

ALL CIRCULAR

RCA/CCA

AS ON 22-07-2014



COMPILED BY
VIVEK SINGH

(SECRETARY GENERAL- NFIFWI)

(E-Mail-viveksingh200@gmail.com Mob.No.09415202088)



भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

Agency Section, Marketing Department,
3rd floor, Central Office, "Yogakshema",
Jeevan Bima Marg, MUMBAI 400 021
Ph: - (022) – 66598333,34,38,39, Fax: - 22824386,
e-mail: -co_agency@licindia.com

Ref:Mktg./FP/CCA &RCA/2014

16.07.2014

**All Zonal Managers and
Sr./Divisional Manager (I/C) of Divisions.**

**Re:Relaxation in ceiling on number of RCAs and CCAs recruited by a
Development Officer/Senior Business Associate under RCA/CCA
Schemes.**

It has been decided by the Competent Authority that Zonal Manager (I/C) would grant relaxation in ceiling on number of RCAs and CCAs recruited by Development Officer/SBA on a case to case basis. The relaxation can be granted upto a maximum of 50% of the existing agency organization of that Development Officer/SBA .While granting relaxation the ZM (I/C) may keep in view the past performance of the Development Officer/SBA in recruiting and retaining stipendiary agents, the business performance of such agents and his potential in general.

At any given point of time, a Development Officer would be allowed to have a maximum of Stipendiary Agents – CCAs and RCAs, not more than 50% of his total agency organization.

The above relaxation will remain in force up to 31.03.2015.

Please bring this to the notice of all offices under your jurisdiction.


Executive Director (Marketing/PD)



NATIONAL FEDERATION OF INSURANCE FIELD WORKERS OF INDIA

G. Nagesh

President

"SANJEEVI"

52- Raj Nagar South

Hubli-580 032

Mobile : 94480 45687, 94812 65687

email : gnagesh1959@gmail.com

Vivek Singh

Secretary General

S 25/221-8C-3KA,

behind Balaji Public School

Sarsauli, Varanasi U.P. - 221002

Mobile : 9415202088

email: viveksingh200@gmail.com

Website : www.nfifwi.com

To,
The Executive Director (Marketing),
L.I.C of India,
YOGAKSHEMA,
MUMBAI.

Date-11-06-2014

Ref: - Extension of Relaxation in ceiling on number of RCA's and CCA's.

Dear Sir,

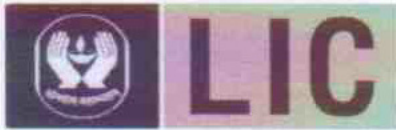
With reference to the above we request you to extend the Relaxation in ceiling on number of RCA's and CCA's to be recruited by Development Officers. We request that the ceiling of 25% of the agency force to be increased to 50% and the credit for CCA's should be 100% for the purpose of I.B and Cost.

Thanking you in anticipation.

Thanking You Sir,


(VIVEK SINGH)

Secretary General



भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

Agency Section, Marketing Department,
3rd floor, Central Office, "Yogakshema",
Jeevan Bima Marg, MUMBAI 400 021
Ph: - (022) – 66598333,34,38,39, Fax: - 22824386,
e-mail: -co_agency@licindia.com

Ref:Mktg./FP/CCA &RCA/2013

30.05.2013

**All Zonal Managers and
Sr./Divisional Manager (I/C) of Divisions.**

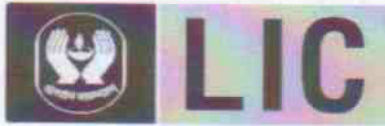
**Re: Extension of Relaxation in ceiling on number of RCAs and CCAs
recruited by a Development Officer/Senior Business Associate
under RCA/CCA Schemes.**

We invite your kind attention to C.O. Circular letters Ref: Mktg./FP/RCA/2012, Ref: Mktg./FP/CCA/2012 dated 11.10.2012 and Ref: Mktg./FP/RCA/2012 dated 17.10.2012 regarding relaxation in ceiling on number of CCAs, RCAs sponsored by a Development Officer or a Senior Business Associate respectively under RCA/CCA Schemes.

It has been decided by the Competent Authority to extend the relaxation for the year 2013-14. For the purpose of calculation of ceiling, the total agency organization of the Development Officer/ Senior Business Associate will be taken **as on 31.03.2013**. Kindly note that the relaxation will remain in force up to 31.03.2014.

Please bring this to the notice of all offices under your jurisdiction.

Chief (Mktg.)



भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

Agency Section, Marketing Department,
3rd floor, Central Office, "Yogakshema",
Jeevan Bima Marg, MUMBAI 400 021
Ph: - (022) – 66598333,34,38,39, Fax: -
22824386,
e-mail: -co_agency@licindia.com

Ref: Mktg./A/CCA

30.01.2013

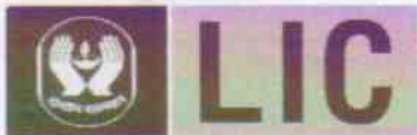
To
All Zonal Managers and
Sr./Divisional Managers (In-charge) of Divisions.

Re: Stipend paid to agents under "City Career Agents" Scheme.

We have received a query from one of our Divisions whether stipend should be paid to an agent who has fulfilled the business criteria for the first quarter but has not fulfilled the business criteria for the second quarter. The said agent has however fulfilled the total cumulative business criteria for both the two quarters taken together.

It is hereby clarified that in such cases though the required business criteria for any quarter is not fulfilled, the payment of stipend should be released provided the CCA has fulfilled the total cumulative business criteria for the relevant quarters taken together.

Chief (Mktg.)



भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

Agency Section, Marketing Department,
3rd floor, Central Office, "Yogakshema",
Jeevan Bima Marg, MUMBAI 400 021
Ph: - (022) – 66598333,34,38,39, Fax: - 22824386,
e-mail: -co_marketing@licindia.com

Ref: Mktg./FP/CCA/2012

Dated: 11th October, 2012

All Zonal Managers and Sr./Divisional Managers(I/c.) of Divisions

Re.: Relaxation in ceiling on number of CCAs sponsored by a Development Officer under 'City Career Agents' Scheme.

This is with reference to CO circular Ref: Mktg./ZD/45/2010 dated 21.10.2010 where in the scheme of City Career Agents was introduced. It has been decided by the competent authority to relax the ceiling on number of CCAs to be sponsored by a Development Officer as per point no (iv) of the said circular as under:-

(iv) Maximum ceiling on no. of CCAs to be sponsored by a Development Officer:

- a) At any given point of time, a Development Officer would be allowed to have a maximum of Stipendiary CCAs (i.e. the CCAs receiving / eligible for stipend from the Corporation) under his organization up to 25% of his total organization as on 01-10-2012.
- b) This relaxation will remain in force only up to 31.03.2013.
- c) This 25% limit will include the no. of RCAs also (if any) under the organization of the Development Officer.

Since the above relaxation would be applicable only up to 31-03-2013, you are requested to bring it to the notice of all the concerned immediately. All Development Officers must be motivated to take maximum benefit of this initiative to augment their agency organization in the current financial year.


Executive Director (Mktg./PD)



Agency Section, Marketing Department,
3rd floor, Central Office, "Yogakshema",
Jeevan Bima Marg, MUMBAI 400 021
Ph: - (022) – 66598333,34,38,39, Fax: -
22824386,
e-mail: -co_agency@licindia.com

Ref: Mktg./FP/RCA/2012

17.10.2012

To
All Zonal Managers and
Sr./Divisional Managers (In-charge) of Divisions.

Re: Relaxation in ceiling on number of RCAs recruited/ CCAs sponsored by a Senior Business Associate.

This is further to our circular letters ref: Mktg./FP/RCA/2012 and Mktg/FP/CCA/2012 dated 11th October 2012.

It has been decided that the ceiling on number of RCAs recruited/ CCAs sponsored by a Senior Business Associate would be 35% of his total organization as on 01.10.2012.

All other conditions given in the above mentioned circular letters remain unchanged.

Executive Director (Mktg./PD)



भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

Agency Section, Marketing Department,
3rd floor, Central Office, "Yogakshema",
Jeevan Bima Marg, MUMBAI 400 021
Ph: - (022) - 66598333,34,38,39, Fax: - 22824386,
e-mail: -co_agency@licindia.com

Ref: Mktg/ZD/56/2010

8.12. 2010

To,
All Zonal Managers, Officers-in-Charge of Divisions,
MDC, ZTC, STC & Audit Centres.

Re: City Career Agent's Scheme

Scheme of stipendiary agents under Development Officers has been introduced vide CO Circular Ref: Mktg./ZD/45/2010 dated 21/10/2010.

Following modifications in the scheme have been approved by the Competent Authority which should be brought to the notice of all concerned:

Area of selection: The area of selection of CCAs will be the area which is other than Rural as per IRDA definition.

Selection and Training for City Career Agent:

- (iii) **Frequency of CCAs' Recruitment:** CCAs can be recruited throughout the year.

All other features of the scheme will remain unchanged.

Executive Director (Marketing)



आन्वैय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

Agency Section, Marketing Department,
3rd floor, Central Office, "Yogakshema",
Jeevan Bima Marg, MUMBAI 400 021
Ph: - (022) - 66598333,34,38,39, Fax: - 22824386,
e-mail: -co_marketing@licindia.com

Ref: Mktg./ZD/45/2010

21st October, 2010

**All Zonal Managers and Sr./Divisional Managers(I/c.) of Divisions
MDC / ZTCs / STCs, Audit Centers, IT and Inspection depts.**

Re.: Introduction of 'City Career Agents' Scheme.

Objective and Applicability of the Scheme:

The objective of the scheme is to provide all Development Officers an opportunity to recruit stipendiary agents. All Development Officers will be allowed to recruit agents under this scheme.

Age, Qualification and Pre-recruitment test Conditions:

Age, Qualification and Pre-recruitment training and test before issue of licence will be applicable as stipulated in the IRDA (Licensing of Insurance Agents) Regulations, 2000 and as amended from time to time. In addition to the IRDA mandated Pre-recruitment training and test, internal test and trainings will be conducted as outlined under 'Selection and Training' head.

Area of selection:

The City Career Agents will be selected only from areas having population more than 1 Lac.

Selection and Training for City Career Agent:

(i) Eligibility:

A person shall be eligible for appointment as a Trainee City Career Agent and be given training under the scheme if he satisfies the following conditions, namely:-

- (a) if he is an individual;
- (b) if he is eligible for appointment as an agent under the Agents Regulations and he satisfies age and educational qualification criteria as prescribed by the IRDA;
- (c) if he is in a position to devote his main time and attention as an agent of the Corporation;
- (d) if he is not prohibited from becoming a tied agent under the LIC rules; and
- (e) if he is a resident in the urban area in which he seeks appointment.

(ii) Identification of Prospective CCAs:

All prospective CCAs will have to be identified and sponsored by Development Officers/ Probationary Development Officers only.

(iii) Frequency of CCAs' Recruitment:

CCAs will be recruited twice in a year on last working day of May and November every year.

(iv) Maximum ceiling on no. of CCAs to be sponsored by a Development Officer:

At any given point of time, a Development Officer would be allowed to have maximum 4 Stipendiary CCAs (i.e. the CCAs receiving/ eligible for stipend from the

Corporation) or 10% of the total agents under his organization, whichever is less. In case of SBA this ceiling will be 8 Stipendiary CCAs or 20% of total agents, whichever is less, under his organization. (Cut-off date for assessing the agency strength shall be 31st October and 30th April)

However the performance of the previously recruited CCAs will be taken into account by the Sr./Branch Manager before allowing any further CCA.

In case of the exit of stipendiary CCA from the scheme due to non-performance, the eligibility of the Development Officer/ PDO, to sponsor the CCAs next year, will be reduced by same number.

(v) Selection and Appointment Process for CCAs:

The process of selection for appointment as City Career Agent shall include:

- (a) Submission of bio-data through Development Officers;
- (b) If found necessary, Sr./Divisional manager will decide regarding administration of tests designed to measure as far as possible such traits, capabilities and behaviour patterns of the applicant as are generally required for a successful career in life insurance selling in urban areas; and
- (c) Interview by a Committee constituted for the purpose by the Sr. Divisional Manager I/c. of the Division. The committee will comprise of Branch I/c and a representative from the Divisional Office. However, in places where more than one branch is situated, more than one committee may be formed depending upon the no. of branches / candidates.

(vi) Out of the applicants found suitable for appointment as City Career Agents, the Officer-in-charge of the Branch may take up such number of persons as may be specified by the Sr. /Divisional Manager from time to time.

(vii) Such candidates will be given Pre-recruitment training for the prescribed number of hours and will undergo Pre-recruitment test as per IRDA Regulations as amended from time to time.

(viii) On successful completion of the IRDA test and grant of Agency Licence, the selected candidates shall be given an appointment as trainee City Career Agents. The CCAs will be given specialized training of one week by the concerned Development Officer.

Periodical review of Trainee's Progress:

The Development Officer will submit a weekly progress and review report to the Chief / Sr. / Branch Manager who shall further review the progress being made by the trainee.

Performance Norms for CCAs:

First Year Commission (Excluding Bonus Commission)	No. of lives
30,000/-	24

Stipend:

The CCAs' stipendiary period will be for one year only and the stipend to trainee CCA shall be as following:

1. CCAs working in the Branches falling under Category- I cities: Rs.4,000/- per month.
(Category-I cities are defined in CO Personnel dept. Circular No.: ZD/1161/ASP/2010 dated 11th October, 2010)
2. CCAs working in the Branches falling under other cities : Rs.3,000/- per month.

Additional stipend for acquiring professional qualification:

If a CCA clears the CIS exam within 9 months of recruitment, a one time incentive of Rs 2000/- will be given.

Minimum Monthly and Quarterly performance for receiving stipend.

Months	FYC (Rs.)	NOL
1	1200	1
2	1200	1
3	1800	1
4	1800	1
5	2400	2
6	2400	2
7	2800	2
8	2800	2
9	2800	3
10	3600	3
11	3600	3
12	3600	3
Total 1 year	30,000	24

- A CCA's business performance appraisal shall be done on a quarterly basis and he will have to get minimum No of Lives and First Year Commission as shown in the abovementioned Table to get the stipend for the quarter.
- The payment for the quarter under review will be released only if he has completed the business required for the quarter. He will not be entitled for the stipend if he does not fulfill the required business criteria for the particular quarter. However, in case he completes the business required in the previous quarter in the subsequent quarter, he will be entitled for the stipend for the previous quarter also (pl. see example in the Annexure-I).
- Every CCA will have to complete at least one life resulting into FYC of Rs.1200/- every quarter. If a CCA fails to do so, he will have to appear before the Branch I/c. with the concerned Development Officer for an interview. If the Branch I/c. is satisfied with the potential of the CCA and the reasons behind the non-performance of the CCA, he may grant an exemption to such CCA.

Credit to Development Officers in respect of CCAs:

1. City Career Agents, sponsored / recommended by Development Officers will be treated as agents recruited by them.
2. During the stipendiary period, Development Officers will be given Business credit @ 50% of the normal credit for which he would have been eligible in case of a newly recruited agent. However, if a stipendiary CCA completes 3 lacs scheduled FYP income before completion of the stipendiary period, full credit will be given to Development Officers on the subsequent business brought by them.
3. Stipend paid to CCAs will not be treated as expense for ascertaining the cost of the Probationary / Development Officer.

Termination of training and cessation of payment of stipend:

1. The training of a trainee and the payment of stipend to him may be discontinued by the Officer-in-charge of the Division at any time without any notice and without assigning any reason whatsoever.
2. Any trainee may discontinue his training at any time by giving intimation thereof in writing to the Chief / Sr. / Branch Manager, specifying the reasons thereof along with the observations of the concerned Development Officer and on receipt of such intimation the training and payment of stipend shall cease.
3. Where the payment of stipend to a CCA is stopped before the completion of the stipendiary period, it shall not automatically terminate his agency. The continuance or the termination of the agency shall be dealt with in accordance with the provisions of the Agents Rules, 1972. Also, if a CCA's agency remains in force, his attachment with the Development Officer will continue.
4. Where a trainee's appointment as an Agent under the Agents Rules, 1972 is terminated under any of the provisions thereof, his training and payment of stipend shall cease forthwith.
5. Without prejudice to the provisions of the foregoing sub-clauses, in the case of every trainee the training and payment of stipend shall terminate on the expiry of one year from the date of his appointment as a trainee.

Advance for purchase of vehicle:

Advance of any kind will not be granted under the CCA Scheme.

Role and Responsibilities of Development Officers:

- (1) Selection and sponsorship of only such persons, who have suitable behavioural qualities and aptitude for life insurance selling and servicing.
- (2) Providing the theoretical training and practical guidance in the field to CCAs during the stipendiary period.
- (3) Making all the necessary efforts to develop every CCA under him as a professional and successful agent.
- (4) All the Development officers/ PDOs who wish to sponsor stipendiary CCAs under their organization, need to furnish their consent regarding agreeing to the terms and conditions of this scheme, as per the format in Annexure-II

Role of Zonal Office:

- (1) To provide guidance to Divisions for successful and cost-effective implementation of the scheme.

- (2) To compile the data reg. the Scheme viz. no. of CCAs recruited, their persistency ratio, their business performance and the amount spent on stipend etc.

Work Norms and Monitoring Mechanism:

- (1) CCAs will have to contact at least one prospective customer every day.
- (2) The Development Officers will also have to provide leads to CCAs. CCAs will be getting leads emanating from orphan policies and enquiries and ensure conversion.
- (3) The sponsoring Development Officer will review the trainee CCAs' performance by uploading remarks in the CCA Portal meant for this purpose.
- (4) The Branch I/c. will review the Trainee CCAs' progress every fortnight. The trainees not getting the benchmark grade for two weeks consecutively will be terminated.
- (5) In case of CCAS, the Agent type will have a different Id in the Agency master.
- (6) A separate Account code will be used for accounting the stipend being paid in respect of CCAs, which will be communicated in due course.

General Clarifications:

- (1) It is clarified that the appointment of a person under the CCA scheme will not be a salaried appointment as an employee of the Corporation.
- (2) Nothing contained in this scheme shall be deemed to affect the right of the Competent Authority under the Agents Regulations to appoint agents in any Urban area in accordance with the provisions of the said Regulations without their being governed by this scheme or to affect its powers over any person appointed under the scheme in regard to his agency.


Executive Director (Marketing)

Annexure-I

Minimum Monthly and Quarterly performance for receiving stipend.

Months	FYC (Rs.)	NOL	Actual Business NOL / FYC	Actual Quarterly Business	Impact on Stipend payment Other Action required
1	1,200	1	1 / 1,800	NOL – 2, FYC Rs.4,300	Stipend is not to be paid.
2	1,200	1	Nil		
3	1,800	1	1 / 2,500		
	4,200	3			
4	1,800	1	2 / 3,000	NOL – 7, FYC Rs.9,000	Stipend will be paid for 2 nd as well as 1 st quarter as the 1 st quarter shortfall has been also made up.
5	2,400	2	4 / 3,500		
6	2,400	2	1 / 2,500		
	6,600	5			
7	2,800	2	3 / 4,500	NOL – 9, FYC – Rs.9,500	Stipend is to be paid.
8	2,800	2	1 / 1,000		
9	2,800	3	5 / 4,000		
	8,400	7			
10	3,600	3	2 / 3,000	NOL – 9, FYC – Rs.10,800	Stipend is to be paid.
11	3,600	3	1 / 1,200		
12	3,600	3	6 / 6,600		
	10,800	9			
Total	30,000	24			

Annexure-II

To,

Date:

Sr. Divisional Manger
L.I.C. Of India
Divisional Office
.....

Dear Sir,

Re: City Career Agents Scheme introduced vide CO circular ref: Mktg/ ZD/45/2010 dated 21.10.2010

I wish to sponsor the Stipendiary City Career Agents as per the provisions of the Scheme introduced by the Central Office, Mumbai vide Circular ref: Mktg/ZD/45/2010 dated 21.10.2010.

I have read all the terms and conditions of the aforesaid circular. I have also fully understood about the role and responsibilities of Development officers/ PDOs towards the CCAs and Business Credit to me towards the business completed by the CCAs during stipendiary period.

I agree with all the conditions of the scheme and give my consent to be the part of it.

Yours faithfully,

()
Development Officer/ PDO
SR NO.
DO Code



भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

Agency Section, Marketing Department,
3rd floor, Central Office, "Yogakshema",
Jeevan Bima Marg, MUMBAI 400 021
Ph: - (022) – 22027527, Fax: - 22824386,
e-mail: -co_agency@licindia.com

Ref: Mktg/ZD/ 22/2009

Date: 27.08.2009

To All Zonal Managers I/c & Sr.Divisional Managers I/c of All Divisions

Re: Rural Career agents scheme – Maximum Number of RCAs that can be recruited by a PDO/Development Officer

Kind attention is invited to our Central Office Circular ref: Mktg/ZD/26/2008 dated 24.07.2008 wherein it was mentioned that "In no case, more than four RCAs will be recruited under a Probationary Development Officer/Development officer". We have been getting queries from many Divisions in this matter as to whether only active RCAs or any RCA is to be considered for this purpose.

The matter has since then been reviewed and it has been decided by the Competent Authority that while calculating the limit of four RCAs under a Development Officer, only those agents who are recruited under the RCA scheme and are within the stipendiary period, i.e. 2 years of his/her agency, will be taken into account.

You are requested to bring this to the notice of all concerned.

Executive Director (Marketing)



भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

Agency Section, Marketing Department,
3rd floor, Central Office, "Yogakshema",
Jeevan Bima Marg, MUMBAI 400 021
Ph: - (022) – 66598333,34,38,39, Fax: - 22824386,
E-mail: -co_agency@licindia.com

Ref: Mktg./RCAS

Dated: 20th August, 2008

**All Zonal Managers and Sr. / Divisional Managers(I/c.) of Divisions
Principal MDC / ZTCs / STCs, Audit Centres, IT and Inspection depts.**

Re.: Rural Career Agents Scheme – Credit of Business to ADOs and PDOs.

Reference is invited to the Circular Ref: Mktg./ZD/26/2008 dated 24th July, 2008, vide which the LIC (Rural Career Agents) Scheme, 1979 has been reintroduced w.e.f. 1st August, 2008. Subsequently, the provisions pertaining to Credit of Rural Career Agents and their business to Apprentice Development Officers and Probationary Development Officers have been reviewed as following:

1. The RCA recruited during the Apprenticeship/Probationary period of the Development Officer and the credit of the business booked by the RCA during the Apprenticeship / Probationary period of the Development Officer will be taken into account for fulfillment of agency norms and business norms while appointing the Apprentice Development Officer on Probation or while confirming the services of the Probationary Development Officer.
2. The credit of the business booked by the RCA during the Apprenticeship / Probationary period of the Development Officer will be reckoned for calculation of Incentive Bonus payable to Apprentice / Probationary Development Officers on their confirmation.

Executive Director(Mktg.)



भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

Agency Section, Marketing Department,
3rd floor, Central Office, "Yogakshema",
Jeevan Bima Marg, MUMBAI 400 021
Ph: - (022) – 66598333,34,38,39, Fax: - 22824386,
E-mail: -co_agency@licindia.com

Ref: Mktg./RCAS

Dated: 14th August, 2008

**All Zonal Managers and Sr./ Divisional Managers(l/c.) of Divisions
Principal MDC / ZTCs / STCs, Audit Centres, IT and Inspection depts.**

Re.: Clarifications regarding Rural Career Agents' Scheme.

The LIC (Rural Career Agents) Scheme, 1979 has been reintroduced w.e.f. 1st August, 2008 with certain modifications vide the Circular Ref: Mktg./ZD/26/2008 dated 24th July, 2008. Subsequently, some clarifications have been sought by various Zones / Divisions. We wish to clarify as under:

(1) Age related Relaxations:

The minimum age and qualification for Rural Career Agents will be as stipulated in the IRDA (Licensing of Insurance Agents) Regulations, 2000 and as amended from time to time. Thus, the minimum age of applicant should be 18 years. The maximum age will continue to be 35 Years, which may be relaxed by 5 years of age by Regional Manager(Mktg.) / Zonal Manager in exceptional cases. For SC/ST candidates, maximum age would continue to be 40 years.

(2) Place of Selection:

RCAs will be selected from rural areas only as defined in the Circular and within that priority would be given to vacant pockets.

(3) Limit on no. of RCAs to be recruited by Confirmed Development Officers:

All Development Officers, including Probationary Development Officers can recruit maximum of 4 RCAs from the date of this Scheme i.e. w.e.f. 01.08.2008.

(4) Setting of Question Paper:

The Question Paper will be set by the Divisional Offices.

Executive Director(Mktg.)



भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

Agency Section, Marketing Department,
3rd floor, Central Office, "Yogakshema",
Jeevan Bima Marg, MUMBAI 400 021
Ph: - (022) – 66598333,34,38,39, Fax: - 22824386,
e-mail: -co_agency@licindia.com

Ref: Mktg./ZD/26/2008

Dated: 24th July, 2008

**All Zonal Managers and Sr./Divisional Managers(I/c.) of Divisions
Principal MDC / ZTCs / STCs, Audit Centres, IT and Inspection depts.**

Re.: Reintroduction of Rural Career Agents' Scheme.

It has been decided to revive LIC (Rural Career Agents) Scheme, 1979 w.e.f. 1st August, 2008 with certain modifications. The changes approved in the scheme are as follows:

Age, Qualification and Pre-recruitment test Conditions:

Age, Qualification and Pre-recruitment training and test before issue of licence will be applicable as stipulated in the IRDA (Licensing of Insurance Agents) Regulations, 2000 and as amended from time to time. In addition to the IRDA mandated Pre-recruitment training and test, internal test and trainings will be conducted as outlined under 'Selection and Training' head.

Definition of Rural Area:

The RCAs will be selected only from Rural areas. For this purpose, the following IRDA definition of "Rural Sector" will be adopted.

As per the IRDA Regulations, "Rural Sector" means the places or areas not classified as "Urban" while conducting the latest decennial population census (Census of India).

In the Census of India 2001, the definition of Urban area is adopted as follows:

1. All Statutory places with municipality, Corporation, Cantonment Board or notified town area committee etc.
2. A place satisfying the following three criteria simultaneously,
 - A minimum population of 5000.
 - At least 75% of the male working population engaged in non agricultural pursuits, and
 - Population density of at least 400 per sq. km (1000 per sq. mile)

Any other area which does not satisfy the above criteria will be treated as a "Rural" area and the agent residing in this area will be a "Rural" agent. RCAs have to be selected from such areas only.

Selection and Training for Rural Career Agent:

(1) A person shall be eligible for appointment as a Trainee Rural Career Agent and shall be given training under the scheme if he satisfies the following conditions, namely:-

- (a) if he is an individual;
- (b) if he is eligible for appointment as an agent under the Agents Regulations and he satisfies age and educational qualification criteria as prescribed by the IRDA;
- (c) if he is in a position to devote his main time and attention as an agent of the Corporation;
- (d) if he is not a salaried employee nor has he any substantial regular income from following any trade or profession or occupation; and
- (e) if he is a permanent resident in the rural area in which he seeks appointment.

(2) The Officer-in-charge of the Branch may consider applications for appointment received in response to advertisements in local newspaper and/or direct applications and/or applications referred by the Employment Exchange.

(3) The process of selection for appointment as Rural Career Agent shall include:

- (a) collection of bio-data;
- (b) administration of tests designed to make as far as possible such traits, capabilities and behaviour patterns of the applicant as are generally required for a successful career in life insurance selling in rural areas; and
- (c) Interview by a Committee constituted by the Officer-in-charge of the Division.
The Committee will be headed by a person not below the rank of AO.

(4) Out of the applicants found suitable for appointment as Rural Career Agents, the Officer-in-charge of the Branch may take up such number of persons as may be specified by the Sr. /Divisional Manager from time to time.

(5) Such candidates will be given Pre-recruitment training for the prescribed number of hours and will undergo Pre -recruitment test as per IRDA Regulations as amended from time to time.

(6) On successful completion of the IRDA test and grant of Agency Licence, the selected candidates shall be given an appointment as trainee Rural Career Agents. The RCAs will be given specialized training of one week at DTC /ATC /Branch Office.

Training Process:

- (1) The training to be imparted shall consist of theoretical studies in the class room and practical work in the field under the guidance of the officers of the Corporation.
- (2) The training would be oriented to suit the needs of the rural area. The content of class room training and the procedures for training in the field shall be such as may be specified by the authorized officer from time to time.
- (3) On appointment, a trainee shall undergo initial training which will for a period not exceeding one week.
- (4) After the trainee has worked for a period of three months, he may be recalled for a refresher training of one week.
- (5) After the trainee has worked for a period of 6 months, he shall be recalled for further training of not more than one week's duration.
- (6) When a trainee is called for training in accordance with sub-clause (4) or sub-clause (5), he shall be paid traveling allowance and daily allowance to meet his boarding and lodging expenses at such rates as may be specified by the Central Office, Marketing Department from time to time, but no traveling or other expenses shall be payable to him for his movement in the field.

Training Centres :

The training shall be imparted at such centres as may be decided by the officer-in-charge of the Division from time to time.

Periodical review of Trainee's Progress :

The Branch Manager shall review at frequent intervals the progress being made by the trainee; provided that there shall be a review at least once in three months.

Performance Norms for RCAs:

First Year Commission (Excluding Bonus Commission)	No. of lives
1 st Year- Rs. 24,000	30

- Business Review will be done on a monthly basis.

- If any RCA does more than the minimum required business in any month then he will continue to get the stipend for those many months for which he has already given the business even if he is not able to give the quota business for those months. Eg. If he gives the entire year's business in the first month, he would get the stipend for the first month and he would continue to get the stipend for the rest of the year even if does no business.

Minimum monthly performance for getting stipend.

Months	FYC (Rs.)	NOL
1	1200	2
2	1200	2
3	1200	2
4	1200	2
5	1200	2
6	1200	2
7	2800	3
8	2800	3
9	2800	3
10	2800	3
11	2800	3
12	2800	3
Total 1 Year	24000	30

- A RCA will have to get minimum No of Lives and First Year Commission as shown in the abovementioned Table to get the stipend for the month.
- If he does not get the minimum no. of lives and FYC as specified, he does not get the stipend for that month. However, if he is able to make good the short fall in future then he will get the stipend for the previous months for which he has been able to fulfill the business quota.
- First, the quota for the month will be adjusted, then the shortfall for the previous months in the reverse order will be adjusted (both for NOL and FYC) and if still there is a balance then it will be set against the future months. An Illustration placed below (Annexure – I).
- Hence, if any RCA does not bring in minimum business for the initial months but later is able to make good the shortfall both on count of NOL and FYC, then the stipend for the earlier months will be released. He will have the opportunity to make good the shortfall until the end of the 12th month.
- Similarly, if he gives the entire year's business in the initial month then he will continue to get the stipend for all the stipendiary months.

Stipend:

The stipend to trainee RCA shall be as follows:

First Year : Rs.1500 per month

Second Year : Rs.1200 per month

Additional stipend for acquiring professional qualification: If a RCA clears the CIS exam within 18 months of recruitment, a one time incentive of Rs 1000/- will be given.

Credit to Development Officers in respect of RCAs:

Rural Career Agents, sponsored / recommended by Development Officer will be treated as agents recruited by them. However, stipend paid to the RCA will not be treated as expense for ascertaining the cost of the Development Officer.

Apprentice Development Officers and Probationary Development Officers may appoint Rural Career Agents during their Apprenticeship and Probationary period on the following conditions:

1. The RCA recruited during the Apprenticeship/Probationary period of the Development Officer and the credit of the business booked by the RCA during the Apprenticeship / Probationary period of the Development Officer will not be taken into account for fulfillment of agency norms and business norms while appointing the Apprentice Development Officer on Probation or while confirming the services of the Probationary Development Officer.
2. The credit of the business booked by the RCA during the Apprenticeship/Probationary period of the Development Officer will not be reckoned for calculation of Incentive Bonus payable to Apprentice/Probationary Development Officers on their confirmation.
3. Full credit of the business booked by the RCA will be given to the Development Officer only from the first appraisal year after the date of confirmation. For example: If the Probationary period of a Development Officer is from 01.01.2008 to 31.12.2008 and the Development Officer is confirmed from 01.01.2009, the first appraisal year would be from 01.01.2009 to 31.12.2009. The Development Officer will be eligible for full credit of the business booked during this appraisal year and onwards.
4. In no case, more than four RCAs will be recruited under a Probationary Development Officer / Development Officer.

Termination of training and cessation of payment of stipend:

1. The training of a trainee and the payment of stipend to him may be terminated by the Officer-in-charge of the Division at any time without any notice and without assigning any reason whatsoever.
2. Any trainee may discontinue his training at any time by giving intimation thereof in writing to the Branch Manager and on receipt of such intimation the training and payment of stipend shall cease forthwith.
3. Where the training of a trainee is discontinued, it shall not ipso facto terminate his agency under the Agents Rules, 1972, but the continuance or the termination of the agency shall be dealt with in accordance with the provisions of the Agents Rules, 1972.
4. Where a trainee's appointment as an Agent under the Agents Rules, 1972 is terminated under any of the provisions thereof, his training and payment of stipend shall cease forthwith.
5. Without prejudice to the provisions of the foregoing sub-clauses, in the case of every trainee the training and payment of stipend shall terminate on the expiry of two years from the date of his appointment as a trainee.

Advance for purchase of vehicle:

Advance can be granted under the RCA Scheme for the purchase of Two-wheelers.

Eligibility:

The criteria for becoming eligible for the advance of a two- wheeler would be **40 lives and Rs.30,000 FYC** (Excluding Bonus Commission). After 6 months if the RCA is able to achieve the eligibility condition, the advance can be sanctioned to him even during the stipendiary period.

Amount of Advance:

In all cases, the advance shall be restricted to the purchase price of the vehicle subject to the maximum advance of **Rs.35,000/-**.

Sanctioning Authority: Sanctioning Authority will be Sr. /Divisional Manager (I/C) of the Division. The conveyance advance shall be subject to providing two acceptable sureties, one of whom shall be a permanent employee of the Corporation or it will be granted subject to furnishing a Bank Guarantee covering the entire amount of advance. The advance will be recoverable in 24 equal monthly installments from his stipend or commission due to him.

All the other conditions for the grant of advance to the RCAs for purchase of mopeds will be applicable also for the grant of advance for the purchase of Two-wheelers.

General:

(1) For removal of doubts it is hereby clarified that the appointment of a person under the scheme is not a salaried appointment as an employee of the Corporation.

(2) Nothing contained in this scheme shall be deemed to affect the right of the competent authority under the Agents Regulations to appoint agents in any rural area in accordance with the provisions of the said Regulations without their being governed by this scheme or to affect its powers over any person appointed under the scheme in regard to his agency.

Power to issue instructions:

The Managing Director may from time to time issue such instructions or directives as may be necessary to give effect to and carry out the provisions of the scheme.

Power to Relax:

The Managing Director may permit relaxation of the provisions of this scheme in individual cases under special circumstances.

All other provisions, which are not covered under this Circular, regarding the Rural Career Agents' Scheme, 1979 and as amended from time to time, remain unchanged.



Executive Director(Mktg.)

Encl:

Annexure I – Illustration

Annexure II – Application for Rural Career Agency

Annexure III – Appointment Letter indicating Terms and Conditions

Annexure IV - Work Diary of Trainee RCA

Annexure V – Fortnightly report of Trainee Rural Career Agent

Illustration:

Eg. one RCA performs as under:

Months	FYC	NOL
1	1200	1
2	900	1
3	1200	1
4	1400	2
5	2700	4
6	0	0
7	1200	2
8	10,000	15
9	10000	22

- He will not get the stipend for the 1st, 2nd, 3rd months.
- For the 4th month he will get stipend of Rs 1500/-.
- For the 5th month he gets the stipend as he has fulfilled the quota. Out of the balance of 2 lives one life gets adjusted 3rd month. Stipend of 3rd month gets released. Remaining 1 life and 300 FYC gets adjusted towards shortfall in 2nd month. The 2nd month's stipend released.
- 6th month, no stipend.
- 7th month, no stipend.
- 8th month stipend released and balance would be adjusted towards the shortfall of 7th, 6th and 1st months. Hence, stipend for 7th, 6th and 1st month gets released.
- 9th month- the performance has been good and he has been able to meet the requirements of the 9th month and the balance business will meet the requirements of the 10th, 11th and 12th month so even if he gives nil business in the remaining three months, stipend will be paid for all the three remaining months.

LIFE INSURANCE CORPORATION OF INDIA

(_____ ZONE)

Division:- _____

Branch:- _____

APPLICATION FOR RURAL CAREER AGENCY

Note:-It is essential that complete details should be given in reply to the questions. Incorrect or insufficient information may result in the application being rejected.

1. (a) Name of the applicant (in full)
(Mr./Mrs./Miss)
(In Block letters, surname first) _____
 - (b) Marital status
(Single, Married, Widowed,
Divorced) _____

 2. Address (In Block Letters) _____

 3. (a) Father's Name (a) _____
 - (b) Father's Occupation (b) _____
 - (c) Father's Residential Address (c) _____

 - (d) Father's Annual Income (Approx.) (d) _____

 4. (a) What is your date of Birth (a) _____
 - (b) What has been your usual state of health ? (b) _____
 - (c) Have you any bodily defect or Deformity, if so, give details (c) _____

-

5. What is your educational Qualification ? _____

6. Which language can you –

(a) Read and Write ? (a) _____

(b) Speak only ? (b) _____

7. (a) What is your present Occupation (a) _____

(b) If in employment, state full Name and address of Employer and nature of Employment (b) _____

(c) If self-occupied, state the nature of occupation and Annual income (c) _____

(d) Have you ever been Adjudicated insolvent or Applied for Insolvency (d) _____

8. Are you related to any of the Corporation's Development Officers, Employees of the Corporation, Medical Examiners or Agents? If so give Name, Designation and Territory of the office where he /she works and operates and also your relationship to him/her.

Name _____

Designation _____ Territory _____

Relationship _____

9 . Give name and address of two responsible persons (not relatives or employees of the Corporation) for the purpose of reference (i) _____
(ii) _____

10. Do you now represent, or have you at any time, represented either directly or indirectly this Corporation or any general Insurance Company or any Private Insurance Company ? _____

LIFE INSURANCE CORPORATION OF INDIA

Branch Office

Date:

Dear Sir,

With reference to your application dated _____, we have pleasure to inform you that you have been selected as a Trainee Rural Career Agent at _____ to operate in the areas comprising the villages of _____. Your training will commence with effect from _____ and you are requested to report on _____ at _____ at the above address.

2. In order that you may able to acquire adequate knowledge, proper attitude, necessary skills and positive work-habits for successful Life Insurance Selling and servicing, you will be given intensive theoretical and practical training normally for period of 2 years. During the period of your training, you will strictly adhere to and abide by all instructions issued to you verbally or in writing earnestly.

3. In order to assist you to meet your out-of-pocket expenses during the period of your training , you may be allowed, subject to quarterly reviews, an ex-gratia stipend at the following rates :-

Rs. 1,500/- per month during the first year of training;

Rs. 1,200/- per month during the second year of training

4. It is clearly understood that the payment of ex-gratia stipend is with a view to assist you to defray your out-of -pocket living expenses during the period of training and this financial assistance is not to be construed as salary.

5. On satisfactorily undergoing full training , as envisaged in para 2 above, you will be awarded a Certificate of Proficiency testifying to your competence as a life insurance agent and as evidence of attainment by you of the required standard.

6. As a part of your practical training you will start selling life insurance policies immediately after your initial training of 6 days duration is over. Before you start selling life insurance policies, you must pass Pre-recruitment Test of Agents conducted by Insurance Institute of India, Mumbai. After passing the test you will be issued license by IRDA to act as insurance agent.

7. The monthly stipend mentioned above will be in addition to the commission and Bonus commission which you may earn on this life insurance business incurred by you.

14. During the course of your training (a) you will report at the Branch Office or at such other place as may be advised from time to time for theoretical and practical training at such hours as may be communicated to you verbally or in writing from time to time, having regard to the requirement of training. You will also confirm to the instructions given to you by the Chief / Sr./ Branch Manager or any other officer of LIC in the matter of joints calls, solo field activity, Servicing of clients popularizing life insurance in the area or any other allied assignment (b) You will maintain a Diary of your daily work in the prescribed form and submit fortnightly reports in the prescribed form to the Chief / Sr./ Branch Manager.

Wishing you all the best,

Yours faithfully,

Chief/ Sr. Branch Manager

I accept the above mentioned terms and conditions of my appointment as Trainee Rural Career Agent of the Corporation

Date:_____

Signature:_____

LIFE INSURANCE CORPORATION OF INDIA

Division _____ Branch _____

WORK DIARY OF RURAL CAREER AGENT

Name of P.C.A. _____ Place _____

DATE	SR.NO	NAME OF THE PERSON CALLED	OCCUPATION	PLACE	DATE OF LAST INTERVIEW IF ANY	BRIEF REPORT ON THE MEETING

(Signature of the RCA)

LIFE INSURANCE CORPORATION OF INDIA

Division _____

FORTNIGHTLY REPORT OF RURAL CAREER AGENT

Name _____ Code NO. _____
 Branch _____

1. Name of the persons contacted during the fortnight:

(a) For the first time _____

(b) Follow up calls _____

2. Number of persons in the prospect list:-

(a) As at the beginning of the fortnight _____

(b) Eliminated during the fortnight (-) _____

(c) Added during the fortnight (+) _____

(d) Number as at the end of
Fortnight _____

3. New Business accrued during the fortnight:-

No. of Proposals _____

Sum Proposed _____

First Premium
Collected _____

4. Total New Business secured for the year (as at the end of fortnight)

(a) Introduction --- No. of Proposals _____ Sum Proposed Rs. _____

(b) Completion---No. of Policies _____ Sum Assured _____

5. Other Comments , if any

Place :

(Signature of the R.C.A.)

Date :

Name :

To be printed in triplicate – 2 copies will be sent by R.C.A. to Branch – After reviewing the work the Chief / Sr. /Branch Manager will send a copy of the review and a copy of the report to Manager (Sales).