



NATIONAL FEDERATION OF INSURANCE FIELD WORKERS OF INDIA

REGISTERED UNDER TRADE UNION ACT, 1926 (Reg. No. ALC/KARYASAN-17/11295)

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NFIFWI/17/2023-25

Date-18-05-2023

To,

The Hon'ble Managing Director,

The Life Insurance Corporation of India

Central Office, Yogakshema, Mumbai-400021

Respected Sir,

Sub: Cost Ratio Criteria for payment of OMA and Credit of policies for the purpose of OMA paid to SBAs for the financial year 2022-2023.

For an SBA to become eligible for the payment of Office Maintenance Allowance (OMA), he/she is required to complete certain number of NB cases every month through his agency organization. There is a provision of quarterly/ half yearly/ yearly review if the monthly quota is not completed in a month or months. An SBA needs to complete total 1050 policies in a financial year for becoming eligible for OMA after the yearly review. For this purpose, the policies completed only under Green Channel, ANANDA, E2E and those policies for which the BOC is deposited at the SBA's premium point.

Now-a-days many SBAs are finding it difficult to complete the monthly NB quota (month over month) and it is a pan-India situation almost. In order to become eligible for OMA, they try to complete the same through quarterly or half yearly or yearly review system. However, a major number of SBAs become eligible for OMA through the yearly review system. The reason behind is very clear that major quantum of our total annual business comes in the month of March every year. Further, major quantum of total business for the month of March every year comes during the extended period of the financial year after the 31st March every year. And here many SBAs face big setback in qualifying for getting OMA.

As we know, only those policies completed under Green Channel, ANANDA, E2E and those policies for which the BOC is deposited at the SBA's premium point are taken into account for the purpose of deciding an SBA's eligibility for OMA and during the extended period after 31st March, an SBA can neither complete the proposals under E2E, nor under Green Channel, nor through ANANDA nor he can create the BOC at his premium point bearing date of 31st March because all these options are unavailable during the extended period.

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At the same time, it is a fact that we receive a major chunk of the business for March every year during the extended period only. In Marketing, maximum business is fetched during the extended period is a common phenomenon. In such a situation, the SBAs also put hard efforts for capitalizing the extended period to fetch sizable amount of business in this period. Being this the fact, the SBAs remain deprived of the OMA which is to be viewed as a reward for their hard work. It is very much disappointing to the SBAs that even after completing the yearly quota, many of them are not becoming eligible for OMA just because of this technical reason. If there had been a facility of completing the proposals through Green Channel, E2E, ANANDA or a facility of creating BOC on premium point bearing date of 31st March, all SBAs would complete the proposals via these methods only and become eligible for OMA. In this way, the said technical flaw is making all SBAs deprived of their legitimate benefit and they are getting discouraged to run their offices. A provision like **'giving notional credit for the yearly review'** of those completed BOCs that are created at branch cash counters during the extended period may solve the problem. And if it is not possible to give credit of the policies completed during the extended period, then we humbly request you to consider another solution of **'fixing a reduced annual target of NB transactions'** instead of the somewhat heavy figure of 1050 policies. We request you to take a positive decision in this regard at the earliest and give it a retrospective effect which will be applicable for the last financial year i.e. 2022-2023.

We humbly further request that the matter of OMA for SBA's should be reviewed and relooked into. The OMA should be paid for all the SBA's maintaining offices, basing on the cost ratio mentioned in the circular Ref.: CO/Mktg./SBA/2017-18/12 Dated 18.12.2017. This will encourage all the SBAs to open offices and serve the policyholders of LIC without any fear for expenses to maintain Life Plus offices. In the changed marketing environment, the criteria of cost ratio for maintaining Life Plus Offices will encourage the Development Officers to work vigorously and improve in overall performance.

We are very much hopeful that you would understand our sentiments and do the needful so that the SBAs will get a logical relief and will be encouraged further. **Dynamic market requires to think differently, unconventionally, and from a new perspective.**

Yours Sincerely



(Vivek Singh)

Secretary General

CC- Respected Executive Director (Marketing/PD/CMO) & SBA, LIC of India.