

Annexure-I

New Promotional and Incentive Structure of PLI/RPLI

F.No: 28-03/2019-LI
Government of India
Ministry of Communications
Department of Posts
(Directorate of Postal Life Insurance)

Chanakyapuri P.O. Complex, New Delhi-110021
Dated : 19.06.2020

To,

1. All Heads of Circles
2. Addl DG APS
3. Director, RAKNPA/GM, CEPT
4. All Regional PMsG
5. All Directors PTCs

Office Memorandum

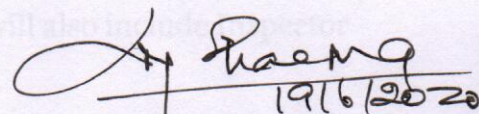
Subject: New Promotional and Incentive Structure of PLI / RPLI

The promotional (sales) structure and incentive structure of PLI/RPLI was last revised in August 2016 & April 2017 respectively. However, most of Circles had raised concerns in the implementation of the revised promotional structure.

2. In view of the concerns raised by Circles in implementing the promotional structure, low growth in procurement of new PLI/RPLI business and decreasing trend in net accretion of PLI/RPLI premia, the existing sales structure of PLI/RPLI has been revamped based on the feedback received from the Circles.

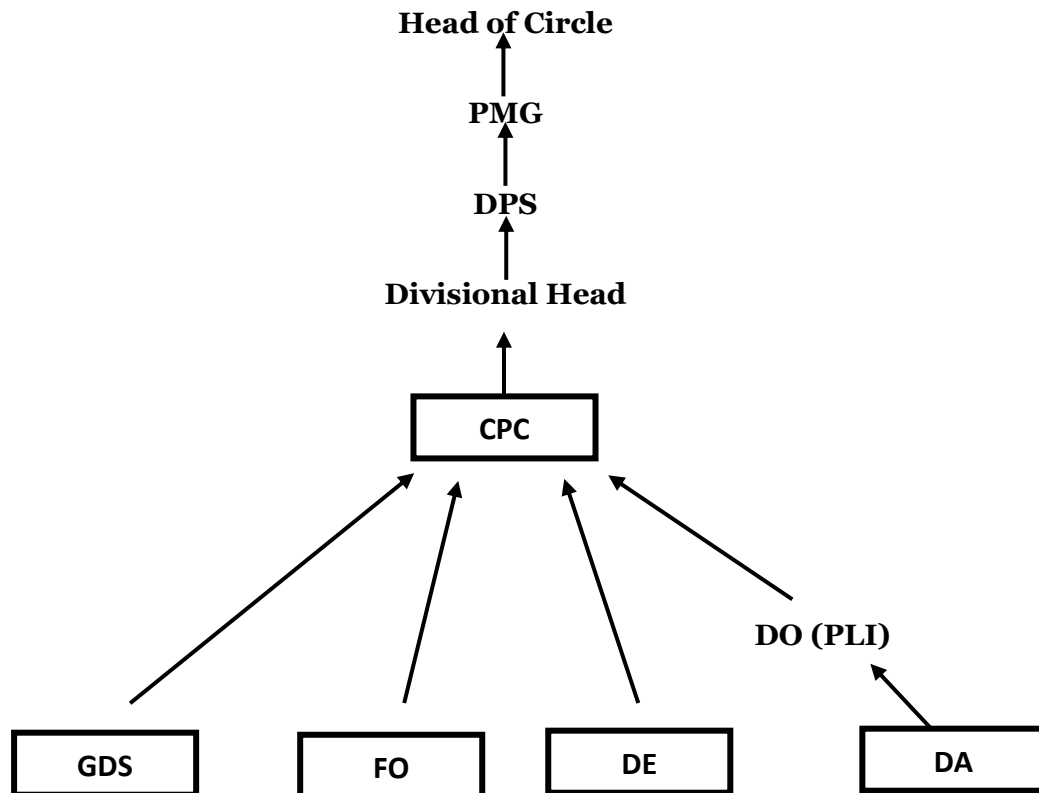
3. The new promotional and incentive structure of PLI / RPLI is enclosed as Annexure-I to Annexure-VI.

4. The new promotional and incentive structure of PLI/RPLI will be effective from 01.07.2020.


19/6/2020

(L. N. Sharma)
Chief General Manager (PLI)

New Promotional (Sales) Structure of PLI/RPLI



Salient features of new promotional structure:

1. The post of Group Leader has been rechristened as **Development Officer**.
2. Each Postal Division will have one Development Officer. The responsibility of these Development Officers will be to take the charge of their Postal Division for development of PLI/RPLI business. Their responsibilities include marketing of PLI/RPLI business, meeting prospective clients, training and nurturing of Direct Agents in the Division and procuring PLI/RPLI business through Direct Agents.
3. Sales force of PLI and RPLI comprise of Direct Agents, Gramin Dak Sevaks, Field Officers and Departmental Employees.
4. For procuring PLI/RPLI business, Departmental employees will also include Inspector of Posts (IP) and Assistant Superintendent of Post Offices (ASP).
5. Sales force of PLI/RPLI can procure business from anywhere in the Postal Division. However, in exceptional circumstances, the sales force can procure PLI/RPLI business from outside the Postal Division with the permission of concerned ADM/DDM (PLI) at Regional/Circle Office level. In such cases, the PLI/RPLI policy will be indexed at the CPC where the insurant resides.

Selection and duties of Development Officer

1. Every Postal Division will have one post of Development Officer, who will perform exclusively and only PLI/RPLI related work.
2. The existing post of Group Leader will be re-designated as Development Officer.
3. Presently, there are 185 sanctioned posts of Development Officers in Circles. The remaining posts of Development Officers in a Circle will be manned by diversion of the existing posts of PA Circle Office Cadre meant for PLI related work to Postal Divisions, failing which one of the posts of PA cadre in the sanctioned strength of the Postal Division will be earmarked for Development Officer. In the case of post of Development Officer being earmarked from the sanctioned strength of the Postal Division, their salary and other related costs will be borne from PLI/RPLI fund.
4. The Development Officer will be a part of the Divisional Office. DO will report to the Divisional Head and will assist Divisional Head in achievement of business targets and after-sales related issues of PLI/RPLI.
5. APAR of DO will be written by the Divisional Head. Leave and TA / DA of DO will be sanctioned by the Divisional Heads.

6. Selection of DO:

6.1 Eligibility - All Postal Assistants cadre officials (including TBOP/BCR/MACP/LSG) of a Postal Division are eligible for selection as DO.

6.2 Age limit - Candidate should be minimum 25 years old and should not be above 45 years (on the date of calling of applications).

6.3 Work Experience – The candidate should have minimum 5 years of continuous service in Department of Posts in PA cadre as on the date of calling of applications.

6.4 Selection process –

6.4.1 The Head of Postal Division will issue a notice calling for willingness of PA cadre officials interested to work as Development Officer in the Postal Division. The notice will be given wide publicity and shall be displayed in Divisional Office, Sub-Divisional Office and all post offices.

6.4.2. DO will be selected through a two-stage process, comprising of a written examination followed by interview at Divisional level.

6.4.3. The written examination will contain objective questions and will be of 80 marks, consisting of 20 questions of 4 marks each. One mark will be deducted for each wrong answer. The duration of the examination will be of 30 minutes. Question paper of written examination will be prepared and checked at Divisional level. The overall responsibility of conducting of written examination will lie with the Divisional Head.

6.4.4. The written examination will be followed by an interview comprising of 20 marks. The interview will be carried out by a committee consisting of Divisional Head as the Chairman and two other members from IP/ASP cadre of the Division.

6.4.5. The syllabus of written examination and interview will include knowledge of Post Office Life Insurance Rules 2011, knowledge of PLI/RPLI products, Core Insurance Solution, Marketing skills and claims management.

7. The selected DO will be imparted 5 days in-house training in insurance and office procedure related work by ASP/IP of the Division. The applicant selected as Development Officer will be required to clear the licentiate examination as prescribed by the Department within one year of appointment, failing which the appointment will be terminated. The Development Officer may avail a maximum of two attempts to clear the licentiate exam.

8. Development Officer will be appointed for a tenure of three years. After completion of 3 years, the tenure of Development Officer may be extended for a period of two more years by the Divisional Head depending on his/her performance. The post of DO will be advertised afresh after a period of three or five years, as the case may be.

9. On selection as Development Officer, the selected Postal Assistant will continue drawing the same scale of pay as he/she was drawing prior to selection as DO.

10. Duties and responsibilities of Development Officer: The responsibility of Development Officers will be to take charge of their Division for development of PLI/RPLI business. Their responsibilities include marketing of PLI/RPLI business, meeting prospective clients, training and nurturing of Direct Agents in their Division and procuring PLI/RPLI business through them.

(i) Development Officer shall not procure PLI/RPLI business directly. Instead, DO will procure PLI/RPLI business through Direct Agents under their jurisdiction.

(ii) DO will develop a team of Direct Agents in her/his Division. DO will act as a mentor and guide in procurement of new business to the Direct Agents working under her/him.

(iii) All the PLI/RPLI proposals procured by Direct Agents will be routed to CPC through the Development Officers.

(iv) DO will also be responsible for training of the Direct Agents working under her/his jurisdiction. DO will provide assistance to Direct Agents in clearing the licentiate examination.

(v) DO will act as a link between Direct Agents and Department and will be responsible for handholding of Direct Agents of the Postal Division.

(vi) DO will be paid incentive depending on the total business procured by the Direct Agents working under her/his jurisdiction.

(vii) The jurisdiction of DO(PLI) will be the establishment area of the Postal Division, where they have been appointed.

(viii) DO in consultation with Divisional Head/CPC Manager shall follow up the pendency in claims/proposals on daily basis and submit a weekly report to Divisional Head regarding the actions initiated for clearing the pendency of claims/proposals.

Engagement and duties of Field Officer

1 **Definition of Field Officer.** A Field Officer means an Insurance Agent selected from retired Central /State government official including Group A / Group B officers.

2 **Eligibility for engagement as Field Officer:**

2.1. Age: A retired government officer/official can apply for engagement as FO till she/he attains 65 years of age.

2.2. Categories of Applicants: Any Central/State Government retired officer/official including Group A/Group B officers. Persons applying for FOs should not have any pending official/disciplinary inquiry pending against her/him.

3. Method of Engagement of Field Officers:

3.1. Calling for Applications: For engagement of Field Officers, the Head of Postal Division will publish advertisement in local newspapers. A notice containing the advertisement will be displayed in Divisional Office, Sub-Divisional Office, all post offices and at prominent public places in the Division. The advertisement will give a minimum of 15 days' time for conducting walk-in-interview of persons willing to apply as Field Officers.

3.2. Walk-in-interview: The willing eligible persons will attend "walk-in-interview" along with the application form and required certificates on the given date and time. The Interview Board shall comprise of (a) an ASP of the Division as the Chairman, (b) Development Officer and (c) an official of the Division as nominated by the Divisional Head. The walk-in-interview will include questions on knowledge of life insurance industry in India, knowledge of PLI/RPLI products and knowledge of marketing / servicing of insurance products. Candidates will be short listed on the basis of their performance in "walk-in-interview". After the interview, name of candidates recommended by the Interview Board will be put up before the Divisional Head for approval. After approval by Divisional Head, name of successful applicants will be notified by the Division. The overall responsibility of engagement of Field Officers will lie with Head of the Postal Division.

3.3. Each Postal Division will advertise the intention of the Department to engage Field Officers at least once in six months. If required, more such advertisements may be taken out in order to increase the PLI / RPLI business of the Division.

4 **Security Deposit.**

A cash security of Rs. 5,000/- will be required to be furnished by the selected Field Officer in the form of National Savings Certificate (NSC) / Kisan Vikas Patra (KVP) to be pledged to the President of India as security. This security will be released on termination of the engagement of the person as Field Officer or after his death, whichever is earlier, provided no dues is outstanding against the Field Officer. The NSC or KVP will be kept in the custody of the Divisional Head after entering details in a register to be maintained for the purpose.

5 **Training:** Each short-listed Field Officer will be imparted training as under: -

5.1. In-house training for 3 days to be conducted at Divisional level. In-house training will be imparted by Development Officer /ASP / IP. All short-listed candidates will be provided agents guide book/study material before the training starts, as prescribed by PLI Directorate.

5.2. Practical training for 3 days on insurance business at CPCs in the Division. Practical training will be imparted by CPC in-charge and Development Officer under the guidance of IP / ASP concerned.

5.3. After completion of **in-house** and **practical** training, Field Officers will be required to clear the licentiate examination, as approved by the Department, within 3 years of engagement as Field Officer. There would be no limit on the number of chances a Field Officer may take for passing the licentiate examination. The requisite exam fee shall be deposited by the candidate taking examination on each occasion.

6 **Issue of License, Agent Code, ID Card to Field Officers:**

6.1. Applicants, engaged as Field Officer, shall be issued **license, agent code** and **identity card** by the Divisional Head for the purpose of procuring PLI / RPLI business.

6.2. Initially, Field Officers will be issued provisional license, which will be converted into a permanent license on passing the licentiate exam.

6.3. The permanent license will be valid for a period of 5 years from the date of engagement of the Field Officer, which may be renewed by the Head of Postal Division every year thereafter, on the basis of satisfactory business performance by the Field Officer.

6.4. The agency will stand terminated if the Field Officer fails to clear licentiate examination within a period of 3 years of engagement. The agency will also be terminated if the permanent license is not renewed every year after 5 years of engagement as Field Officer.

6.5. A shortlisted Field Officer will be required to deposit a fee of:

(i) Rs 50 /- for issue of provisional license,

(ii) Rs. 100/- for issue of permanent license,

(iii) Rs. 50/- for issue of duplicate license / renewal of permanent license.

6.6. The Development Officer shall maintain a Register showing the name, address and agent code of every Field Officer engaged in the Postal Division, the date from which the Field Officer has started working in the Division, and the date on which the license of Field Officer has been terminated.

7. **TA/DA:** No TA/DA shall be admissible to the Field Officer for procurement of PLI/RPLI business.

8. Payment of commission: The Field Officer will be paid procurement/renewal commission for the PLI/RPLI business procured by her/him at the rate prescribed by Department of Posts. No procurement/renewal incentive on policies procured earlier will be payable to the Field Officer after the termination of her/his license.

9. Power of cancellation of License:

Divisional Head, on the basis of a report given by Development Officer, can cancel the agency of the Field Officer at any time, if she/he is involved in criminal offence, criminal misappropriation, criminal breach of trust, cheating, forgery, abetment of or attempt to commit any criminal offence, misrepresentation, dishonesty, misconduct, fraud, theft etc.

10. Retention of Field Officers.: Field Officers so engaged and who have passed the licentiate examination shall be retained till 75 years of age, if she/he achieves the allotted target year by year. Permission to procure PLI/RPLI business will be granted by Divisional Head beyond 75 years of age, if Field Officers is doing well in procuring PLI/RPLI business, not suffering from any heart /chronic disease and physically fit to act as Field Officer (PLI/RPLI). In such cases, Divisional Head will personally interview the person and accord approval for further retention.

Engagement and Duties of Direct Agents

1 **Definition of Direct Agent.** A Direct Agent means an Insurance Agent engaged from the open market, who receives payment by way of commission in consideration of her/his procuring PLI/RPLI business including business relating to the continuance, renewal or revival of life insurance policies, if any.

2 **Eligibility for engagement as Direct Agents:**

2.1. Age: The minimum and maximum age of the applicant shall be 18 years and 50 years respectively on the date of “walk-in-interview”.

2.2. Educational Qualification: The applicant must have passed 10th standard or equivalent examination conducted by a Board recognized by Central/State Government.

2.3. Categories of Applicants: Unemployed/self-employed youth, Ex life advisors/Ex-agents of any insurance company, Ex-servicemen, Anganwadi workers, Mahila Mandal workers, Ex-Servicemen, Retired school teachers, SHGs, Gram Pradhan, Members of Gram Panchayat and any other person as considered suitable by the Head of Postal Division.

3. Method of Engagement of Direct Agents:

3.1. Calling for Applications: For engagement of Direct Agents, the Head of Postal Division will publish advertisement in local newspapers. A notice containing the advertisement will be displayed in Divisional Office, Sub-Divisional Office, all post offices and at prominent public places in the Division. The advertisement will give a minimum of 15 days’ time for conducting walk-in-interview of persons willing to apply as Direct Agents.

3.2. Walk-in-interview: The willing eligible persons will attend “walk-in-interview” along with the application form and required certificates on the given date and time. The Interview Board shall comprise of (a) an ASP of the Division as the Chairman, (b) Development Officer and (c) an official of the Division as nominated by the Divisional Head. The walk-in-interview will include questions on knowledge of life insurance industry in India, knowledge of PLI/RPLI products and knowledge of marketing of insurance products. Candidates will be short listed on the basis of their performance in “walk-in-interview”. After the interview, name of candidates recommended by the Interview Board will be put up before the Divisional Head for approval. After approval by Divisional Head, name of successful applicants will be notified by the Division. The overall responsibility of engagement of Direct Agents will lie with Head of the Postal Division.

3.3. Each Postal Division will advertise the intention of the Department to engage Direct Agents at least once in six months. If required, more such advertisements may be taken out in order to increase the PLI / RPLI business of the Division.

4 **Security Deposit.**

A cash security of Rs. 5,000/- will be required to be furnished by the selected Direct Agent in the form of National Savings Certificate (NSC) / Kisan Vikas Patra (KVP) to be pledged to the President of India as security. This security will be released on termination of the engagement of the person as Direct Agent or after his death, whichever is earlier, provided no dues is outstanding against the Direct Agent. The NSC or KVP will be kept in the custody of the Divisional Head after entering details in a register to be maintained for the purpose.

5 **Training:** Each short-listed Direct Agent will be imparted training as under: -

5.1. In-house training for 3 days to be conducted at Divisional level. In-house training will be imparted by Development Officer /ASP / IP. All short-listed candidates will be provided agents guide book/study material before the training starts, as prescribed by PLI Directorate.

5.2. Practical training for 3 days on insurance business at CPCs in the Division. Practical training will be imparted by CPC in-charge and Development Officer under the guidance of IP / ASP concerned.

5.3. After completion of **in-house** and **practical** training, Direct Agents will be required to clear the licentiate examination, as approved by the Department, within 3 years of engagement as Direct Agent. There would be no limit on the number of chances a Direct Agent may take for passing the licentiate examination. The requisite exam fee shall be deposited by the candidate taking examination on each occasion.

6 **Issue of License, Agent Code, ID Card to Direct Agent:**

6.1. Applicants, engaged as Direct Agent, shall be issued **license, agent code** and **identity card** by the Divisional Head for the purpose of procuring PLI / RPLI business.

6.2. Initially, Direct Agents will be issued provisional license, which will be converted into a permanent license on passing the licentiate exam.

6.3. The permanent license will be valid for a period of 5 years from the date of engagement of the Direct Agent, which may be renewed by the Head of Postal Division every year thereafter, on the basis of satisfactory business performance by the Direct Agent.

6.4. The agency will stand terminated if the Direct Agent fails to clear licentiate examination within a period of 3 years of engagement. The agency will also be terminated if the permanent license is not renewed every year after 5 years of engagement as Direct Agent.

6.5. A shortlisted Direct Agent will be required to deposit a fee of:

- (i) Rs 50 /- for issue of provisional license,
- (ii) Rs. 100/- for issue of permanent license,
- (iii) Rs. 50/- for issue of duplicate license / renewal of permanent license.

6.6. The Development Officer shall maintain a Register showing the name, address and agent code of every Direct Agent engaged in the Postal Division, the date from which the Direct Agent has started working in the Division, and the date on which the agency of Direct Agent has been terminated.

7. TA/DA: No TA/DA shall be admissible to the Direct Agents for procurement of PLI/RPLI business.

8. Payment of commission: The Direct Agent will be paid procurement/renewal commission for the PLI/RPLI business procured by her/him at the rate prescribed by Department of Posts. No procurement/renewal incentive on policies procured earlier will be payable to the Direct Agent after the termination of her/his agency.

9. Power of cancellation of Agency:

Divisional Head, on the basis of a report given by Development Officer, can cancel the agency of the Direct Agent at any time, if she/he is involved in criminal offence, criminal misappropriation, criminal breach of trust, cheating, forgery, abetment of or attempt to commit any criminal offence, misrepresentation, dishonesty, misconduct, fraud, theft etc.

10. Retention of Direct Agents.: Direct Agents so engaged and who have passed the licentiate examination shall be retained till 65 years of age, if she/he achieves the allotted target year by year. Permission to procure PLI/RPLI business will be granted by Divisional Head beyond 65 years of age, if the Direct Agent is doing well in procuring PLI/RPLI business, not suffering from any heart /chronic disease and physically fit to act as Direct Agent. In such cases, Divisional Head will personally interview the person and accord approval for further retention.

New Incentive Structure

1. Premium received in respect of first 12 months of a PLI/RPLI policy is procurement premium. The incentive payable on the procurement premium will be procurement incentive.
2. Premium received from 13th month onwards in respect of a PLI/RPLI policy is renewal premium. The incentive payable on renewal premium will be renewal incentive.

New Incentive Structure of PLI

3. Procurement Incentive:

3.1 Procurement Incentive rate for PLI policies other than Anticipated Endowment Assurance (i.e. WLA, CWLA, EA, Children Policy and Yugal Suraksha):

Premium paying term	Incentive Structure
Up to and equal to 15 years	4% of first year premium income
More than 15 years but less than or equal to 25 years	10% of first year premium income
More than 25 years	20% of first year premium income

3.2 Procurement Incentive rate for PLI Anticipated Endowment Assurance Policies:

Premium paying term	Incentive Structure
less than or equal to 15 years	5% of first year premium income
with term beyond 15 years	7% of first year premium income

3.3 Procurement Incentive rate on PLI policy for Development Officer (DO):

DO will be paid incentive @ 1% of total PLI new business premium (NBP) procured by Direct Agents attached to that DO.

4. Renewal Incentive:

- 4.1 Renewal incentive @ 1% of renewal premium will be payable to all sales force of PLI.
- 4.2 No renewal incentive on PLI policies will be paid to Development Officer.

New Incentive Structure for RPLI

5. Procurement Incentive

5.1. For all types of RPLI policies, each category of sales force will get procurement incentive @ 10% of procurement premium.

5.2. DO will be paid procurement incentive @ 1% of total RPLI new business premium (NBP) procured by Direct Agents attached to that DO.

6. Renewal Incentive:

6.1. For all types of RPLI policies, each category of sales force will get renewal incentive @ 2.5% of renewal premium.

6.2. No renewal incentive on RPLI policies will be paid to Development Officer.

7. Incentive on Online/Cash/Pay policies:

7.1 Procurement incentive at the rate prescribed above will be payable on PLI/RPLI policies in case of online/cash/pay policies.

7.2 Renewal incentive at the rate prescribed above will be payable on PLI/RPLI policies in case of online/cash policies. No renewal incentive will be payable in case of pay policies.

8. Termination of Agency/Superannuation/Discharge from service:

8.1 No procurement/renewal incentive will be payable to sales force of PLI and RPLI after the termination of her/his agency.

8.2 No procurement/renewal incentive will be payable to Departmental Employees/GDS after superannuation/discharge from the service of the official.

9. The group incentive system, as introduced vide PLI Directorate OM No. 28-06/2014-LI dated 03.05.2017, has been done away with.

10. The revised incentive structure of PLI and RPLI will come into force from 01.07.2020.

Code of Conduct to be followed by Sales Force of PLI/RPLI

Each category of sales force of PLI and RPLI shall be required to adhere to the following code of conduct:

1. **Each PLI /RPLI sales personnel shall:-**

- (i) Disclose his identity card to prospective insurant on demand
- (ii) Disseminate the requisite information in respect of PLI/RPLI product offered for and take into account the needs of the client while recommending a specific insurance plan.
- (iii) Disclose the rate of bonus in respect of the insurance product offered for sale.
- (iv) Indicate the premium to be charged for each scheme of the insurance product offered for sale.
- (v) Explain to the prospective client the nature of information required in the proposal form and also the importance of disclosure of material information in the purchase of an insurance contract
- (vi) Inform promptly the prospective insurant about the acceptance or rejection of the proposal by the Department.
- (vii) Obtain requisite documents at the time of filling the proposal form; and other documents subsequently asked for by the Department for completion of the proposal;
- (viii) Render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims.
- (ix) Offer necessary assistance to the policyholder in effecting nomination, assignment, change of address and other financial / non-financial service requests.
- (x) Immediately deposit the first premium / renewal premium obtained from the proposer in post offices and hand over to him/her the requisite cash receipt/premium receipt book received from the post office.
- (xi) Make attempt to ensure timely payment of premium by the policyholders.
- (xii) Give feedback to the Development Officer / Heads of Divisions about the business procured by him.

2. No PLI /RPLI sales personnel shall:-

- (i) Procure PLI/RPLI business without holding a valid /provisional licence.
- (ii) Procure or canvass for any other insurance company except PLI/RPLI.
- (iii) Induce the prospective insurant to omit any material information in the proposal form.
- (iv) Induce the prospective insurant to submit wrong information in the proposal form or documents submitted to the department for acceptance of the proposal.
- (v) Behave in a discourteous manner with existing /prospective insurant.
- (vi) Interfere with any proposal introduced by any other insurance agent.
- (vii) Offer different rates, advantages, terms and conditions other than those offered by PLI/RPLI schemes.
- (viii) Demand or receive a share of proceeds from the policyholder/claimant/beneficiary under an insurance contract.