



NATIONAL FEDERATION OF INSURANCE FIELD WORKERS OF INDIA

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

New India Building Annex, S.V. Road, Santacruz (W), Mumbai - 400054.

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Vivek Singh

Secretary General

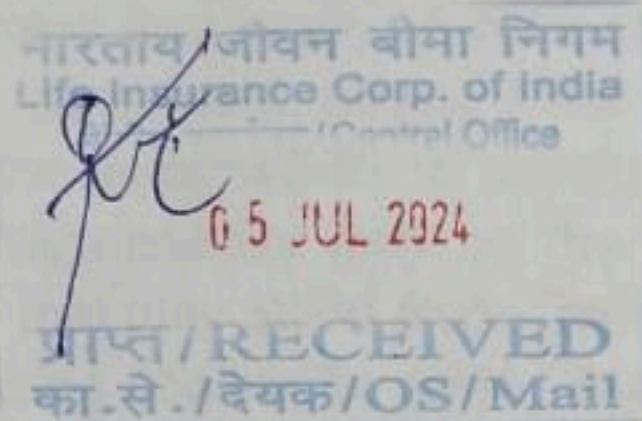
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NFIFWI/913/2023-25

Date: 05-07-2024

To,
The Managing Director
Life Insurance Corporation of India
Central Office, 'Yogakshema', Mumbai



Respected Sir,

Re: Need to review the OMA eligibility rules of SBAs.

The eligibility criteria for OMA paid to SBAs is revised recently through CO circular CO/Mktg.SBA/2024-2025/1 dated 01.04.2024. Before the introduction of this circular, we had submitted a letter to you in this regard requesting for a review of eligibility conditions, especially the number of NB transactions and renewal transactions.

Sir, in this latter we had put forth some facts & present situations because of which most of the SBAs do not complete the criteria/parameters of NB & renewal transactions. In the same letter we have humbly demanded for downward revision in the condition of NB & renewal transactions. While demanding this we have put forth all the justifications also. However, in the recent circular mentioned above, instead of downward revision, the required number of NB transactions per year have been raised from 1050 to 1200 per year. Likewise, the monthly targets have also been raised.

Sir, now the first quarter of the current financial year has completed, and you will find that some 600 to 700 SBAs only could complete the criteria of NB transactions i.e. 240 NOP for the quarter. Sir, now a days it is becoming very difficult to satisfy the criteria of NOP/NB transactions. This is happening because of many internal & external factors like regulatory changes by the regulator, competition from pvt. insurers, mutual funds, some fraudulent investment schemes, etc. There is an immense need to review the matter considering all these facts and situations. Otherwise, many SBAs will not become eligible for OMA even in the yearly review.



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Sir, in this context, it should please be noted that when an SBA opens an office, he/she needs to bear certain expenses like rent agreement, paying initial deposit to the owner, etc. and at the same time he has to take the responsibility of paying the monthly rents and salaries of the staff. He/she takes the responsibility only on the hope that he/she will become eligible for receiving OMA and for that they strive also. The SBA can't get rid of these liabilities giving the reason of not being eligible for OMA. The SBAs always remain under pressure that whether they will become eligible for OMA or not. This pressure doesn't allow them to focus on marketing activities. After the introduction of the said circular the pressure on SBAs is increased even more. Because of this almost all SBAs have desperate and worried.

In this regard, we request you to relook the rules of eligibility of OMA. We humbly request you to modify the eligibility criteria only on the basis of cost ratio of the SBA and the number of agents recruited by him in previous appraisal year. Once an SBA fulfils the criteria in an appraisal year, he has to be eligible for getting OMA for the whole next appraisal year. This type of provision will help the SBA to peacefully focus on the recruitment and growth-oriented marketing activities. We hopefully look forward for the earliest resolution of this issue.

Thanking you.

Yours Sincerely,

(Vivek Singh)

Secretary General – NFIFWI