



United India Insurance Co. Ltd. युनाइटेड इंडिया इश्यूरेन्स कंपनी लिमिटेड

HEAD OFFICE, CHENNAI

HO:MKTG: BA: 374 2016-17

15-12-2016

ADMINISTRATIVE INSTRUCTIONS FOR IMPLEMENTATION OF THE PROVISIONS OF CONTRACTUAL APPOINTMENT OF BUSINESS ASSOCIATES SCHEME 2016

1. Short title, Commencement and Period of Operation:-

The Board of the Company has approved the Scheme to provide for contractual appointment of a superannuated Development Officer (Marketing) Grade I as "Business Associate" and it is named as United India Insurance Company Limited (Contractual Appointment of Business Associates) Scheme, 2016 (hereinafter referred to as the 'Scheme') and will come into force with immediate effect.

2. Eligibility – In terms of point 2 of the scheme, the Dev. Officer(Marketing) Grade I, who fulfil the following conditions, will only be eligible to apply for appointment on contractual basis :-

2(i) has superannuated on or after 31.03.16; or

2(ii) Will superannuate on or after notification of the scheme on attaining the age of 60 years; AND

Achieved or achieve a minimum SPI of Rs. 200, Rs. 150 or Rs. 75 lacs in A,B or C class of city respectively in the performance year preceding the date of his superannuation.

The Dev.officer who is under suspension or against whom any disciplinary proceeding/criminal case is pending or contemplated at the time of his superannuation or upon whom any penalty under CDA rules was imposed in the past shall not be eligible for contractual appointment as Business associate.

2 (iii) . Explanation:

For the purpose of this Scheme,

(a) "Development Officer (Marketing) Grade 1 refers to Development Officers who are other than Development Officers (Administration) and are in the Pay Scale of Development Officer Grade 1;

(b) The terms "Scheduled Premium Income", "Operating Surplus" and "Performance Year" shall carry the same meaning as assigned to it under General Insurance (Rationalization of Pay Scales and Other Conditions of Service of Development Staff) Scheme 1976 as amended from time to time.:

Performance year shall be from 1st April to 31st March

Classification of cities as Class 'A', 'B' or 'C' cities would be as under:

1. 'A' Class cities means cities with population exceeding 25 lacs
2. 'B' Class cities means cities with population of 10 lacs and above but not exceeding 25 lacs
3. 'C' Class cities means cities with population less than 10 lacs

Note (2) : Population shall be taken as per the last published Census Report.

3. Mode of Application:-

3.1 The Application for contractual appointment as Business Associate shall be made to the Officer In-charge of the Office of his Place of Posting viz., DO/BO//MO at the time of superannuation of the Development Officer (Marketing) Grade I (hereinafter referred to as the concerned Officer In-charge), as per the format attached herewith as 'Appendix – A'.

3.2 The Application shall be made 03 months prior to the date of superannuation. However, a Development Officer (Marketing) Grade 1 who has superannuated on or after 31st March, 2016 or shall be superannuating within 03 months from the date of notification of the Scheme may apply within 30 days from the date of notification of the Scheme.

4. Appointing Authority and Process of Appointment:-

For contractual appointment of a Development Officer (Marketing) Grade 1 as Business Associate, the Regional In-charge of the Region of his Place of Posting at the time of his superannuation shall be the Appointing Authority.

The Application of a Development Officer (Marketing) Grade 1 for Contractual Appointment as Business Associate, shall be forwarded by the concerned Officer In-charge of MO/BO to D.O. immediately along with his recommendations. The applications received in DO (either directly / through BO/MO) will be verified thoroughly as regards to information provided therein and will be forwarded to RO in a lot preferably in the first fortnight along with clear recommendations of DO-IC.

The RO-IC (Appointing Authority) after due consideration of the information provided in the Application Form and recommendations of the concerned Officer In-charge, shall decide about the said appointment on merits as per the norms under this Scheme and his decision in this regard shall be final. It shall be the endeavour of the Appointing Authority to ensure that the said appointment, if approved, takes place from the **1st of the month** following the superannuation of the Development Officer (Marketing) Grade 1, at the place from where the Development Officer superannuated.

4.1 Appointment Letter: The specimen of appointment letter will be made available through a separate communication.

4.2 Identity Cards / Visiting Cards

The business Associates shall be issued identity cards but since they will not be the regular employees, a mention at the rear page of the ID card should be made about their contractual appointment by the Company. However, they should be allowed to use the visiting cards with the Company's Logo.

5. Premium Target:-

The Annual Schedule Premium Income (SPI) Target for the 1st Performance Year for a Business Associate shall be the average premium of the best 03 years in terms of SPI achieved out of the last 05 years immediately preceding the date of retirement of the Development Officer (Marketing) Grade 1, topped up with 10% growth. Where the Business Associate is appointed during a Performance Year, the SPI Target for that Performance Year shall be reduced in proportion to what the number of months left have to 12. The Annual SPI Target for the 2nd Performance Year and subsequent Performance Years shall be fixed by the concerned Officer In-charge taking into account the projected growth rate of the Company, performance of the Business Associate in the preceding Performance Year, potential of premium generation in the area, quality of business from profitability point of view, and any other relevant factors consistent with the business strategy of the Company subject to the growth rate over the preceding year's annual premium not being less than 10%.



Fixation of SPI Target has been explained with the help of the following example (Rs. In lacs):-

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SPI Achieved in Performance Years preceding superannuation					Date of Superannuation	Date of Appointment as Business Associate	Calculation of Annual SPI Target	Proportionate SPI Target for remaining part of 1st Performance Year	Minimum SPI Target for 2nd Performance Year
11-12	12-13	13-14	14-15	15-16					
180	210	190	230	200	31/07/2016	01/08/2016	234.70 [110% of 1/3 of (210+230+200)]	156.50 (234.70 x 8 ÷ 12) [08 months]	258.20 (110% of 234.70) (12 months)

6. Attachment of Existing Agents:-

6 (i) The agents attached to the Development Officer (Marketing) Grade 1 who has been appointed as a Business Associate within three months after his superannuation, shall remain attached to him during the course of his contractual appointment with the Company.

6 (ii) Provided, however, that where the time gap between the date of superannuation of the Development Officer (Marketing) Grade I and the date of his engagement as Business Associate is more than three months, re-attachment of any of his former agents with him shall be subject to his obtaining and submitting the unconditional written consent of such agent for such re-attachment.

6. (iii) The retired development officers who have the agency with their parent companies are not eligible for attachment as agents of Business Associates hence they should withdraw the agency taken between the period of superannuation and his appointment as Business Associate and a declaration to this effect shall also be obtained from him in writing through a mention in the application form.

7. Remuneration:-

The monthly remuneration payable to a Business Associate shall be equal to the last Basic Pay drawn by him as Development Officer (Marketing) Grade I at the time of his superannuation, subject to his completing the SPI Target for the Performance Year, and in case of shortfall, the remuneration shall be reduced by the proportion of the shortfall to the SPI target. Provided, however, that such reduction in remuneration shall be restricted to 40% even if the shortfall to the SPI target exceeds 40%.

Hence, during the Performance Year, he shall be paid a provisional remuneration @ 60% of the monthly remuneration every month. At the end of the Performance Year, if the premium achieved falls short of the premium target, the remuneration payable to him for the period of engagement during the Performance Year shall be reduced by the proportion of the shortfall to the SPI target and the difference between the net remuneration payable and the provisional remuneration be paid off. If, however, the shortfall is more than 40%, no recovery from provisional remuneration shall be made.

For example, if a Development Officer (Marketing) Grade I drawing a Basic Pay of Rs. 62,500/- at the time of his superannuation is appointed as Business Associate w.e.f. 01.08.2016 for a premium target of Rs. 200 lacs for 08 months of the Performance Year 2016-17 achieves a premium of Rs. 180 lacs (90% of SPI Target), then his provisional monthly remuneration shall be Rs. 37,500/- (60% of Rs. 62,500/-), adjusted monthly remuneration shall be Rs. 56,250/- (90% of Rs. 62,500/-) and he shall be paid Rs. 1,50,000/- [Rs. 18,750/- (i.e., 56,250 – 37,500) x 8] at the end of the Performance Year. If, however, another similarly placed Business Associate achieves a premium of Rs. 110 lacs (55% of SPI), the provisional remuneration shall become the final remuneration, requiring neither any further payment over the provisional remuneration nor any recovery from the provisional remuneration.

For removal of any doubt, it is hereby clarified that any revision in Basic Pay from retrospective effect due to wage revision shall not entitle the Business Associate for revision of his monthly remuneration.

7.1 Monthly remuneration to B.A will be centralized at RO level.

7.2 Payment will be released by debiting a new account code and TDS will be applicable as per rules in force and TDS certificate shall need to be issued to them. (Detailed instructions will be issued by Corporate Accounts and Taxation Department in this regard).

8. Volume Allowance:-

In addition to the amount of final remuneration receivable by a Business Associate as per Para 7 above, he shall also be entitled to payment of a Volume Allowance as a percentage of the final remuneration (x) so received by him depending upon the volume of business procured by him in that Performance Year and the classification of city as per the table below:-

Sr. No.	Amount of Business completed in the Performance Year in Class of City			Volume Allowance as a %age of Final Remuneration (x)
	'A'	'B'	'C'	
1	Upto Rs. 3 cr.	Upto Rs. 2.25 cr.	Upto Rs. 1.125 cr.	Nil
2	Above Rs. 3 cr. upto Rs. 4 cr.	Above Rs. 2.25 cr. upto Rs. 3 cr.	Above Rs. 1.125 cr. upto Rs. 1.5 cr.	10%
3	Above Rs. 4 cr. upto Rs. 6 cr.	Above Rs. 3 cr. upto Rs. 4.5 cr.	Above Rs. 1.5 cr. upto Rs. 2.25 cr.	17.5%
4	Above Rs. 6 cr.	Above Rs. 4.5 cr.	Above Rs. 2.25 cr.	25%

8.1 It will be the RO's responsibility to check the performance of the BA and to release Volume Allowance at the end of the performance year.

9. Profit Incentive:-

A Business Associate shall be rewarded with incentive once he completes the SPI Target and his portfolio is profitable. The incentive shall be an amount equal to 5% of the Operating Surplus subject to a maximum of 10 times the last Basic Pay, provided (i) his engagement with the Company has been for the complete Performance Year and (ii) the Incurred Claims Ratio of his portfolio does not exceed 60%.

10. Payment of Conveyance and Telecommunication Expenses:-

An amount of Rs. 3,000/-, Rs. 2,500/- and Rs. 2,000/- per month in 'A', 'B' or 'C' Class of City, respectively, shall be paid to the Business Associate towards reimbursement of Conveyance and Telecommunication Expenses, on declaration basis.

10. (i) Payment of Conveyance and Telecommunication Expenses will be reimbursed on declaration basis by the Divisional Office to which the B.A. is attached.

11. Access to Development Officers Portal and E-mail Account:-

The Business Associate shall be provided access to Development Officers Portal of the Company and he shall retain E-mail Account with existing address and credentials.

1. All the policies are not available in portal; hence Business Associates shall be allowed to underwrite all types of policies and endorsements in the office, which they were underwriting prior to their superannuation. The decision of office in charge would be final in this regard.

2. They shall be allowed to underwrite extra endorsement including " Nil " and "Transfer " endorsements. However, REFUND endorsements should not be allowed.

3. B.A. Would be allowed to view the relevant reports pertaining to his code and print the same.

4. B.A. are not authorized to sign Policies, Endorsements or any other document.

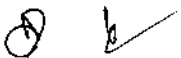
5. Cover note books will not be issued to B.A.

12. Term of Contractual Appointment, Review of Performance and Termination of Contractual Appointment:-

The initial term of the Contract of appointment shall expire at the end of 15 days from the date of end of the 1st Performance Year i.e. the contractual appointment shall automatically come to an end on 15th April following the date of appointment. The Contract may, however, be renewed by the Appointing Authority, on a year to year basis, on the recommendations of the concerned Officer In-charge routed through proper channel and on the basis of performance of the Business Associate in the preceding Performance Year, quality of business procured from profitability point of view and any other relevant factor.

The Contract shall also automatically terminate at the end of the month in which the Business Associate attains the age of 65 years

During the currency of the Contract, the performance of the Business Associate shall be periodically reviewed at the end of each quarter of the year by the Officer In-charge of the concerned Divisional Office and if on any such review it is noticed that the cumulative performance of the Business Associate is less than 75% of his performance during the corresponding period of previous Performance Year, the Contract shall be liable for termination forthwith if so recommended by the such Officer In-charge to the Appointing Authority and, if so approved, the Contract shall be terminated by giving a 30 day notice to the Business Associate.



If during the period of Contract, diversion of existing business of the Company is observed on the part of the Business Associate, the Contract shall be terminated immediately. Similarly, instances of breach of discipline, improper behavior, acts which disturb the working of the office, on the part of the Business Associate shall warrant immediate termination of the Contract.

Notwithstanding anything contained above, Regional Incharge shall have the overriding authority to terminate the Contract at any time without assigning any reason whatsoever.

13. Business Associates to maintain absolute integrity and devotion to duty during the term of contractual appointment:-

Every Business Associate shall, at all times, during the term of his contractual appointment:

(a) maintain absolute integrity;

(b) maintain devotion to duty: and

(c) conform to, and abide by, norms of good conduct & behavior, and shall observe, comply with and obey all orders and directions which may, from time to time, be given to him, in the course of his official duties by any person or persons under whose jurisdiction, superintendence or control he may, for the time being, be placed;

13.1 As B.A. not being employees of the company, will not be governed by CDA rules; but they will be subject to a model code of conduct for business associates to be circulated in due course of time.

14. Power to clarify :-

If any query, doubt or difficulty arises in giving effect to any of the provisions of this Scheme, it shall be referred to the Chairman-cum-Managing Director of the Company for his decision / clarification shall be final and binding.


(P HEMAMALINI) 15/12
GENERAL MANAGER



APPENDIX 'A'

APPLICATION FOR SEEKING CONTRACTUAL APPOINTMENT AS BUSINESS ASSOCIATE

To, (Through Proper Channel)

The Regional In-charge
The United India Insurance Company Limited
Regional Office:

Dear Sir,

Sub: Request for Contractual Appointment as Business Associate

I, the undersigned, retired / to be retiring from the service of the Company as Development Officer (Marketing) Grade-I on attaining the age of superannuation on _____ (Date of Retirement), hereby seek Contractual Appointment as Business Associate under The United India Insurance Company Limited (Contractual Appointment of Business Associates) Scheme, 2016, notified by the Company.

I have carefully read and understood the contents of the said Scheme and I accept the terms and conditions stipulated therein, unconditionally.

I furnish the requisite particulars in the Annexure enclosed herewith for consideration of my request for Contractual Appointment as Business Associate under the said Scheme.

Yours faithfully,

Signature : _____

Name _____

Place of Posting : _____

Employee / Salary Roll No., : _____

Place:

Date:

Annexure to Appendix-A

PART-I

(TO BE FILLED IN BY THE APPLICANT)

(In case the applicant is already superannuated information as on date of superannuation may be furnished)

- 1.Name : _____
- 2.Employee /Salary Roll Number : _____
- 3.Designation : _____
- 4.Place of Posting : _____
- 5.Date of birth : _____
- 6.Date of joining the service : _____
- 7.Date of Superannuation : _____
- 8.Basic Salary at superannuation : _____
- 9.Details of Past Penalty under CDA Rules, if any: _____
- 10.Schedule Premium Income and Incurred Claims Ratio during last 05 Performance Years:

Year					
SPI					
ICR					

DECLARATION

I hereby declare that I do not have Insurance Agency and the information given above is complete and true to the best of my knowledge.

Signature : _____

Place : Name : _____

Date : Employee / Salary Roll No. : _____

PART-II
(TO BE FILLED IN BY THE OFFICE)

It is hereby certified that –

- i.the information given by Shri/Smt. _____ his/her application, as above, is correct on the basis of official records;
- ii.no disciplinary action is pending or contemplated against Shri/Smt.....*

Further, it is recommended that the request of Shri/Smt.....for contractual appointment as Business Associate may be considered / may not be considered due to

_____.

It is also recommended that the Premium Target for the Performance Year _____ shall be Rs. _____.

Place:

Date:

Officer In-charge

Date:

DO In-charge :

Date:

Regional In-charge :

UNITED INDIA INSURANCE CO. LTD.,
HEAD OFFICE, CHENNAI

FORMAT FOR DETAILS OF BUSINESS ASSOCIATES

REGIONAL OFFICE :

SL.N O.	NAME	EMP NO	DATE OF RETIREME NT	PLACE OF POSTING	IF BO CONTROL LING DO	LAST DRAWN BASIC	VIG CLEARA NCE	PREMIUM PROCURED IN LACS					AVERAG E OF BEST 3 YEARS	TARGET GIVEN (ADD 10%)
								2015 - 16	2014 - 15	2013 - 14	2012 - 13	2011 - 12		
1														
2														
3														
4														

REGIONAL INCHARGE