceiling will be less than the area of the floor and an open corridor at promenade would be left all-around the building.

Some space was left open on 6th floor for a roof garden and cafe. The roof garden could be extended along the corridor. Advantage was taken of the construction to combine into a single cooling tower, all the water flowing from the different air conditioning plants in the building.

Vile Parle Office

Simultaneously, the management decided to purchase land in Mumbai's suburbs. Accordingly, in 1951, land was purchased at Vile Parle. Immediately, the work of earth filling and erecting a compound cum wall structure started and was completed in a short time.

On 3rd January 1953, a big function was held at Vile Parle. The then Chairman Mr. Shroff and the Director Mr. V. N. Chandavarkar were present in the function. General Managers Mr. N. K. Petigara and Mr. B. C. Mehta were also present in the function. It was the ground breaking ceremony of the Administrative building at Vile Parle. Guests were welcomed to the music of Shahanai and Choughada. Puja started at 08.30 a.m. and was performed by the DGM Mr. T. K. Desai, Managers Mr. P. V. Krishnamurthy, and Mr V. H. Vora, and Dy. Managers, Mr. P. A. Adwani and Mr. M. N. Choksi. Simultaneously a 'Jashan' was performed by Parsi priests as per Parsi rituals. According to customary practice, a golden nag, silver coin etc. were ceremoniously put in a copper urn. Exactly at 09.57 a.m. the Chairman installed the copper urn encased in a glass container along with a copy of the day's Times of India in the concrete receptacle constructed for the purpose. The ceremony concluded after the distribution of prasad and light refreshments. At 11 a.m. the function was over.

In about a year and half the building was ready in July 1954. The ceremony of opening of company's Administrative Office building was held on 8th December 1954. 8th December also signified completion of 25 years of the Life Department. In fact, for this occasion Late Shri Girija Shankar Bajpai, then Governor of the state was invited as a Chief Guest. But, due to Shri Girija Shankar Bajpai's sudden demise, Sir Benegal Rama Rau, then Governor of Reserve Bank of India was invited to preside over the function. Not only the elite of Bombay (Mumbai) were present in this function but many guests from foreign insurance companies also, like Ceylon Insurance Company, Swiss Insurance Company and Alexandria Insurance Company also came from abroad to attend this function. The Police

band and orchestra of the N. S. D. Industrial Home for the Blind enlivened the atmosphere by their superb music.

The total cost of the building was about Rs.25 Lacs at that time. The architect of the building was Messers Master, Sathe and Bhuta, who were also the architects of the H.O. building. The building contractor was Shapoorji Pallonji.

The peculiarity of this Vile Parle building is that, this was first time in history of India that a city office was being shifted to a suburban location in a bold attempt to combat the problem of urban congestion and to bring the office right at door step of the employees. The foresight of the then Management should be commended here. After building the staff quarters at Andheri, this office came in big demand. Most of the staff residing in the Andheri colony started applying for transfer at Vile Parle. Such was the appeal of the Vile Parle office, that it led to employees applying for transfer on various grounds, such as on medical ground, the in-laws are sick, to complete education in nearby colleges etc.

In fact, there are some very interesting incidents associated to this.

I do remember a circular was issued by one of the Regional Managers of Vile Parle Regional Office, Mr. Sathe, in which he had appealed to the staff at Vile Parle to give chance to other staff members who also want transfer at Vile Parle, asking if, their health is now recovered and also if their in-laws are now fit. In another case, I remember one of the Divisional Managers of Vile Parle D.O. jokingly stating that his office has started resembling more as an extension to the adjacent Nanavati Hospital.

Those residing in the staff quarters at Andheri and their families would be happy to learn some facts about their residences. The ground breaking ceremony of New India staff quarters was laid down by then CMD Mr. A. D. Shroff in 1963. It was the CMD's 25th year of connection with New India company. The ground breaking ceremony was performed by the then Chief Manager Mr. P. K. Advani with his wife. Along with the Chairman, Mr. B. K. Shah, the Managing Director,

Mr. R. M. Desai, Manager, Mr. R. A. Choksi, Chartered Architect and other managers were present for the function. The total outlay on the housing colony was estimated at Rs. 56 lacs. The company had planned to construct 288 staff quarters. The plan was to construct 15 buildings with three storeys. It was planned to have some flats of two rooms and kitchen and some flats of one room kitchen design. Sufficient care was taken to see that each room was well ventilated and had advantage of open air.

Years after 1950

The New India Desk Diary

In 1951, the company first published The New India Desk Diary. It was designed so beautifully that an appreciation letter was received from none other than then Prime Minister of India, Shri Jawaharlal Nehru. The 1952 diary was also appreciated. The 1953 diary was though smaller in size compared to the previous ones, it was valuable information and was well produced. It contained the important events of 5000 years of Indian history, the results of our country's first general election and an illustrated account of the aboriginal tribes of India. Management claimed that the 1953 diary was modeled on 'The Economist' diary of London and it was perhaps the best diary of its kind produced in India at that time.

Introduction of Welfare Schemes

The company started introducing various welfare schemes for employees. Gratuity benefit to the staff was already introduced from 1st December 1946. On 18th July 1952, the Board of Directors approved three welfare schemes. New India Mutual Benefit Scheme, Medical Relief Scheme and a Holiday Scheme for the benefit of employees. For Mutual Benefit Society, it was decided to contribute Rs. 2,19,650/- by Board of Directors, voluntary contribution by employees and further contributions from company from time to time.

Medical Relief Scheme came into force since 1st August 1952 for the benefit of medical relief for all staff members. It was decided not to charge for medical services rendered and medicine supplied. Allopathic as well as Ayurveda, yes, Ayurvedic treatment was made available to staff. Under the Medical Relief Scheme, company was also paying for tooth trouble including filling, extracting etc.

Later on, 'The New India Assurance Employees Cooperative Credit Society' was formed with the object of encouraging thrift by enabling staff members to save part of their income to safe and find convenient ways with the prospect of a fair profit and with a view to preventing indebtedness by making loan available on reasonable terms. Mr. V. C. Vaidya was appointed as Secretary who after some years became Chairman of our company. As per my knowledge, it is the only example of Secretary of the Society being appointed to Chairmanship of the company.

In 1951, Company management had issued a circular in which it was stated that, " It is not very edifying spectacle to see so many members of the staff loitering aimlessly on the landing and near the main entrance during the lunch hours. The proper place for them in such free moments is a room where they can read and relax. There is no dearth of reading material in our office. Instead it is doubtful, if we are making full use of the periodicals we subscribe for or the books we buy.

". In 1952, there was changes in the working of the library. Previously, there were numerous periodicals on different subjects such as Commerce, Insurance, Finance, Economics etc. But these were not properly organized. In 1952, all these were properly grouped and classified according to subjects. It was also decided that those who are interested in reading books can borrow those for a fortnight. In case of periodicals, the lending period was fixed for a week. If any officer or head of department considered any book worth purchasing which was not available in the Library, then he/she could place the order before the Library committee, which would consider the order and purchase the book if deemed fit and after getting endorsements from respective 'Book Selection Committee'. All

these measures were taken to improve utilization of the Library and increase readership within the staff.

At present, our library is in basement at the H.O. But when it started, it was on the sixth floor. In our library, there are many readable books on old Mumbai, novels of different authors like Salman Rushdie and Zumpa Lahiri, and various books on Human Resource Management (HRM). During my tenure at the Head Office though, I observed that very few people were availing the benefits of library.

On 26th November 1955, then Director Mr. B. G. Mehta inaugurated New India Sports Club.

Internal Telephone Exchange was also installed and the system was inaugurated by then GM on 16th March 1953. It was an automatic exchange with 50 direct lines and 20 parallel line.

To increase the efficiency of employees, the company took various steps. A Special Training Committee was set up under chairmanship of Mr. J. K. Desai to examine all aspects of training and to establish a training school.

Correspondence course for field staff was inaugurated on 09 January 1953 for the first time. New India Field Training Center was inaugurated on 22nd October 1953. Earlier, on 15th September 1952, a Supervisory Training Course was started. Model office had made arrangements for teaching foreign languages to the Apprentices, Foreign Dept personnel and other persons who were likely to need the knowledge of foreign languages. Hence, Linguaphone courses in French, German, Italian, Dutch and Spanish were prepared. Oral tuition courses started in Burmese and Japanese language.

First Regional Training Conference of the northern division was held in Hakmans Hotel at Mussoorie from 23rd July to 30th July 1952. The inauguration of ' Northern Divisional Regional Conference' coincided with the company's 33rd anniversary. This conference ---the first of its kind ---held not only in history of

New India Assurance, but also in the history of the Indian Insurance industry, marked a new milestone in the path of the New India Assurance company. Following upon the above mentioned conference, Regional Training Conference of the Bombay and Western Division was held from 11th to 18th August 1952. Guess, the place of conference? You would be surprised to know that it was held at Jahangir Art Gallery. Yes, the place of conference was Jahangir Art Gallery. For this purpose, the Hall of Gallery was tastefully decorated with posters and banners.

From 1st June 1954, management started providing vegetarian and non vegetarian lunches at H.O. canteen. Non veg lunches were supplied by M/s Tata Industrial Home and were priced Rs. 9/- whereas the veg lunches were supplied by Annapurna at, Rs. 7/- per

As I mentioned earlier, this (New India Assurance) institution has evolved through many stages and has seen contributions from great many people, to bring it to the stage where it is today. The events and stages mentioned here have been drawn from the numerous copies of in-house journals and it has been my attempt to shed light on some of the relevant ones, tracing the evolution of this company. I do hope that the new comers would benefit by tracing the legacy of this great institution, and the seasoned employees would take pride recalling the company' s history, which they have been part of.

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