



# 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/520/2023-25

Date: 16-04-2025

To,

**The Managing Director**

Life Insurance Corporation of India

Central Office, 'Yogakshema', Mumbai

Respected Sir,

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

We are putting some crucial concerns about the rules deciding the eligibility and quantum of OMA paid to SBAs for your kind consideration. We very humbly request you to kindly consider all the points raised in this letter to justify the immense sentiments of the SBAs.

At present the eligibility of SBAs for getting the OMA is decided as per the provisions of a CO circular latest CO circular No. CO/Mktg-SBA/2024-25/1 dated 01/04/2024. We are producing the extract of this circular for your ready reference.

It has been decided by the Competent Authority to revise the number of transactions as stipulated in the circular Ref: CO/Mktg.SBA/2022-23/02 dated 25.07.2022 for payment of Monthly Office Maintenance Expenses to Senior Business Associates w.e.f April 1<sup>st</sup> 2024 onwards as follows:

Table-1

Particulars	1 <sup>st</sup> Quarter (April to June)	2nd Quarter (July to September)	3 <sup>rd</sup> Quarter (October to December)	4 <sup>th</sup> Quarter (January to March)	Yearly Target as at 31 <sup>st</sup> March of every year
Renewal Premium Transactions	75p.m	100p.m	125p.m	200p.m	1500 Transactions
Mandatory Renewal Premium Transactions	50p.m	50p.m	50p.m	50p.m	
NB Related changes: Number of ANANDA policies completed Green Channel Policies completed under unit of SBA/ Number of U- Proposals completed/ Number of Proposal Deposit collection resulting into policies	80 Policies p.m	100 Policies p.m	100 Policies p.m	120 Policies p.m	1200 Policies
Mandatory NB Transactions	30p.m	30p.m	30p.m	30p.m	
Recruitment & Activation of Agents	1 Agent	1 Agent	1 Agent	1 Agent	4 Agents

SBAs are eligible for payment of Office Maintenance Allowance on Monthly Basis subject to satisfying the following conditions:

- **SBA shall mandatorily do minimum 50 Renewal Transactions and 30 NB Related Transactions every month in all the quarters in a Financial Year . SBA shall also recruit and**

As per this circular, the minimum number of NB transactions per month for the 1st, 2nd, 3rd & 4th quarter respectively are 80, 100 ,100 & 120 policies whereas the annual target for this purpose is 1200 policies. Here, NB related transactions means **“policies completed under ANANDA, policies completed under Green Channel, number of U proposals completed and the number of proposal deposit collections at BO cash counter resulting into policies”**.

This means all other policies completed by any other way like proposal deposit collection at agent’s premium point, proposals completed through claim recycling, proposals completed by an agent at a branch other than the parent branch of the SBA etc. will neither be counted in the quarter wise minimum monthly transactions nor in the annual target of 1200 policies.

Sir, in this regard we would like to share some crucial statistics of number of SBAs and number of total policies completed by them in the just completed financial year 2024-2025.

Sr. No.	NOP completed by SBAs	No. of SBAs
1	Above 1500	648
2	1200 to 1500	583
3	800 to 1199	1085
4	500 to 799	937

The data reveals that a majority number of SBAs have not become eligible for the OMA.

Sir, while LIC has opened many ways and means to complete a proposal, considering only the **“policies completed under ANANDA, policies completed under Green Channel, number of U proposals completed and the number of proposal deposit collections at BO cash counter resulting into policies”** towards NB related transactions **and not considering** the policies completed by any other way like proposal deposit collection at agent’s premium point, proposals completed through claim recycling, proposals completed by an agent at a branch other than the parent branch of the SBA etc. is totally an unjust to the SBAs. We request you to go through the points below.

- 1) In all marketing meetings at all levels the officials emphasize on recycling of claims and appeal to the field force for maximum recycling of claim payments; in response to this SBAs pursue their agents for maximum recycling of claims, and contradictorilly the policies completed through claims recycling are not taken into account for the OMA eligibility.
- 2) Almost all eligible club member agents working under an SBA do have their own premium points and they use to create the BOCs (proposal deposit collections) at their premium points instead of doing the same at SBA’s LIFE PLUS office. The policies so completed are also not being considered.
- 3) As the area of operations has been opened up now for new business submission, many agents submit the proposals at branches of their choice or convenience. Many policies completed through claims recycling are also completed in branches other than parent branch. The policies so completed in the branches other than parent branch need to be taken into account for arriving at OMA eligibility.

The SBAs put in their whole hearted efforts for the policies completed as described in the above points and they do not get the credit of the same for deciding OMA eligibility is a clear unjust to the SBAs.

**Sir**, you will admit for sure that LIC’s overall productivity on NOP is consistently descending in recent years due to various reasons like enhancing minimum SA, increased premium rates due regulatory changes, competition by other insurers and even mutual fund schemes, unethical practices adopted by competitors, disturbances and unrest among agents fraternity, etc.

Accordingly, the annual NOP targets of the branches are also seen reduced year on year. However, in contradiction to this phenomenon, the NOP criteria for OMA eligibility has been raised by the CO circular cited above, when the reasons for this situation are **beyond control of the field force**.

**Hence, considering all policies (completed by any means) in the SBAs unit for arriving at total number of NB transactions is an immense need in order to remove the injustice.**

Further, if an SBA fails to achieve the monthly target of NB related transactions even if by only one policy he/she will not get a single rupee towards OMA. Failing to achieve the monthly target by very short margin does not mean that the SBA has not tried to achieve the target. **So, instead of denying the OMA totally, there has to be a provision of proportionate quantum of OMA.** This only will ensure that the SBA will receive some amount as OMA and he/she will get a relief from the pressure of managing the expenses incurred for running the office without receiving any OMA. This step will definitely encourage the SBAs to work without any pressure.

In the same CO circular i.e. circular No. **CO/Mktg-SBA/2024-25/1 dated 01/04/2024** there is a provision of recovery of the total amount of OMA paid in case the SBA fails to recruit and activate minimum 4 agents during a financial year. Sir, this is also an unjust provision. For instance, if an SBA recruits and activates an agent in a certain quarter then he will be paid the OMA for that quarter provided he fulfils other conditions of transactions. And, further throughout the remaining period of the year if he unfortunately fails to recruit and activate any agent due to some reason beyond his control like any major illness or accidental injury, then all the amount of OMA paid earlier will be recovered. This will be demotivating to the SBA. **Hence, we request you to keep this condition on quarterly basis. i.e. if an SBA recruits and activates minimum one agent in a certain quarter then he will be eligible to receive the OMA for that particular quarter provided he fulfils other conditions of renewal & NB transactions and the OMA received by the SBA will not be recovered if he fails to recruit & activate agents in next quarters. We humbly submit to do the needful for making such a provision in the circular governing the payment of OMA to SBAs.**

The quantum of the Office Maintenance Allowance (OMA) paid to the SBAs is described in the **CO circular No. CO/Mktg./SBA/2016-17/6 dated 31/05/2016**. The circular reads as follows regarding the rates of monthly OMA to be paid –

- |                               |    |            |
|-------------------------------|----|------------|
| 1. For places in Category I   | -- | ₹. 36000/- |
| 2. For places in Category II  | -- | ₹. 28800/- |
| 3. For places in Category III | -- | ₹. 21600/- |

The categories of places shall remain as prescribed in SBA department circular ref: CO/Mktg/SBA/2014-15/5 dated 17.01.2015.

At the same time, we would like to fetch your kind attention to a fact that the rates of rent paid for the leased accommodation for our staff is revised thrice since 2017 and the rise ranges from 30% to 50% for various cadres and various types of places. Obviously, it has been done in order to keep in tune with the inflation. But the same principle hasn't been applied in case of the OMA. **We have already tried to bring this to your kind notice through our earlier letter Ref. No. NFIFWI/378/2023-25 dated 19-04-2024.**

It is obvious that the purpose of paying OMA is to promote the SBA to open office at rental premises. **Considering these fundamentals, we hereby request you to revise the OMA rates also in tune with the inflation during the period from 2016 to 2024.**

We also wish to bring to your notice that the rate of transaction fees is also not revised since years. The prevailing rate doesn't match with the pace of inflation for last few years. All computer peripherals and stationery items have inflated significantly in the post covid era. Also, the average salaries being paid to the staff in LIFE PLUS offices have almost doubled in recent years. However, the rate of transaction fees is not revised in these years. Hence, **we request you to raise the rate of transaction fees in such a way that the gap of last few years and the expected inflation in the years to come will be matched. Doing so will ensure that there will be no need to review the rates again in the near future.**

Sir, these are very crucial concerns of all the SBAs. All SBAs are worried a lot about their eligibility for OMA and the affordability of office expenses by the way of office rent, staff salary, stationery and entertainment expenses. We are most hopeful for your kind intervention and positive solutions to the issues. We are putting following demands for your consideration –

- 1) **Consideration all policies (completed by any means, i.e. Green Channel, ANANDA, U proposals, proposal deposit collections at BO counter or at any premium point, claim recycling, policies completed at other branches, etc.) in the SBAs unit for arriving at total number of NB transactions.**
- 2) **Reducing the monthly and yearly target of NB transactions reasonably in tune with the recent trend of declined productivity on NOP.**
- 3) **As of now, for deciding the eligibility for OMA the productivity only on NB related transactions is considered. We are of the opinion that other two indicators of productivity namely Cost Ratio in the last appraisal year and TFPI collected should be considered. We very humbly request you to modify the OMA eligibility criteria based on these 3 productivity indicators and the eligibility conditions to be so designed that the SBA will have an option to perform on any one of these three parameters i.e. NB transactions OR Cost Ratio in the last appraisal year OR the TFPI brought in during the last appraisal year. Please, do the needful for the incorporation of these additional options in OMA eligibility criterias.**
- 4) **Proportionate OMA instead of no OMA on missing the monthly NB transactions target by a small margin.**
- 5) **No recovery of OMA paid in earlier quarter/s on failing to recruit and activate an agent in the next quarter/s.**
- 6) **Revision of OMA rates in tune with the inflation like the revision in rents paid for leased accommodations for staff.**
- 7) **Raising the rate of transaction fees in tune with the rate of inflation over past few years and the years to come.**

We are sure that you are kind enough to understand the difficulties of SBAs and look forward for positive consideration of our humble submission.

Thanking you.

Yours Sincerely,



(Vivek Singh)

Secretary General – NFIFWI

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





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**Secretary General**

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**NFIFWI/378/2023-25**

**Date: 19-04-2024.**

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.**

At present the Office Maintenance Allowance (OMA) is being paid to the SBAs as per the monthly rates described in the CO circular No. **CO/Mktg./SBA/2016-17/6 dated 31/05/2016**. Regarding the rates of monthly OMA to be paid, the circular reads as follows -

- |                               |    |            |
|-------------------------------|----|------------|
| 1. For places in Category I   | -- | ₹. 36000/- |
| 2. For places in Category II  | -- | ₹. 28800/- |
| 3. For places in Category III | -- | ₹. 21600/- |

The categories of places shall remain as prescribed in SBA department circular ref: CO/Mktg/SBA/2014-15/5 dated 17.01.2015.

Further, we would like to fetch your kind attention to the fact that post implementation of this circular i.e. after 01/04/2016, the rates of the rents to be paid for leased accommodation for our staff has been revised thrice by our CO in tune with the inflation. We are providing the relevant extracts of these three circulars regarding this for your ready reference –

### **1) Ref: CO/Estates/Circular No. 76 dated 08/04/2017:**

The matter has been reviewed by the Competent Authority and it has been decided to revise the limits of lease rentals for leasing of houses/flats for use as staff quarters, the details of which are as shown in the table below:

Cadre	Revised Rental Ceiling			
	Metro cities	'A' class cities	'B' class cities	'C' class cities
SDM/DM-in-charge	29000	23000	16000	13000
DM/SBM/ADM	26000	21000	14000	12000
BM-I/C	21000	16000	11000	9000
BM/AO/ABM/AO	20000	15000	10000	8000

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**2) Ref: CO/Estates/Circular No. 92 dated 11/08/2022:**

Rental ceiling for Leased Accommodation have been revised as given below in table.

Cadre	*Metro Cities	A Class Cities	B Class cities	C Class cities
ZM(O) & Above	58,000	40,500	30,000	22,000
SDM/DM	33,500	26,500	17,500	14,500
SBM/ADM	30,000	24,000	15,500	13,500
BM In-Charge	24,000	18,500	12,000	10,000
BM/AO/AAO	23,000	17,500	11,000	9,000

**3) Ref: CO/SBU-Estates/Cir No. 111 dated 03/04/2024:**

The matter regarding revision in rental ceilings for houses / flats taken on lease has been reviewed and the Competent Authority has approved revision in rental ceilings for various cadres of officers. The details of revision are as under:-

Cadre/Designation	*Major 'A' cities	A class cities	B class cities	C class cities
ZM (O) and above	63,000	45,500	35,000	27,000
SDM / DM	37,500	30,500	21,500	18,500
SBM / ADM	34,000	28,000	19,500	17,500
BM / AO / AAO	26,000	20,500	14,000	12,000

Observing these three tables we can note that the rates of rent paid for the leased accommodation for our staff is revised thrice since 2017 and the rise ranges from 30% to 50% for various cadres and various types of places during the period from 2017 to 2024. It has been done in order to keep in tune with the inflation. However, the same has not been done in case of the OMA paid to SBAs. It is obvious that the purpose of paying OMA is to promote the SBA to open office at rental premises. In the view of the rise given in rent for leased accommodations we hereby request you to revise the OMA rates also accordingly in tune with the inflation during the period from 2016 to 2024.

Further, as per the latest CO circular No. CO/Mktg-SBA/2024-25/1 dated 01/04/2024, the minimum number of NB transactions for being eligible to receive the OMA has been revised. The minimum number of NB transactions per month for the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> & 4<sup>th</sup> quarter respectively are 80, 100, 100 & 120 policies whereas the annual target for this purpose is 1200 policies. Here, as per the circular, **NB related transactions means "policies completed under ANANDA, policies completed under Green Channel, number of U proposals completed and the number of proposal deposit collections resulting into policies"**. This means all other policies completed by any other way like proposal deposit collection at agent's premium point, proposals completed through claim recycling, proposals completed by an agent at a branch other than the parent branch of the SBA etc. will neither be counted in the quarter wise minimum monthly transactions nor in the annual target of 1200 policies.

Sir, you will admit that (1) many club member agents working under an SBA do have their own premium points and they use to create the BOCs (proposal deposit collections) at their premium points instead of doing the same at BO cash counter, (2) now a days SBAs promote their agents to complete a considerable number of policies through claim recycling & (3) as the area of operations has been opened up now for new business submission, many agents submit the proposals at branches of their choice or convenience. And the policies completed by these means are barred from taking into account for arriving at number of NB related transactions. This is a big injustice to the SBAs as they don't have any control over this, and they cannot compel their agents to complete the proposals by any certain method. Hence for the sake of arriving at NB related transactions there is immense need of **considering all policies (completed by any means) in the SBAs unit for arriving at total number of NB transactions.** Otherwise more than 50% SBAs will not become eligible to receive OMA. We request you to find out all statistics in this regard that how many SBAs may be eligible for OMA as per the number of policies completed by them which fit in the definition of NB related transactions as per the said circular. We are very much sure that a large number of SBAs won't become eligible to earn OMA.

In the same CO circular i.e. circular No. CO/Mktg-SBA/2024-25/1 dated 01/04/2024 there is a provision of recovery of the total amount of OMA paid in case the SBA fails to recruit and activate minimum 4 agents during a financial year. Sir, this is also an unjust provision. For instance, if an SBA recruits and activates an agent in a certain quarter then he will be paid the OMA for that quarter provided he fulfils other conditions of transactions. And, further throughout the remaining period of the year if he unfortunately fails to recruit and activate any agent due to some reason beyond his control like any major illness or accidental injury, then all the amount of OMA paid earlier will be recovered. This will be demotivating to him. Hence, we request you to keep this condition on quarterly basis. i.e. if an SBA recruits and activates minimum one agent in a certain quarter then he will be eligible to receive the OMA for that particular quarter provided he fulfils other conditions of renewal & NB transactions and the OMA received by the SBA will not be recovered if he fails to recruit & activate agents in next quarters. We humbly submit to do the needful for making such a provision in the circular governing the payment of OMA to SBAs.

Apart from these concerns of the SBAs, we also want to bring to your notice that the rate of transaction fees is also not revised since years. The prevailing rate of transaction fees does not match with the pace of inflation for last few years. All computer peripherals and stationery items have inflated significantly in the post covid era. Also, the average salaries being paid to the staff in LIFE PLUS offices have almost doubled in recent years. However, the rate of transaction fees is not revised in these years. Hence, we request you to raise the rate of transaction fees in such a way that the gap of last few years and the expected inflation in the years to come will be matched. Doing so will ensure that there will be no need to review the rates again in the near future.

Sir, these are very crucial concerns of all the SBAs. All SBAs are worried a lot about their eligibility for OMA and the affordability of office expenses by the way of office rent, staff salary, stationery and entertainment expenses. We are most hopeful for your kind intervention and positive solutions to the issues.

In short, we are putting following three demands for your consideration –

- 1) Revision of OMA rates in tune with the inflation like the revision in rents paid for leased accommodations for staff.**
- 2) Consideration all policies (completed by any means, i.e. Green Channel, ANANDA, U proposals, proposal deposit collections at BO counter or at any premium point, claim recycling, policies completed at other branches, etc.) in the SBAs unit for arriving at total number of NB transactions.**
- 3) Condition of recruiting and activating agent on quarterly basis and no recovery of OMA payments made for earlier quarters if the SBA fulfils the quarterly condition of recruitment/activation of agent.**
- 4) Raising the rate of transaction fees in tune with the rate of inflation over past few years and the years to come.**

Sir, we affirm that you have always been supportive to the class of Development Officers and especially the SBAs. We are sure that you are kind enough to understand the difficulties of SBAs and look forward for positive consideration of our humble submission. We are most hopeful for positive outcomes.

Thanking you.

Yours sincerely,



**Vivek Singh**

Secretary General – NFIFWI