



दि न्यू इन्डिया एश्योरन्स कंपनी लिमिटेड

(भारत सरकार के पूर्ण स्वामित्वाधीन)

THE NEW INDIA ASSURANCE COMPANY LTD.

(Wholly Owned by Govt. of India)

पंजीकृत एवं प्रधान कार्यालय : न्यू इन्डिया एश्योरन्स बिल्डिंग, 87, महात्मा गांधी मार्ग, फोर्ट, मुंबई - 400 001.

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CONTRACTUAL APPOINTMENT OF BUSINESS ASSOCIATES SCHEME, 2016

The Board of the Company has approved the following Scheme to provide for contractual appointment of a superannuated Development Officer (Marketing) Grade I as "Business Associate":-

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

This Scheme is named as The New India Assurance 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 –

A Development Officer (Marketing) Grade I who has superannuated on or after 31st March, 2016 or shall superannuate on or after notification of the Scheme upon attaining the age of 60 years and achieved or achieves a minimum Scheduled Premium Income of Rs. 200 Lacs, Rs. 150 Lacs or Rs. 75 Lacs in 'A', 'B' or 'C' Class of City respectively in the Performance Year preceding the date of his superannuation shall be eligible to apply for contractual appointment as Business Associate.

Provided that a Development Officer (Marketing) Grade I who is under suspension or against whom 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 to apply for contractual appointment as Business Associate.

Explanation:

For the purpose of this Scheme,

- "Development Officer (Marketing) Grade I" refers to Development Officers who are other than Development Officers (Administration) and are in the Pay Scale of Development Officer Grade I;
- The terms "Scheduled Premium Income", "Operating Surplus" and "Performance Year" shall carry the same meaning as assigned to it in the General Insurance (Rationalization of Pay Scales and other Conditions of Service of Development Staff) Scheme, 1976, as amended from time to time; and,
- Classification of cities as Class 'A', 'B' or 'C' cities refers to the classification of cities in Table E of item (vi) of clause (17)(c) of paragraph 3 of the General Insurance (Rationalization of Pay Scales and other Conditions of Service of Development Staff) Scheme, 1976, as amended from time to time.

3. Mode of Application:-

- The Application for contractual appointment as Business Associate shall be made to the Officer In-charge of the Office of his Place of Posting 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'.
- The Application shall be made 03 months prior to the date of superannuation. However, a Development Officer (Marketing) Grade I 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.



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Appointing Authority and Process of Appointment:-

For contractual appointment of a Development Officer (Marketing) Grade I 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 I for Contractual Appointment as Business Associate, after due verification of the information provided therein, shall be forwarded by the concerned Officer In-charge, along with his recommendations, to the Appointing Authority, through proper channel. The 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 I, at the place from where the Development Officer superannuated

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 I, 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):-

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:-

The agents attached to the Development Officer (Marketing) Grade I 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.

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.

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



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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.

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%

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.

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.

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