

CO/Mktg/ZD/FPDO/49/2021

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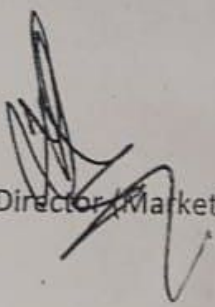
TO ALL ZONAL MANAGERS, REGIONAL MANAGERS (Marketing)
OFFICERS IN-CHARGE OF DIVISIONS.
MDC, ZTCs, STCs, INSPECTION AND AUDIT CENTRES

Re: Clarification for Rules on allotment of Agents to Development Officers.

This is further to the Circular CO/Mktg/ZD/FPDO/46/2021 Dt. 18.10.2021.

The point no. 2 of the "General" conditions shall be substituted as –

" The Agents becoming direct due to exit of the SBAs will become eligible for allotment only at the Branch where he / she is attached to and to the Development officers , including SBA/s of that Branch, i.e. these Agents will be added to the common pool of allottable agents."



Executive Director (Marketing/PD) & CMO

CO/Mktg/ZD/FPDO/46/2021

Date: 18.10.2021

TO ALL ZONAL MANAGERS, REGIONAL MANAGERS (Marketing)
OFFICERS IN-CHARGE OF DIVISIONS.
MDC, ZTCs, STCs, AUDIT AND INSPECTION CENTRES

Re: Rules on Allotment of Agents to Development Officers.

This is with reference to the circular Mktg/ZD/19/2009 dated 10.08.2009 and Ref: Mktg/ZD/08/2010 Dt. 22.02.2010, which provided the instructions for allotment of Agents to the Development officers. The provisions of allotment of Agents to Development Officers have been reviewed and the following revised instructions are issued for allotment of Agents to eligible Development Officers.

For the purpose of this Circular the term Development officers will include SBAs also. However, it may be noted that the SBAs shall be eligible for allotment at their parent Branch only.

Further, the term PDOs & CDOs when used will refer to Probationary Development Officers & Confirmed Development Officers respectively.

(1) (A) Allotable Agents:-

- 1) All Agents, recruited by PDOs & CDOs and who have become direct owing to the exit of their Development officers, shall be allotted to PDOs and CDOs **ONLY** except the Non Allotable Agents as mentioned in clause (1)(B) below.
- 2) While allotting the Agents recruited by the PDO who have become direct due to their exit, care should be taken to see that the existing PDOs are given preference during allotment.
- 3) Agents who have not completed 3 financial years shall be allotted irrespective of their average FPI. For the purpose of computing 3 financial years, the financial year in which the Agent is appointed shall also be counted as one full year even if the appointment is made on any day of the financial year.
- 4) RCAs and CCAs appointed by the Development officers shall become eligible for allotment to CDOs on their becoming direct due to exit of their Development officers.
- 5) The Branch Office along with its Satellite Office/s shall be considered as a Unit for the purpose of arriving at the total number of Allotable Agents in a Unit.

(B) Non Allotable Agents shall include the following:-

- a) An Agent who is Member of Corporate/ Galaxy/ Chairman's/ZM's/DM's Club, except as in clause (5) of this Circular.
- b) An Agent who is an Urban Career Agent.
- c) An Agent who has qualified as MDRT at any time during **last 3 calendar years.**

- d) An Agent who has brought in an average FPI of Rs. 10 lakh and above (with 10% credit for Single premium) in the preceding 3 financial years.
- e) An Agent who has been appointed as Direct Agent by the Corporation.
- f) An Agent who is attached to a Direct Agents Branch.

(2) The basic condition for allotment of Agents to confirmed Development officers:

A Development Officer qualifies for allotment of agents, only if-

1] There was a net addition of at least 2 agents in his/her agency organization at the end of the previous financial year, i.e. 31st March.

OR

2] The Development officer has **recruited and activated** at least 5 agents in the previous financial year.

OR

3] The Development officer has **recruited and activated** at least 5 agents during the current financial year, till the end of the previous month of allotment.

(3) Maximum number of Agents Allotable :

The number of Agents to be allotted in a financial year shall be as per the following conditions, subject to the fulfillment of the basic condition as mentioned in the clause (2) above:

Condition A :

“ When the Development officer becomes eligible for allotment, on the basis of condition ‘1’ and/or condition ‘2’ , the number of agents that can be allotted shall be equal to the ‘net addition of agents in the Previous financial year’ **or** the number of Agents recruited during previous Financial Year, **whichever is higher**, subject to maximum of 5.”

OR

“If the Development officer becomes eligible for allotment, on the basis of **ONLY** condition ‘3’ , maximum of 5 Agents may be allotted.”

Condition B :

a) “When the Development officer becomes eligible for allotment, on the basis of condition ‘1’ and/or condition ‘2’ , then in addition to ‘A’ above, up to 5 additional Agents may be allotted, provided the Development officer has recruited and activated an equal number of Agents in the current financial year, as at the end of the previous month of allotment.

b) “When the Development officer becomes eligible for allotment, on the basis of ONLY condition ‘3’ , additional maximum up to 5 Agents may be allotted, provided the Development officer has recruited and activated an equal number of Agents , over and above 5 Agents, in the current financial year, as at the end of previous month of allotment.

(Maximum 10 Agents may be allotted considering ‘A’ & ‘B’ conditions together.)

In all cases, to be eligible for allotment in the next financial year , the Development officer has to additionally recruit 5 agents or add 2 net agents in the organisation during the current year. In other words, agents recruited and activated in the current year and considered for eligibility as per conditions A & B will not be considered again for basic qualifications for next financial year.

Examples:-

Following examples may be referred for clarification of the allotment conditions:

Examples	Net Addition of Agents during previous financial year. (2020-21)	Agents Recruited and activated During previous financial year . (2020-21)	Agents recruited and activated during Current Fin. Year as at the end of the previous month of allotment (2021-22)	Maximum No. Of Agents Allotable		TOTAL Maximum No. Of Agents Allotable. (A+B)
				As per condition A	As per condition B	
Case I	3	6	4	5	4	9
Case II	0	5	7	5	5	10
Case III	1	3	7	5	2	7
Case IV	4	3	8	4	5	9
Case V	2	5	0	5	0	5
Case VI	0	0	5	5	0	5

Condition C :

“When there are **50 or more active Agents in the organization of the Development officer at the end of the previous financial year**, then he/she becomes eligible for allotment of additional 5 Agents , over and above the Agents allotted under condition ‘A’ and/or ‘B’, provided he/she has recruited & activated minimum 5 Agents, in the current financial year as at the end of the previous month of allotment”

However, in any case the maximum Agents allotted per Development officer shall not exceed 15.

Example:

Following examples may be referred for clarification of the allotment conditions, where organisation of DO has 50 or more active agents:

Examples	Net Addition of Agents during previous financial year. (2020-21)	Agents Recruited and activated During previous financial year . (2020-21)	Agents recruited and activated during Current Fin. Year as at the end of the previous month of allotment (2021-22)	Maximum No. Of Agents Allotable			TOTAL Maximum No. Of Agents Allotable. (A+B+C)
				As per condition A	As per condition B	As per condition C	
Case I	3	6	4	5	4	0	9
Case II	1	4	6	5	1	5	11
Case III	1	7	8	5	5	5	15
Case IV	3	3	9	3	5	5	13
Case V	2	5	0	5	0	0	5
Case VI	0	0	7	5	2	5	12

It may be noted that the Agents allotted to the Development officer during any financial year, shall not be considered while arriving at “ net addition” for the allotment process of next financial year .

(4) To whom and How allotment should be done:

I. Probationary Development Officers:

- a) Agents becoming direct due to the exit of the PDO will be allotted first to the existing PDOs subject to a maximum of 5 Agents per Probationary Development Officer **provided the PDO recruits and activates equal number of Agents as on the date of the application for allotment.**
- b) If after allotment to PDOs, there are still eligible Agents remaining for allotment then in such a case the Agents shall be allotted to CDOs, only if there are no PDOs available in the Branch Office. The procedure for allotment of such eligible Agents to confirmed Development Officers will be as detailed in 4 (II) below.
- c) If after allotment to a PDO, that PDO also exits the Corporation for any reason, then in such a case the allotted Agents becoming direct shall preferably be allotted to a CDO. The procedure for allotment of such eligible Agents to CDO will be as detailed in 4 (II) below.
- d) Credit of business of allotted Agents to the PDOs would be given from the date of allotment provided during the probationary period he/she appoints new Agents equal to the number of allotted Agents **and makes them active.** The Premium Income and number of policies brought in by the allotted Agents shall be taken into account for deciding the confirmation of the PDOs. While deciding the confirmation of a probationary Development Officer, the allotted Agents will be deemed as Agents recruited by the PDO.
- e) The Manager (Sales) of the Divisional Office shall be the Competent Authority for allotment of eligible Agents to PDOs. However, in case of any dispute with respect to allotment, the same shall be decided by the Marketing Manager.

II. Confirmed Development Officers:

- a) All the allottable Agents shall be ranked in the descending order on the basis of the FPI brought in by them in the previous financial year. Where Agents become allottable before completion of one financial year (recruited and becoming direct in the same financial year) then they shall be ranked at the bottom of the ranking list of allottable Agents on the basis of their current year's performance. Preference for selection of Development Officer would be given to the Agents on the basis of this Ranking list. Once this exercise is completed, the Agents shall be allotted subject to the consent of the Agents and the concerned Development Officer for such allotment. Needless to say that the Agent on the top of the Ranking list would be given priority to exercise his/her choice for Development officer, followed by the next on the list in the descending order.
- b) If any Agent does not get a Development Officer of their choice and hence does not opt for allotment to any other Development Officer then in such a case he/she **will become allottable to PDO subject to the consent of the Agent and the PDO.** However, if a Development Officer does not give consent for the allotment of a particular Agent, then in such a case the Agent shall be informed and shall be asked to give his/her next choice for allotment to another Development officer.
- c) Allotment should be done by the Divisional Offices expeditiously. Care should be taken to ensure that allottable Agents, requiring the assistance of a Development Officer, be allotted

within a period of one month from the date the Agent becomes direct. However, depending on the availability of allottable Agents, there can be more than one round of allotment in a financial year.

- d) The Allotted Agents will be absorbed in the organisation of a Development Officer after 3 years from the date of allotment.
- e) The Manager (Sales) of the Divisional Office shall be the Competent Authority for allotment of eligible Agents to eligible confirmed Development Officers. However, in case of any dispute with respect to allotment, the same shall be decided by the Marketing Manager.

(5) The following non-allotable Agents may be allotted to Development officers subject to the conditions mentioned below:

- a) The club member Agent (Member of Chairman/ZM/ DM Club) **or** an Agent who has brought in an average FPI of Rs. 10 lakhs and above (with 10% credit for the Single Premium) in the preceding 3 financial years , **AND, has completed 70 years of age as at the end of the previous month of allotment**, may be considered for allotment, subject to his/her consent.
- b) The club member Agents (Chairman/ ZM/ DM Club) **or** an Agent who has brought in an average FPI of Rs. 10 lakhs and above (with 10% credit for the Single Premium) in the preceding 3 financial years , **AND, has completed 65 years of age as at the end of the previous month of allotment**, may be allotted to Development officer only if the Development Officer has recruited and activated minimum 5 Agents in the previous Financial year and had minimum 35 agents in his organization at the end of the previous financial year.

This allotment shall be within the limits of the maximum number of Agents that may be allotted to the Development officer subject to consent of the Agent. The Competent Authority for approving the allotment in such exceptional cases will be the Zonal Manager (I/C).

(6) Credit of business in respect of Allotted Agents:

- i] All allotments will be valid from the date of allotment and there shall be no retrospective effect for credit of business or other provisions.
- ii] Full credit may be allowed to the Development Officer on the business brought in by the allotted Agents, after date of allotment.
- iii] The performance of the Agents allotted to the Development Officers will be monitored every year. The performance of the allotted Agents shall be judged with respect to the FPI brought in during the financial year before and after allotment. If an Allotted Agent requests for detachment within 3 years from the date of allotment from the organisation of a Development Officer, he/she must be detached immediately. Further, allotment of the detached Agents will be considered only after 1 year from the date of such detachment. However, the reattachment shall not be done under the organisation of the same Development Officer from whose organisation the Agents has been detached. **Such detachment on request of the Agent shall be allowed only ONCE during the Agency tenure.** The Marketing Manager will be the Competent Authority to consider such detachment.



(7) Reversion of ABM (Sales) to Development Officers:

Where a Development Officer promoted as ABM (Sales) is reverted either at his/her own request or by the Office, he/she may be allotted his/her erstwhile organisation, **without any condition**, if the same is still unallotted at the time of such reversion provided he/she has been posted back to the same office and same place where he/she functioned as a Development Officer.

If, however, his/her earlier organisation remains unallotted only partially at the time of such reversion, the same may be allotted to him/her along with other allottable Agents of the Branch.

For allotment of Agents from other allottable organization of the Branch, the DO has to fulfill any of the basic eligibility conditions for allotment, if he/she takes reversion in the same F.Y. However, if the DO has opted reversion in the succeeding F.Y. to the F.Y. of accepting promotion, the basic eligibility condition, i.e. net addition of 2 Agents at the end of the Financial year OR recruitment of 5 Agents during the Financial year, will be reckoned as the Financial year preceding the year of promotion. Such allotment of unallotted agents will be as per the circumstances to be decided by the Sr./Divisional Manager in-charge of the Divisional Office. The Development Officer would be eligible for full credit of business brought by the organisation since the date of allotment.

General :

1. **Consent of the Agents will be mandatory for allotment.**
2. The Agents becoming direct due to exit of the SBAs will become eligible for allotment only at the Branch where he / she is attached to and to the SBA of that Branch, if any. If there are no SBAs in that Branch, then the Agent will be added to the common pool of allotable agents.
3. **Allotment of Agents of exited LICA :**
 - a) **Mentored Agents:** The Mentored Agents (i.e. the existing agents of the retired SBA/DO who joined his/her organisation on his/her selection as LICA) shall be allotted to Development Officers, including PDOs, subject to other conditions applicable to PDOs for allotment of agency.
 - b) **Premier Mentored Agents:** The Premier Mentored Agents (i.e. the new agents sponsored by LICA and appointed in the Corporation subsequent to the retired SBA/DO becoming a LICA) shall be allotted to other LICA/s, the process for which shall be decided by the SBA Department.
4. Supervised Agents of exited CLIAs will be allotted to CLIAs only .
5. Direct Sales Advisors of exited Chief Organisers will be allotted to Chief Organisers only.
6. The Inspection team will check all allotments and will report any irregularity which is not in conformity with these revised instructions. In such a case the Agent should be immediately detached and action has to be taken in the system accordingly, for both recovery of excess credit allowed and other corrective actions.
7. The process of allotment shall be undertaken twice in the Financial Year in the Branch.



8. The entire process of allotment shall be carried out through the module provided in the eFeap.

These instructions supersedes the instructions issued vide earlier circulars in the matter of allotment of Agents to Development Officers. However, the cases of allotment done before the date of issue of this circular should not be reopened.

These instructions will come into effect from the date of issue of the circular.



Executive Director (Marketing/PD) & CMO