

The Life Insurance Corporation Of India Development Officers (Revision Of Terms And Conditions Of Service) Rules, 1996

UNION OF INDIA

India

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Rule

THE-LIFE-INSURANCE-CORPORATION-OF-INDIA-DEVELOPMENT-OF of 1996

- Published on 18 July 1996
- Commenced on 18 July 1996
- [This is the version of this document from 18 July 1996.]
- [Note: The original publication document is not available and this content could not be verified.]

The Life Insurance Corporation Of India Development Officers (Revision Of Terms And Conditions Of Service) Rules, 1996 Published vide Notification Gazette of India, Extraordinary, Part 2, Section 3(i), dated 18th July, 1996.

1928.

G.S.R. 287 (E), dated 18th July, 1996. - (1) In exercise of the powers conferred by Cl. (cc) of sub-section (2) of Section 48 of the Life Insurance Corporation Act, 1956 (31 of 1956), the Central Government hereby makes the following rules to further amend the Life Insurance Corporation of India. Development Officers (Revision of Terms and Conditions of Service) Rules, 1986, namely :-

1. Short title and commencement.

(1) These rules may be called the Life Insurance Corporation of India Development Officers (Revision of Terms and Conditions of Service) Rules, 1996. (2) They shall be deemed to have come into force on the 1st day of April, 1995.

2. Definitions.

- In these rules, unless the context otherwise requires,---(a)"Act" means the Life Insurance Corporation Act, 1956 (31 of 1956);(b)"Development Officer" means a whole-time salaried employee of the Corporation belonging to class II and includes any person who became an employee of the Corporation on the 1st day of September, 1956 and is working as Development Officer;(c)"Special provisions" means the provisions contained in Schedule III to the Staff Rules;(d)"Instructions" means the instructions issued by the Chairman under sub-regulation (2) of regulation 51 of the Staff Rules;(e)"Special Rules" means the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989;(f)"Staff Rules" means the Life Insurance Corporation of India (Staff) Regulations, 1960; which by virtue of sub-section (2-A) of Section 48 of the Act are deemed to be rules;(g)words and expressions used in these rules and not defined but defined in the Special Rules or Staff Rules, shall have the same meanings assigned to them in the Special Rules or the Staff Rules.

3. Conditions of Service of Development Officers.

- Notwithstanding anything contained in the Staff Rules, the terms and conditions of service of Development Officers. relating to matters covered by these rules shall be regulated in accordance with the provisions hereinafter contained in these rules.[4. Scale of pay. - (1) The scales of pay of the Development Officers shall be as follows :-Rs. 2,660-155-3,435-190-36, 250-215-3, 840-EB-230-5, 680-EB-230-7,520.(2)The pay referred to in sub-rule (1) and other allowances admissible to a Development Officer shall be regulated in accordance with the Staff Rules and Special Rules.] [Substituted by G.S.R. 287(E),dated 18th July, 1996 (w.e.f. 1st April, 1995).][5. Dearness allowance. - (1) The scale of dearness allowance applicable to Development Officers shall be determined as under :-(a)Index : All India Average Consumer Price Index Number for Industrial Workers.(b)Base : Index No. 1148 in the Series 1,960-100.(c)Rate : Revision of dearness allowance shall be made on quarterly basis for every four point rise or fall, in the quarterly average of the All India Consumer Price Index above 1,148 points. Development Officers may be paid dearness allowance at the following rates :-

Basic Pay	Rate of D.A. for every 4 points
(i) Upto Rs. 4,800	0.35% of basic pay:
(ii) Rs. 4,801 to Rs. 7,700	.029% of basic pay in excess of Rs. 4,800
(iii) Rs. 7,701 and above	0.35% of Rs. 4,800 plus 0.29% of difference between Rs. 7,700 and Rs. 4,800 plus 0.17% of basic pay in excess of Rs. 7,700.

(2) There shall be an upward revision of the dearness allowance payable for every four points rise in the quarterly average (hereinafter referred to as the "current average figure") of the All India Consumer Price Index above 1,148 points in the Sequence 1,148-1,152-1,152-1,160 and so on and there shall be a downward revision of the dearness allowance payable if current average figure falls by four points below the index figure in the above sequence with reference to which the dearness allowance has been paid for the 1st preceding quarter. On the downward revision, the dearness

allowance payable shall correspond to the current average figure if such current average figure is a figure in the above sequence, and the dearness allowance payable shall correspond to the figure in the above sequence next preceding the current average figure if such current average figure is not a figure in the above sequence. For this purpose, quarter shall mean a period of three months ending on the last day of March, June, September or December. The final Index Figure as published in the Indian Labour journal or the Gazettee of India, whichever publication is available earlier, shall be the Index Figure which shall be taken for the purpose of calculation of dearness allowance.(3)For the propose of calculating dearness allowance for a particular month, the quarterly average for the last quarter for which the final index figures are available on the 15th day of that month shall be taken. Actual payment of this revised dearness allowance shall be made in the month following that in which the relevant index figures are available.] [Substituted by G.S.R. 287(E),dated 18th July, 1996 (w.e.f. 1st April, 1996).][6. House rent allowance. - (1) The scale of house rent allowance of Development Officers, except those who have been allotted residential accommodation by the Corporation, shall be at the rate of 12.5% of the basic pay which is in excess of Rs. 5,900.(2)Development Officers who are allotted residential accommodation by the Corporation shall pay for such residential accommodation appropriate licence fee as may be decided by the Corporation from time to time and they shall not be entitled to any house rent allowance.] [Substituted by G.S.R. 287(E), dated 18th July, 1996 (w.e.f. 1st April, 1996)][7. City compensatory allowance. - The scales of city compensatory allowance payable to Development Officers shall be as under :

Place of posting	Rate
(i) Cities with population exceeding 12 lakhs. Faridabad, Gaziabad, Noida, any city in the State of Goa, Cities of Gurgaon, Vashi and Gandhinagar	4.5% of basic pay subject to a maximum of Rs. 220 per month.
(ii) Cities with population of 5 lakhs and above but not exceeding 12 lakhs, State capital as with population not exceeding 12 lakhs, Chandigarh, Mohali, Pondicherry, Port Blair and the City of Panchkula.	3.5% of basic pay subject to a maximum of Rs. 165 per month.

Notes. - (1) For the purpose of this rule, the population figures shall be those in the latest Census Report.(2) Cities shall include their urban agglomeration.] [Substituted by G.S.R. 287(E), dated 18th July, 1996 (w.e.f. 1st April, 1995)][7-A. Hill allowance. - The scales of hill allowance payable to Development Officers shall be as under :-

(i) Posted at places situated at a height of 1,500 metres and over above mean sea level.	At a rate of 4% of the basic pay, subject to a maximum of Rs. 150 per month.
(ii) Posted at places situated at height of 1,000 metres and over but less than 1,500 metres above mean sea level, at Mercara and at places which are specifically declared as "Hill Station" by Central/State Governments for their employees.]	At the rate of 3% of basic pay subject to a maximum of Rs. 125 per month.

[7-B. Kit allowance. - Every Development Officer of the Corporation on his first appointment at, or transfer to, any of the hill stations at which hill allowance is admissible in terms of rule 7-A, shall be paid a kit allowance of Rs. 1,500 as one time payment : Provided that no kit allowance shall be

payable to a Development Officer if he has drawn such allowance at any time earlier.] [Substituted by G.S.R. 287(E), dated 18th July, 1996 (w.e.f. 1st April, 1995)]

8. Provident Fund.

(1) Every Development Officer of the Corporation, other than a Development Officer on probation or a Development Officer appointed on a temporary basis or a Development Officer who is a transferred employee of the Oriental Government Security Life Assurance Company Limited who is contributing to the Pension Fund of that Company, shall contribute every month to the Provident Fund established by the Corporation at the rate of ten per cent of his basic pay. The Corporation shall contribute to the Provident Fund an amount equal to the actual contribution of each such Development Officer subject to a maximum of ten per cent of the basic pay of each such Development Officer : Provided that the Corporation shall not be required to make any such contribution to the Provident Fund in respect of a Development Officer governed by the Life Insurance Corporation of India (Employees) Pension Rules, 1996. (2) Development Officers who are transferred employees of the Oriental Government Security Life Assurance Company Limited and who are contributing to the Pension Fund of that Company, shall be permitted to contribute to the Provident Fund established by the Corporation but the Corporation shall not be required to make any contribution to the Provident Fund in respect of such Development Officers.

9. Equitable relief.

(1) Notwithstanding anything contained in sub-rule (2) of rule 4, the Corporation may, in respect of existing Development Officers, by instructions, provide for---(i) the fixation of basic pay and the grant of dearness allowance, house rent allowance and hill allowance in the scale of pay as revised by these rules, with effect from a date not earlier than the 1st day of April, 1993; (ii) the grant of city compensatory allowance as revised by these rules, with effect from a date not earlier than 1st day of August, 1993; (iii) contribution to the Provident Fund in accordance with rule 8, from a date not earlier than the 1st day of November, 1993; and grant arrears of salary for the period prior to 01.04.1995, by way of equitable relief, which shall form part of their ad-hoc annual remuneration in the relevant appraisal years : Provided that a Development Officer may within such period as may be prescribed by instructions, choose that fifty per cent of such arrears of pay and allowances shall form part of his ad hoc annual remuneration and annual remuneration for the appraisal year commencing immediately after the date of publication of these rules and in respect of the balance thereof, for the appraisal year commencing immediately thereafter. Explanation. - (1) For the purpose of this sub-rule, the expression "existing Development Officers" means employees who are working as Development Officers on the date of publication of these rules. (2) For the purpose of Cl. (ii) of this sub-rule, the provisions of sub-rule (1) of rule 4 shall be deemed to have come into force from the date provided for in accordance with Cl. (1) of sub-rule (1) but not later than the 1st day of August, 1993 and the 1st day of November, 1993, respectively. (3) For the removal of doubts, it is clarified that the salary relating to the financial year commencing on the 1st April, 1995, shall form part of the annual remuneration in the relevant appraisal year in that financial year. (4) The Corporation may provide by instructions issued in this behalf under sub-regulation (2) of regulation 51 of Staff Rules for fixation of basic pay in the scales of pay as revised by these rules of persons who

may have worked as Development Officers on or after 1st April, 1993, but before the date of publication of these rules, classify them according to the nature of cessation of their service as Development Officers and specify whether the payment by way of equitable relief may be allowed to any class of Development Officers at all for the period of their service as such and if so, the amount and the terms and conditions thereof :Provided that no payment by way of equitable relief shall be allowed in respect of the class of Development Officers whose services may have been terminated under the Special Rules.(5)Subject to the other provisions of this rule, where basic pay is fixed in accordance with this rule, the other allowances and benefits as revised by these rules shall also be payable on the basis of such fixation.

9.

-A. Fixed personal allowance.(1)A Development Officer other than a Development Officer on probation, on first appointment or who has reached the maximum of the scale of pay applicable to him on the 1st day of November, 1993, shall be paid, on account of computerisation, one increment in the scale of pay applicable to him on the 1st day of November, 1993:Provided that a Development Officer who on his first appointment in the Corporation's service was on probation on the 1st day of November, 1993 shall be paid one such increment on completion of one year of service after confirmation.(2)A Development Officer who has reached the maximum of the scale of pay applicable to him on the 1st day of November, 1993, shall be paid, a fixed personal allowance on account of computerisation equal to the aggregate of the amount of the last increment in the scale of pay applicable to him on the 1st day of November, 1993, the dearness allowance thereon as on the 1st day of November, 1993 and the amount of house rent allowance thereon, if any.(3)A Development Officer who is in receipt of an increment on account of computerisation and who has reached the maximum of the scale of pay applicable to him shall be paid the fixed personal allowance referred to in sub-rule (2) on the expiry of a period of one year of reaching the maximum of the scale of pay.(4)Fixed personal allowance, to the extent it does not exceed the amount of the last increment in the scale of pay applicable to him on the 1st day of November, 1993, shall count for the purposes of provident fund and gratuity and for the purpose of pension payable under the Life Insurance Corporation of India (Employees) Pension Rules, 1995.Explanation. - An employee in Class III who was in receipt of a Fixed Personal Allowance and who has been appointed as a Development Officer on or after the 1st day of November, 1993, shall continue to draw such fixed personal allowance.(5)Fixed personal allowance paid to a Development Officer in accordance with the foregoing provisions shall form part of his ad-hoc annual remuneration and annual remuneration under the Special Rules.Explanation. - For the removal of doubts, it is clarified that the increment granted under sub-rule (1) and the fixed personal allowance paid under sub-rule (2) or sub-rule (3), as the case may be, shall also qualify for equitable relief referred to in rule 9."

10. Appraisal.

- Certain terms and conditions of service applicable to Development Officers regarding the appraisal of their performance have been revised from time to time. Presently as a result of revision of salary which is published in the Gazette of India in Part II, Section 3, Sub-section (i) Extraordinary, amended by the Chairman as per circular ref. Deptt. Personnel/ER No. ZD/852/ASP-96 dated 27.7.96 :To

appraise the performance of Development Officers, they have been classified according to area of operation based on population for which the cost ratio is prescribed. This classification is as under----

Category	Area of operation	Prescribed Cost Ratio
A	City with Population of more than 10 lakhs	22%
B	City with Population between 4 lakh to 10 lakhs	23%
C	City with Population of less than 4 lakhs but not a rural area or Deep rural area	24%
D	Rural area with Population less than 30,000	25%
E	Deep Rural area or Hilly area with less than 10,000	26%

The Cost Ratio = $\frac{\text{Expenses incurred}}{\text{Scheduled First Year Premium Income}} \times 100$

Expenses include (1) Basic Pay including special/personal pay (2) Dearness Allowance (3) Adjustment Allowance (4) House Rent Allowance (5) City Compensatory Allowance/Hill Allowance (6) Basic Conveyance Allowance (7) Non-Profit Sharing Bonus (8) Travelling Expenses/Jeep Tour Expenses (9) Telephone Expenses (10) Insurance and Road Tax of vehicle supplied by LIC

d First Year Premium Income means First Premium and First Year's Renewal Premium brought in by the Development Officer during his Appraisal Year.

Appraisal Year means Twelve months every year as per commencement of his service. An increase in cost ratio is allowed to a Development Officer of advanced age, as under.

Age of Development Officer	Increase allowed
51-52	1%
53-54	2%
above 54	3%

Incentive in better performance. - A Development Officer whose performance is as per prescribed Cost Ratio, is allowed normal yearly increment only whereas if Cost Ratio is less than 20% he is eligible for incentive by way of Incentive Bonus and Additional Conveyance Allowance and some disincentive is applicable in case cost ratio is more than prescribed cost ratio. Incentive and Disincentive are explained below--Incentive as additional conveyance allowance. - Total Conveyance Allowance to a Development Officer is based on total Scheduled First Year Premium Income brought in by him in his Appraisal Year; which is as per following Chart---Expenses incurred Rate of Total Conveyance Allowance

Scheduled First Years Premium Income	For Development Officers having no touring duties	For Development Officers having touring duties
Less than 40,000	4% of SFYPI	3.5% of SFYPI
40,000 to 69,999	4.5% of SFYPI	4% of SFYPI

70,000 to 1,00,000	5% of SFYPI in excess of 1,00,000	4.5% of SFYPI
	7250+4% of SFYPI	4,500+4% SFYPI in excess of 1,00,000
above 1,50,000	7250+4% of SFYPI in excess of 1,50,00	6,500+3.5% of SFYPI in excess of 1,50,00

The total conveyance allowance so arrived shall form an amount which a Development Officer is eligible to receive during his appraisal year. Since he received a regular amount of conveyance along with his salary every month, the total amount so received by him in twelve months of appraisal year shall be deducted from total conveyance allowance and thus the balance amount shall become payable to him as Additional Conveyance Allowance. As formulae---Additional Conveyance Allowance = Total C.A. (assessed as per above chart)-Total monthly C.A. received in appraisal year.

Incentive as incentive bonus. - A Development Officer whose cost ratio comes less than 20% in his appraisal year, becomes eligible to receive incentive bonus calculated as under. The following terms are important Components which are used in calculating the amount of incentive bonus:

(i) **Annual Expenses :-** It means total expenses incurred on a Development Officer during appraisal year, as stated earlier.

(ii) **Eligible Premium :-** It means total SFYPI brought in by the Development Officer during his appraisal year by his organisation of Agents.

(iii) **Lapsed Premium :-** The premium for FULL first year in a policy makes it eligible premium for the appraisal. But it may so happen that where the mode of payment of premium in a policy is not yearly rather is half-yearly. Quarterly or monthly, then one or more instalments of premium but not full one year premium, may be received in one appraised year. In cases of such policies, remaining instalments of premiums, if not received at all, the Development Officer was actually, not entitled for the premiums partly received in earlier appraisal year to have been included as eligible premium in that year also. Therefore, such amounts, because previous appraisals are finalized, shall be excluded from the eligible premium of the appraisal year current. Such amount of premium is called Lapsed Premium. But the period of two years is allowed before treating any premium as lapsed. This is made clear by a following example--

Example : 'A' Development Officer whose appraisal year is 01.11.1997 to 31.12.1997, has brought in 6,81,740 as SFYPI. But it is found that 14.90 against 20 policies with mode as Hly., Qly. & Mly. were included in his SFYPI in the appraisal period 01.01.1995 to 31.12.1995, whereas the remaining instalments covering First Year under these 20 policies are not received upto 31.12.1997. As such this figure is treated as Lapsed Premium for the appraisal year 01.01.1997 to 31.12.1997. Therefore, the eligible premium for this appraisal year shall be = 6,81,740-14,690+6,67,050. But if there are other such policies pertaining to the appraisal year 01.01.1996 to 31.12.1996, the figure of these policies shall not be treated as lapsed premium in the appraisal year 01.01.1997 to 31.12.1997, rather shall be so treated in the next appraisal year i.e. 1.1.1998 to 31.12.1998, if the remaining instalments of premium are not received upto 31.12.1998. Having computed the aforesaid important components, the incentive bonus payable to a Development Officer, is calculated at the rate stated in the following Chart.

Stipulation	Rate of Incentive Bonus
(a) Nett Eligible Premium/SFYPI in excess of 5 times of Annual Expenses	(a) 6% of such excess premium, plus
(b) Nett Eligible Premium/SFYPI in excess of 7 times of Annual Expenses	(b) 4% of such excess premium, plus

(c) Nett Eligible Premium/SFYPI in excess of 9 times of Annual Expenses (c) 2% of such excess premium

Basic Incentive Bonus Total of above (a) (b) (c)

Addition or deduction in the aforesaid basic incentive bonus :- The Corporation has decided to give suitable importance to Number of Lives and Agency Organisation in the working of a Development Officer. Therefore, some credit or debit points are allotted on both these counts and accordingly, some addition or reduction is made in basic incentive bonus before making payment to a Development Officer as under--No. of Lives. - A Development Officer is expected to bring in number of lives during his appraisal year as per following chart :-

As per SFYPI brought in Expected No. of lives

upto 75,000	200
upto 1,00,000	250
upto 1,25,000	300
upto 1,50,000	350
upto 2,00,000	375
above 2,00,000	400

For every increase or decrease of 5% on the above standard norms for No. of lives, the additional credit or debits of 1% is allotted to the concerned Development Officer subject to maximum credit points of 15% and debit points of 10%. Agency organisation - (a) The standard norms expected during the appraisal year of a Development Officer is as per the following chart :-

Monthly Basic Pay of Development Officer	Standard for All Qualified Agents			
	Qualified for 1 year (Q1)	Qualified for 2 years (Q2)	Qualified for 3 years (Q3)	
2,660-3,125	9	5	3	20
3,280-3,840	10	7	4	25
4,070-4,760	12	8	5	30
4,990-5,680	14	10	6	36
5,910-6,600	16	10	8	42
6,830-7,520	18	12	10	50

Qualified agent means--An agent who was qualified in his agency year falling in the previous appraisal year of his Development Officer and has also completed Minimum Business Guarantee during the period of current appraisal, is treated as Q1. Similarly the agent qualifying in two agency years and completing Minimum Business Guarantee in current appraisal is treated as Q2; and Further, qualifying in three agency years and completing Minimum Business Guarantee in current appraisal is treated as Q3. It clearly means that Q3 agent is Q2 and Q1 also and similarly a Q2 agent is Q1 also. As such, for example, Qualified agents Q1-9, Q2-5 and Q3-3 shall be actually classified as under for the purpose of allotting points, Q1-4, Q2-2 and Q3-3. The points to be allotted are as under---

for each Q1 agent 1 points

for each Q2 agent 2 points

foreach Q3 agent 4points

As such in given above example, points shall be as

under-Q1-4=4x1=4Q2-2=2x2=4Q3-3=3x4=12Total = 20The period of agency falling in appraisal year current shall not be accounted to treat the agent as qualified. It means the agent appointed in the appraisal year current, even if completed qualifying quota, shall not be termed as Q1.Agency Organisation (b).-For the agent who is Q1 in the appraisal year current and was appointed in the previous appraisal year only, 1 point additional for each such agent shall be allotted subject to maximum of 3 points for a Development Officer with basic pay up to 4,700 and 5 points for a Development Officer with basic pay above 4,700.Agency Organisation (c).-In respect of each Club Member Agent of any level, 1 point additional for each such agent during the appraisal year current, shall be awarded to the Development Officer.Now the points of Agency Organisation (a), (b) and (c) shall be added. Of these total points, the points excess to the points as per last column of Agency Organisation---(a)chart, shall be converted into percentage at the rate of 3% for each 3 excess or deficit points subject to---Maximum Credit of 42%Maximum Debit of 15%for the purpose of addition to Basic Incentive Bonus Payment or deduction from Basic Incentive Bonus. This shall be also limited to maximum payment of Rs. 12,500 or maximum deduction of Rs. 5000 or 25% whichever is less.Incentive Bonus Scheme ModifiedA modified scheme of Incentive Bonus to Development Officers has been made applicable with the following salient features : vide LIC circular ref. Mktg./ZD/4/98, dated 9th February, 1998.The scheme is called Incentive Bonus Scheme, 1997 for Development Officers of the Life Insurance Corporation of India.The Scheme shall come into force and apply to appraisal years commencing on or after 1st September, 1997 and shall remain in force for two years.Definitions. - In this scheme, unless there is anything repugnant in the subject or context-(a)"lapsed premium" attributable to a relevant appraisal year means the aggregate sum of--(i)the amount of the first year's premiums received and adjusted under such policies that stand lapsed before the close of first policy anniversary and have not been revived upto the end of the appraisal year in question, out of those policies which are secured by agents of the Development Officer in the just preceding appraisal year.(ii)the amount equal to one half of the full first year's premium received and adjusted under such policies that stand lapsed before the close of second policy anniversary and have not been revived upto the end of the appraisal year in question, out of those policies which are secured by agents of the Development Officer in the one preceding appraisal year to the just preceding appraisal year.(b)"rural agents" means an agent in the organisation of the Development Officer who is working in a place with an ascertained population of less than one lakh.(c)"Hill Station" means a hill station situated at a height above the sea level of 1,000 metres or more and also will include a place (not less than 750 meters) which is surrounded by and accessible only through hills with a height of 1,000 metres and over above mean sea level.Eligibility for incentive bonus. - A confirmed Development Officer whose cost ratio, which means the percentage of annual remuneration in the appraisal year to eligible schedule premium in the same appraisal year, does not exceed 16.67 per cent, shall become eligible for grant of Incentive Bonus.A probationary Development Officer shall also be eligible for Incentive Bonus under this scheme provided his cost ratio does not exceed 16.67 per cent.Formula for determining Basic Incentive Bonus :It will be determined as per formula shown in the following Table :-

Stipulation	BasicIncentive Bonus
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- (a) "Net eligible premium" in the appraisal year in excess of FIVE times of the annual remuneration. 5% of such excess; plus
- (b) "Net eligible premium" in the appraisal year in excess of SEVEN times of the annual remuneration. 3% of such excess; plus
- (c) "Net eligible premium" in the appraisal year in excess of NINE times of the annual remuneration. 1.5% of such excess.

Formula for modifying the quantum of Basic Incentive Bonus :

1. The quantum of Basic Incentive Bonus determined as per formula prescribed in the Table above, shall be decreased by the appropriate percentage in accordance with the provisions stated in (a) and (b) below :-

(a) The Basic Incentive Bonus shall be decreased by 7 per cent in case the total number of lives, in the appraisal year, falls between 249 and 200; and by 12 per cent in case it falls below 200. (b) The Basic Incentive Bonus shall be decreased by 3 per cent in case the total No. of qualified agents falls between 14 and 12, by 8 per cent if the same falls between 11 and 8; and by 15% if it falls to 7 or below.

2. An extra incentive bonus is allowed to a Development Officer whose entire agency organisation consists of as 'rural agents' or as agents working only in a 'Hill Station' in the appraisal year.

3. The quantum of Basic Incentive Bonus determined as per formula prescribed in the Table above, shall be increased by the appropriate percentage in accordance with the Table below :-

(i) In case a Development Officer has brought in more than 450 lives, he shall earn additional incentive bonus at the rate of percentage given below for every 20 lives variation over 450 lives.

Stipulation	Rate
If the amount of Basic Incentive Bonus as determined in Table above--	
(a) is not more than Rs. 50,000	1% of Basic Incentive Bonus; or
(b) is more than Rs. 50,000 but not more than Rs. 2 lakhs.	0.66% of Basic Incentive Bonus, or
(c) is more than Rs. 2 lakhs.	0.5% of Basic Incentive Bonus.
(ii) In case, there are more than 20 qualified agents in the appraisal year, 2.5% of Basic Incentive Bonus, per qualified agent over 20, shall be payable. (iii) The maximum amount admissible as per sub-class (i) and/or (ii) above shall be subject to a ceiling of Rs. 10,000. Number of Lives (a) Number of lives are to be calculated only in respect of policies completed during the appraisal year. (b) Joint life policies shall be treated as one life. (c) More than one proposal if completed on the same life	

within six months, either by one agent or by different agents, shall be treated as one life.(d)In Children Policies, if the child is different, may the proposer be the same, it will be counted separate life. Qualified agents(a)A qualified agent is who has completed minimum amount of business, required, during his agency year ending during the appraisal year.(b)An agent appointed during the appraisal year, if completes the minimum amount of business in the appraisal year shall be regarded as qualified agent provided a period of six months of agency year has elapsed by the end of appraisal year. Dis-incentives(This is as per central office circular ref. MKTG/ZD/23/89, dated 20th September, 1989, which has been notified by the Government of India on 26th June, 1989).A Development Officer whose Cost Ratio during his appraisal year comes to more than the Prescribed Cost Ratio, shall be given dis incentive as per following Chart :-

Where ad hoc annual

remuneration is in excess of prescribed expense limit or cost ratio is in excess of prescribed limit

On the first occasion	On the second successive occasion	On the third successive occasion	On the fourth successive occasion	On the fifth and subsequent successive occasion	Dis-incentive to be awarded
By not more than 2%	NIL	NIL	NIL	NIL	NIL
By more than 2% but not more than 6%	30% cut in CA	50% cut in CA	60% cut in CA	60% cut in CA and no increment	80% cut in CA and no increment
By more than 6% but not more than 9%	50% cut in CA	60% cut in CA	80% cut in CA and no increment	80% cut in CA and no increment	80% cut in CA and one decrement
By more than 9%	60% cut in CA	60% cut in CA and no increment	80% cut in CA and no increment	80% cut in CA and one decrement	80% cut in CA and one decrement
Where the Cost Ratio is more than 35% but not more than 40%	60% cut in CA and no increment	60% cut in CA and one decrement	80% cut in CA and one decrement	80% cut in CA and one decrement same	80% cut in CA and one decrement same
Where Cost Ratio is more than 40%	60% cut in CA and one decrement	80% cut in CA and one decrement			

Ad hoc Annual Remuneration means Twelve times of the monthly basic pay, special pay, personal pay, dearness allowance, conveyance allowance and all the allowances on the first day of the appraisal year preceding the appraisal year current plus ex-gratia bonus, travelling expenses, residential telephone expenses, insurance premium and taxes on motor vehicle paid to or incurred on Development Officer during the current appraisal year. This is a sort of concession while awarding the dis-incentive; as such, this is applicable to a Development Officer who is falling below

the norm and is subject to disincentive. Deferment of Disincentive. - One more concession is allowed to Development Officer at the time of awarding disincentive even if the appraisal performance attracts the disincentives. A Development Officer who has completed five or more years of service and has not exceeded prescribed expense limit for a continuous period of five years, and if he has not completed five years of service, he has not exceeded prescribed expense limit in any one of the last three years of service; the disincentives, other than 'no increment' shall not be awarded immediately after the current appraisal year attracting dis-incentives; but the same will be kept in abeyance upto the next appraisal year. If he conforms the prescribed expense limit in the next appraisal year, no action shall be taken to award the disincentives which have been kept in abeyance and the increment which was disallowed as a result of preceding appraisal year, shall be released w.e.f. disallowed date. At the same time, if such a Development Officer repeats the performance of exceeding expense limit in the next appraisal year also, all disincentives shall be awarded w.e.f. the date the same were kept in abeyance. Termination of service. - Where a Development Officer has failed to conform to the expense limit despite concessions given, the Zonal Manager may terminate his service after giving him three months notice or salary in lieu thereof : Provided that he shall be given an opportunity to show cause against the proposed termination. He shall also have the right to make an appeal to the Managing Director who shall pass the order on merits having regard to the records and circumstances of the case.

11. Vehicle advance and its benefits.

- The actual job of a Development Officer, is to sell life insurance policies through his agents which needs frequent mobility in the field. From this point of view, the Corporation gives advance for vehicles to each Development Officer. The eligibility, terms and conditions are as under : Two Wheelers A scooter or motor-cycle is permitted to all confirmed as well as to probationary Development Officers. The salient features are as under--(i) The amount of advance is payable for the purchase of new vehicle in full without the accessories. (ii) The amount of advance is recoverable in equal sixty monthly instalments through deduction from salary. (iii) There is no interest to be charged on this advance. (iv) the amount of insurance and taxes are to be borne by the Corporation. (v) After the expiry of sixty months, the advance is payable again for the new vehicle. (vi) The conveyance allowance is payable to each Development Officer per month at the following rate (revised and has become effective from 01.03.1997 vide LIC circular ref. Per/ZD/884/ASP/97, dated 09.06.1997): A. Without Fast Conveyance (It is on the option of a Development Officer to move in the field by having a fast conveyance or without it) :-

Category of Development Officer	Amount of Conveyance Allowance
(i) A probationary Development Officer	Rs. 440
(ii) A confirmed Development Officer	Rs. 560
B. With motor-cycle/scooter :-	
Category of Development Officer	Conveyance Allowance per month
(i) A Probationary Development Officer	Rs. 620
(ii) A confirmed Development Officer	Rs. 795

Four Wheelers (Car or Jeep) The Corporation permits advance for a car or jeep only to an eligible Development Officer. As per LIC circular ref. NCZO-MKTG/Sales/14/Veh. Sch. II dated 11.01.1993, the eligibility condition is as under :-

Particulars	In Appraisal years				
	First	Second	Third	Fourth	Fifth
1. Scheduled First Year's Premium Income (in Lakh)	4.00	6.00	6.00	7.50	7.50
2. No. of Lives	400	400	450	450	450
3. No. of Qualified Agents	12	14	14	16	16
4. No of Millionaire agents out of qualified agents and/or No. of agents out of Qualified agents who bring minimum FYP of Rs.32,000.	2	2	4	4	4
5. Expenses Ratio not more than	15%	15%	15%	15%	15%

(i) The amount of advance is payable equal to full purchase price of any of the following vehicles:-(a) Fiat (b) Ambassador; (c) Maruti 800; (d) Maruti Van; (e) Jeep. (ii) The recovery is to be made in 120 monthly equal instalments without any interest. (iii) The amounts of Insurance and other taxes shall be borne by the Corporation. (iv) An amount of Rs. 1,675 is payable towards monthly conveyance allowance.

12. Leave Rules.

- The same as explained in Sl. No. 13 of Service Rules of Class III and IV employees.

13. Superannuation and retirement.

- A Development Officer shall retire on completion of 58 years of age provided that the competent authority specified in Schedule IV to the Staff Regulation may, if it is of the opinion that it is in the interest of the Corporation to do so, direct a Development Officer to retire on completion of 55 years of age or at any time thereafter on giving him three months notice or salary in lieu thereof.

14. Encashment of leave benefit. - The same as explained in Si. No. 17 of Service Rules of Class III and IV Employees.

15. Medical benefit. - This is as per circular of Central Office, Dept. of Personnel/ER. Ref. 3841/ASP/96, dated 2nd December, 1996 issued by the Chairman in exercise of the powers conferred by Regulation 4 read with Regulation 81-A of LIC (Staff) Regulation 1960.

A scheme is introduced applicable to Class I Officers and Class II Officers (Development Officers) as a reimbursement of medical expenses in respect of domiciliary treatment of which the salient features are as under--(i) The Officer, his wife and maximum two dependant are

covered.(ii)'Dependant' includes legitimate child of the Officer who, in case of a male child, should have not completed 21 years of age or 25 years of age if studying (whole time) in a recognised educational institution and in case of a female child, should be unmarried and if widowed or divorced, should be residing with the officer. Further, the dependant should not have an earned income of over Rs. 500 per month.(iii)Domiciliary treatment means treatment by a recognised medical practitioner who may be an allopath, homoeopath or ayurvedi; but does not include hospitalization, domiciliary hospitalization, convalescence or maternity care.(iv)Monthly contribution by the officer shall be as under Class I officers are divided in two categories; category 'A' includes Officers with basic pay exceeding Rs. 8,280, category 'B' includes Officers with basic pay upto Rs. 8,280.

Class I Officer Development Officer

Category A Category B Self only with family

Self only Rs. 5.00 with family Rs. 10.00 Self only Rs. 3.50 with family Rs. 7.00 Rs. 3.50 Rs. 7.00

(v)The coverage is divided in two parts (a) Dental treatment and non-surgical eye treatment; (b) other treatment.(iv)The limit of benefit shall be as under :-

	ClassI Officers of Category 'A'	ClassI Officers of Category 'B'	DevelopmentOfficers
	(ForDental treatment and non-surgical eye treatment)		
Permember	Rs.300	Rs.200	Rs.200
Forfamily	Rs.1,200	Rs.800	Rs.800
	(Forother treatment)		
Permember	Rs.450	Rs.270	Rs.270
Forfamily	Rs.1,840	Rs.1,080	Rs.1,080

(vii)Claim can be made by the officer in respect of any one member equal to double the amount per member or part thereof but the total claim shall not exceed the limit for family.(viii)The year for this scheme commences from 1st July and concludes on 30th June every year.(ix)The full or any part of the limit of benefit, if not availed by the officer, such balance amount is permitted to be carried forward to immediate next year.(x)On every claim submitted, the officer himself shall bear 10% of the same. It means the Corporation shall reimburse the expenses less by 10%.(xi)The claim must be submitted during the period of treatment or within 30 days from the date of completion of treatment on a prescribed form enclosing therewith (i) the prescription of the treating medical practitioner; (ii) receipts of the chemist; (iii) reports of the laboratory test with receipt.(xii)The reimbursement is allowed to the expenses for which treatment is undergone in India only.

16. Mediclaim.

- The same as is explained in Sl. No. 19 of Service Rules of Class III and IV employees.

17. Leave Travel Concession.

- The same as is explained in SI. No. 20 of Service Rules of Class III and IV employees.

18. Gratuity.

- The same as is explained in SI. No. 21 of Service Rules of Class III and IV employees excluding item no. (3) and part thereto.

19. Additional Gratuity.

- This is an additional retirement benefit which is available to Class I and Class II (Development Officers) Officers. The benefit is equal to Rs. 4,000 of an Endowment Policy or Rs. 5,000 of a whole life policy at the beginning of service which shall go on increasing by Rs. 1,000 of an Endowment Policy or Rs. 1,250 of a whole life policy for every five years of service to the maximum of Rs. 8,000 of an Endowment Policy or Rs. 10,000 of a whole Life Policy plus admissible bonus for the entire period of service. To avail this benefit, the officer must take an Endowment Policy or Whole Life Policy for minimum of Rs. 8,000 or Rs. 10,000 respectively neither maturing nor surrendering before retirement, from the beginning of his service. If such policy is taken some time after the beginning of service, this benefit shall commence from the date of taking the policy and not from beginning of service and accordingly the increase in amount and bonus also shall be calculated from the date of taking the Policy. Since the scheme of GSLI is introduced w.e.f. 01.11.1987, the benefit of Additional Gratuity shall be available to those officers also who have not taken any qualifying policy w.e.f. 01.11.1987.

20. Group Term Insurance.

- The same as is explained in ST. No. 23 of Service Rules of Class III and IV employees.

21. Group Savings Link Insurance.

- The same as is explained in ST. No. 24 of Service Rules of Class III and IV employees.

22. Pension.

- The same as is explained in SI. No. 25 of Service Rules of Class III and TV employees. [Substituted by G.S.R. 287(E), dated 18th July, 1996 (w.e.f. 1st April, 1995)]