

LIC OF INDIA
CENTRAL OFFICE

Compendium of
Various Rules and Instructions issued from
time to time in respect of

Club Membership

Rules and Benefits

(updated upto 28.02.2017)

(For departmental reference only)

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- This Compendium is meant for departmental reference only. In case of doubt and clarification users must refer circulars/ instructions/clarifications issued from time to time.
- Any omissions/errors/inconsistencies may please be brought to the notice of Marketing department,Central Office.

Club Membership -- Rules and Benefits

Introduction:

Agents are the backbone of LIC of India. The agents have therefore to be nurtured and cultivated to grow up in the profession, acquiring sufficient knowledge, skills and competence to discharge their duties effectively towards policyholders and clients. To inculcate professionalism in agents, to motivate them for higher production and consistency of business, to encourage them to render service to policyholders and to accord them a higher status in the organisation and society, the institution of Clubs at 4 levels viz., Branch Manager's Club, Divisional Manager's Club, Zonal Manager's Club and Chairman's Club was brought into existence with effect from 1.4.1971. This may be hailed as the landmark in raising the status of the profession of insurance salesman in this country.

In order to promote professionalism amongst a larger number of agents and to enhance insurance coverage at a faster pace, Distinguished Agents' Clubs at Branch Level have been formed w.e.f. 1.4.1999.

A premium Agents Club called the “**CORPORATE CLUB**” has been formed w.e.f. M.Y. 2004-05 to motivate and recognize high performers.

One more club named the “Galaxy Club” has also been introduced w.e.f.M.Y.2015-16.

**Qualifying conditions and other Criteria prescribed for
Membership of Agents Clubs**

(Chairman’s, Zonal Manager’s, Divisional Manager’s and Branch Manager’s)

1. The qualifying criteria for Entry as well as Continuation of membership of different clubs have been revised. These revised rules shall be applicable from the Financial Year 2010-2011 (M. Y. 2011-12).

Membership criteria for Entry and Continuation (Table 1)

Sr.No	Name of the Club	CM	ZM	DM	BM	
1	Minimum Net Number of Lives	40	30	20	15	Mandatory Condition
2	a) Net No of Lives or b) No of Lives in force	130 600	100 400	80 250	50 150	Either of a) or b)
3	Renewal Comm Paid (Rs)	2,00,000	1,40,000	90,000	50,000	Condonable upto 100 % see * Relaxation Clause:
4	FY Comm Paid Rs (including Bonus Commission paid in the financial year)	2,00,000	1,40,000	60,000	35,000	Condonable upto 50 % see * Relaxation Clause

The criteria is to be fulfilled in the **Qualifying year and in any two out of three financial years** preceding the qualifying year for both Entry and continuation.

Relaxation Clause:

An agent will have to fulfill condition with regard to Renewal Commission and First Year Renewal Commission as per above Table.

However, a shortfall in fulfillment of FYC (paid) condition may be condoned maximum up to 50%, in years to be reckoned for Club Membership, provided it is compensated with the same or higher percentage increase on the basic condition prescribed for Renewal Commission paid

Or

A shortfall in fulfillment of Renewal Commission paid condition may be condoned up to a maximum of 100% in years to be reckoned for Club Membership provided it is compensated with the same or higher percentage increase on the basic condition prescribed for First Year Commission paid.

Relaxation in fulfillment of criteria :

An agent who has completed the age 60 as on the date of commencement of Club membership year and had been continuous member of the same club for not less than 15 membership years or Life members of CM and ZM Club can continue the membership of the same club by fulfilling at least 75 % of the criteria applicable to that club.

Continuation of Club Membership in the year/s of failure:

If an agent does not fulfill the condition of 'minimum net no. of lives' prescribed in the financial year reckoned to allow the agent to continue in any of the clubs, the club membership will be treated as continued for the number of years for which he/she has not fulfilled the condition of 'Minimum Net no. of lives' as per the table given below:

No.of years of continuous membership in any club/clubs	Relaxation allowed
05	One occasion
10	Two occasions

However, the agent will get the benefit of continuity as that applicable to the **lowest club** membership held during his/her continuous membership of 5 or 10 years as the case may be .

Further, he will continue to get the monetary benefits in such a year of failure of such lowest club.

However, if an existing club member agent fails to fulfill other conditions apart from the 'minimum net no. of lives', he will be treated as non- regular club member and will not be eligible for any monetary benefits including attendance at the Convention. He/she will be eligible for functional privileges only, provided Sr./Divisional Manager is satisfied on the basis of an interview that the failure to bring in the Minimum Net No.of Lives was due to genuine difficulties. In such a case Sr./Divisional Manager will issue necessary authorisation in writing to the concerned agent.

Escalation Clause:

From the Membership Year 2017-18 (Qualifying Financial Year 2016-17), a 5% escalation clause each year on the previous year's Entry criteria in respect of First Year Commission paid and Renewal Commission paid (rounded off to nearest thousand) will be applicable for entry to any club. However, for continuation there will be a concession for one year in applicability of the escalation clause, i.e., 5% escalation clause on the previous year's Continuation criteria in respect of First Year Commission paid and Renewal Commission paid (rounded off to nearest thousand) shall be applicable from Membership year 2018-19 (Qualifying Financial Year 201718). Please see below table for details.

An agent who has attained the age of 60 years or more **AND** has been a CM's or ZM's Club member continuously for the last 10 years would be exempted from 'escalation clause' for the purpose of continuation in the respective club.

For agents who have qualified for exemption as per above conditions, the continuation criteria would be the criteria of the last qualifying year (i.e. prior to Membership Year from which exemption has been granted).

Table :

RC and FYC related Entry and Continuation conditions for subsequent Membership Year :

a) For chairmans' Club Members:					b) For Zonal Managers' Club Members:				
Financial Year	Entry		Continuation		Financial Year	Entry		Continuation	
	FYC	RC	FYC	RC		FYC	RC	FYC	RC
2016-17	210000	210000	200000	200000	2016-17	147000	147000	140000	140000
2017-18	221000	221000	210000	210000	2017-18	154000	154000	147000	147000
2018-19	232000	232000	221000	221000	2018-19	162000	162000	154000	154000
2019-20	244000	244000	232000	232000	2019-20	170000	170000	162000	162000
2020-21	256000	256000	244000	244000	2020-21	179000	179000	170000	170000

c) For Divisional Managers' Club Members:					d) For Branch Managers' Club Members:				
Financial Year	Entry		Continuation		Financial Year	Entry		Continuation	
	FYC	RC	FYC	RC		FYC	RC	FYC	RC
2016-17	63000	95000	60000	90000	2016-17	37000	53000	35000	50000
2017-18	66000	100000	63000	95000	2017-18	39000	56000	37000	53000
2018-19	69000	105000	66000	100000	2018-19	41000	59000	39000	56000
2019-20	72000	110000	69000	105000	2019-20	43000	62000	41000	59000
2020-21	76000	116000	72000	110000	2020-21	45000	65000	43000	62000

Various terms those are used in the Club Rules:

“**Net Number of Lives**” are distinct lives insured (not number of policies) during the qualifying financial year reduced by the number of lives who had been insured in the financial year preceding the qualifying financial year whose policies are lapsed as on 31st March of the said qualifying financial year

Credit for revived policies:

Any agent, who has revived policies in respect of business completed by him/her during the financial year preceding the Qualifying Financial year, is allowed to claim credit to the extent of 'lives revived' in arriving at 'Net Number of lives' if such policies are in force as on 31st March of the qualifying financial year. However, the agent must submit the full details of such policies revived by him/her as per the Proforma in 'Annexure III' and make a representation to the Branch Office for allowing such credit within a period of 2 months from the close of the qualifying financial year. The Branch Office after due verification of the particulars, shall grant credit in arriving at 'Net Number of Lives' only if the agent is falling short of the required norm. The period of 2 months from the close of the qualifying financial year is for making a representation to the office and not for reviving the policies upto 31st May.

“Number of Lives in Force” are the number of lives in force at the end of each relevant year out of the total business completed by the agent from the inception of the agency to the end of each such financial year. If the same life takes more than one insurance in the same financial year, it will be counted as one life only

“Pucca lapsed policies” -The policies under which overdue premium/s remain unpaid for more than six months from the date of the first unpaid premium are deemed to be pucca lapsed for the purpose of arriving at Net Number of Lives in determining agents eligibility for membership of any club. All policies issued in the previous financial year which stand pucca lapsed as on 31st March of the subsequent financial year are to be deducted from the policies issued in the subsequent year to arrive at the 'Net' figure for considering the agent's eligibility for Club Membership irrespective of whether the first unpaid premium was due in the previous financial year or the subsequent financial year.

First Year Commission includes Bonus Commission paid in the financial year.

Commission ‘earned’ means Commission actually ‘paid’ to the agents during any financial year.

Definition of Minium Net No. of Lives:

This is the minimum no.of 'Net Number of Lives' as defined above which are to be secured in a financial year.

Impact of Lapsation for Club Membership

Lapsation	Agents who are Aspiring for Club Membership	Existing Club Member Agents
> 15 % for any F Y	The year will not be considered for reckoning the eligibility even if the agent has fulfilled other conditions	There will be no disincentive. However the Agent will be kept under watch & no fresh advance for Fast conveyance or Housing loan shall be granted to Agent till such time the Lapse ratio remains more than 15%
> 15 % for two consecutive years	The agent shall have to start afresh. No credit will be given for the years during which he/she would have already qualified.	Neither be eligible for attending convention nor the office allowance (Stationery Allowance in case of BM's Club Member Agent) for that particular M.Y.
> 15 % for Three consecutive years	--	The Agent will lose the membership of the club

Interviews for Club Membership:

Mere fulfillment of criteria for entry to any club does not confer upon an agent the club membership unless he/she has been interviewed and found suitable for admission to the club by the Competent Authority. Every agent who is to be admitted to any club for the first time or who is to be promoted to the higher club shall be subjected to an interview by the Competent Authority. This is true even for promotion of a Zonal Manager's Club Member to the Chairman's Club or Divisional Manager's Club Members to Zonal Manager's Club. Interview for entry into the Chairman's/Zonal Manager's club shall be conducted by a committee constituted as per the guidelines issued by the Central Office from time to time. More than one committee depending upon the number of candidates to be interviewed can be formed so that interviews are completed as quickly as possible.

The agent/s who do not fit into the philosophy of these clubs meant for professionals should not be admitted. It may however happen that though a few agents, who may be quite conversant with the various plans of insurance, may not be actually working in the field and selling life insurance. Such agents would not be suitable for entry to the clubs and are to be weeded out at the time of interview for entry into these clubs. The real touchstone for membership into these senior clubs is that the agent should be one who besides being conversant with the fundamentals of life insurance, various plans of the Corporation and other saving instruments and market especially Insurance market, should be working in the field and selling life insurance and providing due services to policyholders. In addition, his/her conduct and behavior shall also be taken into account while granting the membership.

The agents who have been relegated to a lower club due to non fulfillment of business conditions should not be called for the interview.

There will be no interview for an agent who becomes eligible for admission into BMs Club/ Distinguished Club.

An agent who becomes eligible for admission to Divisional Manager's Club will be interviewed by a committee appointed by the Sr./Divisional Manager (I/C) of the Division.

An agent who becomes eligible for admission to Z.M's/C.M's Club will be interviewed by a committee appointed by the Zonal Manager I/c. The interview committee constituted for this purpose will be one R.M from the Zonal Office preferably one who has worked on the Marketing side (to be nominated by Zonal Manager), Sr./Divisional Manager(I/C) of Divisional Offices and Marketing Manager of the Division.

If an agent who has appeared for an interview before the interview committee has failed to satisfy the committee for two successive years, then such an agent may be given a third opportunity to appear for the interview. However the competent authority for allowing this will be the Zonal Manager(I/C) for interviews to the C.M's Club and Z.M's Club and the Sr./Divisional Manager(I/C) of the Division for the Divisional Manager's Club. The Zonal Manager (I/C) of the Zone or the Sr./Divisional Manager (I/C) of the Division as the case may be should record the reasons in writing for allowing third opportunity. If such an agent fails to satisfy the interview committee on the third occasion then such an agent has to be debarred for two years from appearing for the interview. However, thereafter the agent may be called for an interview, in the third year, provided he/she is still satisfying the conditions of entry into the club and Sr./Branch Manager make special recommendations stating as to how he considers the agent has improved and is worth considering for entry into the club. In case of an agent who is called for an interview for the third year, as stated above, no T.A or D.A is payable to such an agent, even though the interview takes place outside his/her headquarters.

The debarring of an agent for two years from appearing for the interview in the event of failure on his/her part to satisfy the interview committee for three successive years holds good irrespective of the levels of club for which he/she was interviewed.

The interviews shall be completed in such a way that the results are declared **by 31st July** every year.

Training:

Every agent who is admitted as a member of any club and/or one whose membership is continued in the said Membership Year will be required to undergo training at ZTC/STC (Including Unified Training Programme)/Jeevan Vidya Trust or training by similar other training institute/s as may be approved from time to time, failing which the club member agent shall render himself/herself ineligible for continuation of the benefit of the Office Allowance and interest free loan/advances in the following year.

The Competent Authority, may however, at its sole discretion, allow reimbursement of the Office Allowance and condone interest in exceptional circumstances if it is satisfied that requirement of training could not be fulfilled due to reasons beyond the control of the agent. The reasons for allowing the benefit etc shall be recorded in writing.

In the latter case, the said agent shall have to undergo training positively in the following year of continuation failing which recovery of amount so reimbursed and/or interest condoned together with interest @ 12% and 9% respectively shall be recovered from his/her commission.

Note 1: The Life Members are not governed by this provision.

Note 2: Club Members aged 60 years and above are exempted.

Note 3: An agent who has undergone training at any of the above institutions even as a non-club member is deemed to have fulfilled this training requirement.

Note 4: The training taken shall be valid for a period of 4 years from the date of completion of the training.

Notes 5: In addition to above training, the following trainings are also valid for above benefits:

- i) Training availed by Corporate Club Member agents in lieu of Educational Seminar at International destination ,at ISB,Hyderabad, IIM.Ahmedabad or any other Institute approved by Central Office from time to time.
- ii) Training availed by Chairman Club member Agents in lieu of attending Chairmans' Club convention at institutes approved by Central office from time to time.

iii)The MDRT Training given to MDRT Qualifiers at the Zonal Training Centers would also be counted as an approved training imparted to the agent and the certificate issued by ZTCs will be recognised as proper for the purpose of Club Membership benefits. Similarly ,training availed by MDRT agents for COT/TOT at MDI,Gurgaon approved by Central Office,HRD and FPT Departments.

Agency with any other Insurer:

If any member/s of an LIC agent's family has taken agency/Corporate Agency or is a Specified person / Financial Services Executive / Direct Sales Executive with any other Life Insurer or is a Life Insurance Broker, then the agent working with LIC shall not be eligible for grant / continuation of Membership of any Club. The definition of members of family of an agent shall include-

- (i) Spouse;
- (ii) Children or step-children staying with the existing agent;
- (iii) Any other person related whether by blood or marriage staying with the existing agent **or** as amended by LIC of India from time to time.

Life Members of CM Club membership are **exempted** from the provisions of the above said clause w.e.f. Membership Year 2011-12, provided all the following three conditions are fulfilled:-

- (i) The agent is an active member of CM Club.
- (ii) The agent should have completed 60 years of age.
- (iii) He should have a standing of 25 years as CM Club and obtained life membership.

General:

a. The business done by an agent in any part of India will be considered for reckoning the eligibility for qualifying for membership of any club.

b. Only a 'Qualified Agent' i.e., an agent who has completed the minimum business quota as per the Agents Regulations, 1972 and as amended from time to time is eligible to enter or continue as a member of any Club.

c. If the agency is terminated for any reason whatsoever the club membership including life membership will automatically cease. On reinstatement of agency, the Club membership including life membership may be revived depending on the merits of the case. If as a result of any disciplinary action against the agent, the agency is terminated and subsequently it is reinstated by the higher authority, then both the club membership and life membership may be restored unless otherwise decided.

d. An agent will also lose his/her club membership if his/her agency is terminated on account of non-renewal of license. In such a case, the Sr./Divisional Manager (I/C)

may reinstate the club membership and life membership in deserving cases provided the license is renewed in chain within a period of 1 year from the date of expiry of the licence. This applies to membership of all clubs i.e, C.M, Z.M,D.M and B.M. Club.

e. Minimum business guarantee will not apply to an agent who has been exempted from the same under the Agents Regulations, 1972.

Revision of Distinguished Agents' Club - Revised Conditions and Criterion:

The agent should have completed minimum one agency year and should be a confirmed agent. The entry condition as well as continuation would be reckoned on the basis of Agents' performance during the financial year. The membership would also commence on 1st April following completion of two agency years provided the agent satisfies the eligibility criteria. The agent should fulfill the following criteria for Entry/Continuation into the Distinguished Club:

Net Number of Lives: 40

First Year Commission Paid: Rs.50, 000

Rural Career agents/Urban career agents:

The R.C.A and U.C.A would become eligible only after they have completed two agency years after stipendiary support comes to an end.

Revised Benefits:

Sr.No.	Particulars	Revised Ceiling
1.	Sales Promotional Gift Items	Up to Rs.400/-
2.	Letterheads, envelops and visiting cards (As per CIP)(Number)	100
3.	Reimbursement of Stationery Expenses	Up to Rs.500/-

A convention of Distinguished Agents' club members' along with the Branch Managers club members should be held. During such convention the members of clubs should be requested to contribute their ideas on various aspects of selling and servicing Life Insurance Business. The rules should be published in the divisional house bulletin and steps should be taken to draw a list of prospective club members so that a larger number of agents are enrolled in the said club.

The agent/ member will be required to submit the claim of membership/continuation to any club on prescribed format as per proforma (Annexure IV) within 30 days of New Business closing. The office will verify the claim within 7 days of receipt.

LIFE MEMBERSHIP OF CLUBS

Club Membership is a personal honour for the agent. It is earned by the agent with consistency in business for a number of years and also as a result of rendering effective service to the policyholders. It is, therefore, thought appropriate that if an agent continues his membership in a club for certain number of years he should be recognised as a life member of that particular club. With effect from the M.Y. 1986-87 the facility of awarding the Life membership is available to Chairman's and Zonal Manager's Clubs only.

Beginning from the Membership Year 2002-2003, Life Membership for Chairman's and Zonal Manager's Clubs will be granted on fulfilment of any of the following conditions:

- A) Minimum age of 60 completed years as on the date of commencement of Club Membership year; and
Continuous membership in the same club (either Chairman's or Zonal Manager's club) for not less than 15 membership years

OR

- B) Continuous membership in the same club (either Chairman's or Zonal Manager's Club) for not less than 25 membership years.

If an agent after having been a continuous member of the Zonal Manager's Club for less than 15 years and then becomes a member of the Chairman's Club and he/she continually retains his/her membership of CM's Club for at least that many years that is falling short to reach 15/25 years, for being a Life Member, then in such a case Life Member of Z.M Club shall be awarded to that agent by clubbing those years in which he/she was a member of the C.M's Club.

A Life member need not fulfill the mandatory condition (Condition 1 as mentioned in Table). **However, they will have to fulfill the other conditions for continuing as a Regular Life Member as per Table 1.** A non-regular life member is the one who has not fulfilled the eligibility criteria prescribed for the Chairman's/Zonal Manager's Club. A non-regular life member will not be eligible for any monetary benefits including participation in the Convention. Such an agent will be eligible for functional privileges only.

Notes:-

a. An agent who becomes a life member of a club and also qualifies for the membership of a higher club, will have the option to avail of the benefits and functional privileges of either the life membership of the lower club or the benefits and functional privileges as a regular member of the higher club. He shall not be entitled to the benefits of both the clubs concurrently.

b. The agent will continue to be a life member as long as he is an agent and does the MBG (unless he is an exempted there from) and will be entitled to exercise all functional privileges of the club concerned with reference to servicing etc. If at any point of time, he fulfils the requirements for condition of membership, he will automatically be restored to full fledged membership.

It may be noted that while reckoning the number of membership years completed in either Chairman's Club or Zonal Manager's Club though the suspended membership year will not be counted for eligibility for life membership, but it will not be treated as a break in the continuity of membership in the club.

Applicability of the above clause in case an agent has qualified for Corporate club but subsequently demoted to Chairman's Club/ Zonal Managers club for deciding his/her continuous membership in the Chairman's club/ Zonal Managers club.

"While deciding the life membership for CM/ZM club member agent, if discontinuation in the CM/ZM club is due to the agent qualified for higher club, number of membership year in the higher club shall be counted for the purpose of deciding the life membership of the lower club provided he has fulfilled the eligibility criteria of the lower club for which the life membership is being sought, during those discontinued years

For e.g if a CM club member agent has 2 years of discontinuation in his CM club membership due to him being a member of higher club i.e. Corporate club, his membership tenure of Corporate club is to be counted for awarding the CM Club life membership to him provided he has fulfilled the criteria for continuing membership of CM club during those two year.

Honorary Membership of Chairman's Club:

Chairman may admit, at his sole discretion, an agent as an Honorary Member of Chairman's Club, on such terms and conditions, as Chairman may lay down from time to time. Once an agent is admitted as an Honorary Member of the Chairman's Club, he will continue to remain as such unless his Honorary Membership is withdrawn by the Chairman. An Honorary Member of Chairman's Club shall enjoy all the privileges of the Chairman's Club

Functional Privileges to Club Member Agents:

The following functional privileges are allowed to Agents who are members of D.M's Club and above.

1. Attest the signatures and thumb impressions of policyholders and claimants or identify policyholders.
2. To receive loan/claim cheques on behalf of their policyholders/clients on production of required authority letter from the claimant.
3. Members of the Club at the level of the Z.M's , C.M's, Galaxy and Corporate Club are eligible to attest copies of university or matriculation/higher secondary examination/SSLC certificates **after** satisfying that the certificate is genuine and pertains to the life proposed.

In order to facilitate the club members in the matter of quicker attention to their new business for high sum assured, the corporation has vested authority in the club members to submit moral hazard reports as per particulars given below:

Club	MHR Limits
Corporate Club	1 Crore
Galaxy Club	50 Lacs (If CLIA,1Crore)
Chairmans' Club	50 Lacs (If CLIA,1Crore)
Zonal Managers' Club	30 Lacs (If CLIA,75 Lacs)
Divisional Managers' Club	20 Lacs (If CLIA,50 Lacs)
BM/Distinguished Club	10Lacs

The authority as mentioned above shall continue so long as they continue to be a respective Club Member.

The guidelines regarding the above are to be followed as per the instructions given by respective departments of Central Office from time to time.

Fringe Benefits:

Office Allowance

It is acknowledged that maintaining an office of his/her own helps the agent to render better and efficient service to policyholders. It also helps to further his sales of new business and increase the income. It helps the policyholder and the public of the area to approach the agent and meet him/her in office for advice, assistance or help. It adds status and raises the agent's standing in the eyes of the public. Maintaining an office, therefore, applies with greater emphasis in the case of club members. The club members have a much greater standing as compared to the ordinary agents, and therefore, an office is a must for them. With a view to help our club member, who maintains an office of his/her own for the purpose of rendering service to policyholders and claimants, the Corporation is granting Office Allowance.

Reimbursement of Office Allowance is done to the CM's ZM's and DM's club members for maintaining an "Office" depending on the expenses incurred during the Membership Year which includes--

- Rent paid (Actual)
- Salaries paid to Staff (Actual)
- Postage incurred (Actual)
- Amount spent on stationery upto a certain fixed maximum amount
- Amount spend on Office maintenance and Electricity upto a certain fixed maximum amount
- Expenses on entertainment upto a certain maximum amount

"Office" should at least have the following minimum infrastructure –

1. Room of decent size that can be called an 'office' and should have seating space for the agent, his staff and customers.

2. At the entrance a visible board specifying the name of the Agent, his/her club membership, Name of the Corporation.
3. Furniture – Chairs, Table, Almirah / Other storage cabinets for keeping the records/documents of the clients.
4. Adequate publicity of our existing/new products should be made in the office. Needless to mention, that the office should not be indicative of the agent indulging into showing any kind of interest in the sale of products of our competitors.
5. All important stationery/manuals/relevant brochure/pamphlets documents that would enable him to canvass business.

Care has to be taken to ensure that the office is being properly maintained by the agent before his office allowance is released.

The Sr./Branch Manager(In-charge) or an Admn. Officer to be nominated by the Sr./Branch Manager of the Branch Office where the agent is working will inspect the office/related bills/books of accounts for reimbursement of Office Allowance. The papers for sanction of reimbursement will however be sent to the controlling Divisional Office.

A) The rules regarding payment/reimbursement of Office Allowance applicable to different clubs w.e.f. M.Y.2011-12

⋮

	CM	ZM	DM	BM	Distinguished

Basic Office Allowance	50% of actual expenses OR 7 1/2 % of total commission (FYC + RC) earned by the agent in preceding F.Y. OR Rs.35,000 whichever is the least	50% of actual expenses OR 7 1/2 % of total commission (FYC + RC) earned by the agent in preceding F.Y. OR Rs.22,000 whichever is the least	50% of actual expenses OR 7 1/2 % of total commission (FYC + RC) earned by the agent in preceding F.Y. OR Rs.12,000 whichever is the least	Up to Rs.100/- for expenses on Stationery	Up to Rs.500 for expenses on Stationery
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Claiming the office allowance:-

1. The office allowance as above should be claimed by the member during the Club Membership Year but not later than six months after the expiry of Club Membership Year.
2. The reimbursement of Office Allowance shall be subject to the inspection of office, related bills, books of accounts, etc., by the Sr./Branch Manager in-charge or an officer not below the rank of Administrative Officer to be nominated by the Sr./Manager incharge of the Branch Office where the agent is working.
3. The concerned Club Member Agent will have to submit all the original bills/receipts to the office and our offices while making the payment will affix a stamp (only on those original bills/receipts for which the reimbursement/payment has been made) to the effect that so much amount has been paid as office allowance after deducting TDS.

Thereafter the original bills/receipts may be returned to the Club Member Agent after retaining the copies of the same duly certified by a Class I officer of the Corporation.

The same procedure may be followed for payment/reimbursement of Telephone Expenses to the eligible Club Member Agents.

The wording of the stamp to be affixed on the Bills/receipts may be as follows:

“Rs..... reimbursed as
office allowance for M.Y.....
TDS Rs.....”

B) Additional Office Allowance on account of lesser lapsation :

A Chairman's/Zonal Manager's/Divisional Manager's Club Member agent will be eligible for 'Additional Office Allowance' (in addition to the Basic Office Allowance an agent actually earns as detailed in Clause 17A (i) above) at the following rates if the percentage of lapsation of policies is 10% or less in each of the last 3 financial years preceding the qualifying year at the following rates:

Percentage of lapsation (In %)	Percentage of lapsation (In %)
10 or less	5
9 or less	8
8 or less	10
7 or less	12
6 or less	15
5 or less	18
4 or less	20
3 or less	22

2 or less	25
1 or less	28
0	30

The Additional Office Allowance shall be calculated on the Basic Office Allowance payable to him as detailed in Clause 17A (i) above. Branch Manager's Club Member Agent will be eligible for Additional Stationery Allowance and the same shall be calculated on the aforesaid lines.

Additional Office Allowance will be calculated on the basis of the average of the lapsation percentages of the last three financial years preceding the Qualifying Year. The Lapsation has to be less than or equal to 10% in each of the last three years.

C) Graded Office allowance for Higher Performance to Chairman's Club Members:

Graded Office allowance for Higher Performance to Chairman's Club Members as well as the increased maximum limits for telephone reimbursement and sales promotion gift items :

Sr. No.	Performance Slab (Agent has to fulfill both the conditions)		Basic Graded Office Allowance for performance slab	Increased Maximum Limit	
	Mandatory Condition	Optional Condition		Telephone Reimbursement (Inclusive of telephone reimbursement for CM's Club Members as detailed in Clause 17D (a)(i))	Sales Promotion Gift Items (Inclusive of Amount reimbursable to CM's Clubmembers as detailed in Clause 17 E)
	No.of Lives in force	RC Paid or TC (RC+FYC)Paid in the qualifying year			
1	750	Rs.5,00,000 Or Rs.7,50,000	Rs 40,000/-	Rs 7,000/-	Rs 4,000/-
2	1000	Rs.6,00,000 Or			

		Rs.10,00,000	Rs.45,000/-	Rs.8,000/-	Rs.5,000/-
3	1250	Rs.7,50,000 Or Rs.12,50,000	Rs 50,000/-	Rs 9,000/-	Rs 6,250/-
4	1500	Rs.9,00,000 Or Rs.15,00,000	Rs.60,000/-	Rs.10,000/-	Rs.7,500/-
5	1750	Rs.10,50,000 Or Rs.17,50,000	Rs 70,000/-	Rs 11,000/-	Rs 8,750/-
6	2000	Rs.12,00,000 Or Rs.20,00,000	Rs.85,000/	Rs.12,000/-	Rs.10,000/-

- **Where both the agent and his/her spouse are Club Member Agents**, and then in such a case Office Allowance will be payable to only one Club Member Agent. If both the agent and his/her spouse are Club Member Agents of different clubs, then in such a case only one Office Allowance as applicable to the Higher Club will be reimbursed. In view of this the facility of payment of Office Allowance for maintaining joint office by the club member agents will no longer be available.
- However payment of separate office allowance is allowed where both husband and wife are maintaining **Premium Point Offices** separately w.e.f.M.Y.2015-16.subject to the following conditions:
 1. The agent should have functional Premium Point in the relevant Membership Year, active and operational.
 2. The offices should be at different locations,in different premises/area.
 3. Their offices are in separate names of husband and wife.(Whether it is on ownership basis, lease or rental)

4. These Premium Point offices are used exclusively for the purpose of servicing LIC Policyholders and not for any other purpose.
5. The respective Club Members daily manage their offices with their fair own presence as well as the staff hired to serve LIC Policies/Proposals showing a good growth in their New Business Performance.
6. The Manager (Sales) will inspect the office/rent receipts/related bills/books of accounts for reimbursement of office allowance.

The SDM (I/C) of the Division would be the Competent Authority to decide that both the Club Member Agents are working independently and having separate Premium Point Offices.

- **The payment of office allowance where two or more club members (other than husband and wife) have a common office** has to be one as per the instructions contained in our C.O. Circular Ref: Mktg/ZD/15/79 dated 5.5.1979 which states that –
 - i) If two club members maintain a joint office, each would be entitled to an office allowance not exceeding 75% of individual entitlement of office allowance under the existing club rules, but not less than the allowance available to only one of any of the two agents concerned;
 - ii) If three or more club members maintain a joint office, each would be entitled to an office allowance not exceeding 60% of individual entitlement of office allowance under the existing rules, but not less than the allowance available to only one of any of the three or more agents concerned.

Computer Allowance:

- Chairman's Club Member maintaining a personal computer shall be paid an additional office allowance at the rate of 5% of the amount in excess of the total commission over Rs.1,85,000 subject to a maximum of Rs.10,000/-. This allowance will be called Computer Allowance (Previously called as "Additional Office allowance".)

- Computer Allowance is also payable to Zonal Manager's and Divisional Manager's Club Member Agents operating **Premium Point** w.e.f. M.Y.2015-16 as under:

ZM Club Member maintaining Personal Computer shall be paid a Computer Allowance at the rate of 5% of the amount in excess of the total commission over ` 1,30,000/- subject to a maximum of ` 5,000/-.

DM Club Member maintaining Personal Computer shall be paid a Computer Allowance at the rate of 5% of the amount in excess of the total commission over ` 80,000/- subject to a maximum of ` 3,000/-.

Office Allowance for potential CM's Club Members:

The potential Chairman's Club qualifiers, i.e. agents who would satisfy the CM's club conditions in one/two consecutive Financial Years, would be paid Office Allowance in such first F.Y. and second F.Y. as follows:

1. For any such financial year in which he satisfies CM's Club entry conditions an office allowance of Rs.12, 000/- or Office Allowance otherwise payable to him (if any) shall be payable whichever is higher.
2. If an agent satisfies CM's Club entry conditions in the next financial year also, he will be paid an Office Allowance of Rs.20, 000/- or Office Allowance otherwise payable to him (if any) whichever is higher.

Example:

- a. An agent who is at present a Divisional Manager's Club Member and is at present drawing an office allowance of Rs.11250.** If such an agent fulfills the Entry conditions for CM's Club in one year, he shall be paid office allowance of Rs.12000 instead of RS.11250 i.e. he will be paid Rs.750 in excess of the office allowance which he is entitled for his performance as a Divisional Manager's club member.
- b. An agent who is at present a Zonal Manager's Club Member and is drawing an office allowance of Rs.22000.** If such

an agent fulfills the Entry conditions for CM's Club in one year, he shall not be paid any additional allowance as he is already getting office allowance of Rs.22000.

c. An Agent who is at present not a Club Member: If such an agent fulfills the Entry conditions for CM's Club in one year, he shall be paid office allowance of Rs.12000. If he fulfills the conditions consecutively he shall be paid an office allowance of Rs.20000.

Reimbursement without Production of Bills :-

Office allowance is reimbursed to agents of Corporate club, Chairman Club, Zonal Manager Club and Divisional Managers Club who have proved their professionalism and productivity over a period of time and acquired the status of club membership. The concerned member agent

has to submit all related original bills/ receipts to claim office allowance, the certified copies of which, is retained by the Branch

it has now been decided by the Competent Authority to allow reimbursement of office allowance **without insisting** on production of original bills/ receipts for the following:

Corporate, CM and ZM club member agents with minimum 5 years standing in that club or any of the three clubs.

While making payment of office allowance to the eligible club member agent, the office should ensure that :-

- i) Declaration of expenses as per format attached herewith is given by the eligible agent. ii) Inspection of office is carried out as per existing procedure and inspection report confirming office and required infrastructure is available in the office. (Inspection of office is mandatory in each and every case)
- iii) Income tax, as applicable, is to be deducted at source.
- iv) Supporting bills are submitted for claiming reimbursement of telephone expenses.
- v) It has been brought to the notice of eligible agents to preserve the supporting bills/ receipts etc. for at least 5 years after getting reimbursement for the purpose of verification, if required by the office.

Needless to add, while reimbursing the office allowance without the original bills/ receipts etc to the eligible agent, the Competent Authority will apply his wisdom and compare the expenses with that of the previous years. Any unreasonable difference or variation should be scrutinized and clarification with original bills/ receipts may be asked from the concerned agent.

Telephone facility to CM's and ZM's Club Member reimbursement for Landline and /or Mobile Phone Call Charges:

a. CM's and ZM's Club Member agents:

Reimbursement for rental and call charges of Landline and /or Mobile phone will be made per year up to the following maximum amounts subject to production of bills:

- (i) To CM's Club Members: Rs.6, 000 per year.
- (ii) To ZM's Club Members: Rs.4, 000 per year.

b. Introduction of benefit of Reimbursement for Mobile Phone Call Charges to all DM's and BM's Club agents:

Reimbursement for Mobile phone rental and call charges will be made per year, to all DM/s/BM's Club Member agents, up to the following maximum amounts subject to production of bills:

- (i) To DM's Club Members: Rs.2, 400 per year.
- (ii) To BM's Club Members: Rs.1, 800 per year.

Time Limit for Reimbursement:-

The Telephone call charges and rental charges etc. as stated above will be settled (or reimbursed) every quarter as soon as the bill is received. The claim for payment will have to be submitted within six months from the expiry of the club membership year.

Income Tax on Office Allowance & Fringe Benefits to Club Members

IT at the appropriate rates has to be deducted as per rules on **all** payments including reimbursements made to the agents towards office allowance, telephone and other items such as letterheads, visiting cards, sales promotional gift items etc. Income Tax should also be

deducted at source as per rules on the payment/ reimbursement made to Branch Manager's/Distinguished Club Member Agents towards stationery items. However, a mention should be made in the yearly Income-Tax certificate issued to the agent about the tax deducted at source on such items. The agents may be suitably advised to claim the expenses incurred by them while filing their Income-tax returns to the satisfaction of the assessing officer.

Group Insurance Scheme for Club Member Agents

Please refer "**Knowledge Corner –Agents**" available on Marketing site of Central Office for details of the Scheme.

Group Mediclaim to Club Member Agents:

Please refer "**Knowledge Corner –Agents**" available on Marketing site of Central Office for details of the Scheme.

Mementos to Club Member Agents

The club member agents who are not covered under the Group Insurance Scheme(GIS) for club member agents are eligible for memento. The value of the memento (inclusive of cost of packaging,taxes etc.) to be given to the club member agents who are not covered under the GIS scheme has been revised w.e.f. M.Y 201617 as under:

Clube Membership	Existing cost of Memento	Revised cost of Memento w.e.f. M.Y.2016-17
Corporate	1700/-	2100/-
Club Galaxy	-	1600/-
Chairman's Club	900/-	1100/-
Zonal Manager's Club	450/-	560/-
Divisional Manager's Club	240/-	300/-
Branch Manager's Club	120/-	150/-

The Life Members of Chairman's/Zonal Manager's Club who are covered under GIS and non-regular Life Members (i.e, not qualified as a regular member) are not entitled for the Mementos.

The respective Branch Offices shall arrange for the purchase and distribution of the Mementos to **all** the eligible Club Members. The cost of Mementos is to be absorbed by the respective Divisional Offices under the head 'Agents Club Expenses'-Account Code 113193. The Branch Offices will send the necessary Debit Advices to their controlling Divisional Offices. Necessary budget provisions are to be made under this account by the Divisional Offices in respect of all the Club Member Agents who are not covered under the GIS Scheme. The distribution of the Mementos should be completed before the close of the Financial Year falling in the Membership Year. For example for the M.Y.2016-17 the distribution of the Mementos and absorption of the expenses should be completed before 31.3.2017

Corporate Identity programme and printing of stationery for club members

The number of visiting cards, letter heads and Envelops to be supplied to club member agents are specified below:

Type of the Club	Total number to be supplied every year				
	Visiting Cards	Letterheads		Envelops	
		210mm x 297mm	145mm x 227mm	9" x 4"	6" x3.5"
Corporate Club	1000	500	1000	500	1000
Club Galaxy	500	250	750	250	750
Chairman's Club	250	250	750	250	750
Zonal Manager's Club	200	250	500	250	500
Divisional manager's Club	150	250	250	250	250
Branch Manager's Club	100	150	150	150	150
Distinguished Club	100	100	100	100	100

Sr. / Divisional Manager in-charge will approve a panel of firms falling under the Division. Branches may get the stationery printed through empanelled printers only and on receipt of the stationery, Branches must verify the quantity and quality in accordance with the guidelines and designs and measurements given in the CIP. The Marketing department at the Zonal office and the Divisional office should ensure

strict implementation of the Stores Code. Under no circumstances individual reimbursement to the Agents is to be allowed.

Agents are the first line of contact with the general public and it is imperative that they create a proper impression among their clientele. To create uniformity and consistency in the usage of visiting cards and other official stationery used by the club member agents a Corporate Identify Programme has been designed. Part V of the said CIP deals with the design system of visiting cards and stationery that will help enhance the desirable visual impact identifiable with LIC in the minds of their public. It is necessary that –

1. These being corporate instructions, no deviation of any nature, which may be contrary to the said guidelines is permissible.
2. All our offices are advised to keep all CIP folders properly filed so that they are readily available for the purpose of official reference.
3. The O.S dept. and Marketing dept. in particular should ensure that printing of fresh stock of all stationery items and visiting cards being used by club member agents, is strictly in according with the guidelines designs and measurements given in this CIP.
4. All efforts should be made to impress upon the printers to strictly follow dimensions of our corporate logo, emblem and club membership logos as also to match the colours with the corporate blue and respective club membership logo colour while printing.
5. the Marketing dept. at the zonal and divisional office should ensure strict implementation of the CIP in letter and spirit.

The colour prescribed below will be used for printing the logo identifying the club

Club Membership	Colour
Corporate Club	Gold Foil
Galaxy Club	Magenta
Chairman's Club	Red
Zonal Manager's Club	Blue
Divisional Manager's Club	Green
Branch Manager's Club	Orange

Distinguished Club	Yellow
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Club Membership Badges:

The Club Membership Badges will be given only to the New Entrants to the Club.

Sales promotional Gift items

As the name itself implies, these items are given to the club members so that they can present them to their policyholders and prospects. The Corporation is bringing out various sales promotional items such as policywallets, key chains, purses, pen sets etc. and these are sold to the agents at prescribed prices. They help agents to build up good relationship with clients and also contribute to further sales. Although priced, as a part of the fringe benefit, club members are given these gift items free of cost up to the value of such gift items (Reimbursed) as mentioned under:

Club Membership	Reimbursement towards Salespromotional gift items (including Diaries and calendars) (in `.)
Chairman's	3000
Zonal Manager's	2000
Divisional Manager's	1000
Branch Manager's	500

The following guidelines are to be followed while purchasing/placing order/s for sales promotional gift items:

1. Rules regarding approval and purchase as per the stores code should be followed for which adequate number of quotations to decide on lowest quotation may be called.
2. Appropriate number of items should be ordered so that there is not unnecessary accumulation of items in the office.
3. "Sales promotional Gift" items should have logo/emblem of LIC.
4. While calling for quotations quality and other specifications are to be made clear, so that all quotations are comparable.

LIC Guest House Facility:

"Members of clubs at each level (Corporate, Galaxy, Chairman's, Z.M's, D.M's or B.M's clubs) would be permitted to stay at guest houses, if any, of the LIC maintained in the area of the respective offices (Central Office, or the Zonal Office or Divisional or Branch Offices) according to the level of the Club of which they are members, at the same rate and subject to the same conditions as are applicable to the employees of the Corporation".

Complimentary copies of Diaries and Calendars

LIC produces diaries and calendars every year for sale to agents to help them to give as present to their clients, prospects etc. For personal use of members of the various clubs they are supplied diary/calendar every year, free of cost as per the particulars given below :

Club Membership	Items given free of cost
Corporate Club	1 Table Diary(Premium), 1 Pictorial Calendar
Galaxy Club	Table Diary(Ordinary), 1 Pictorial Calendar. 1
Chairman's	Table Diary(Ordinary), 1 Pictorial Calendar
Zonal Manager's	1 Table Diary (Ordinary), 1 Pictorial calendar.
Divisional Manager's	1 Table Diary (Ordinary), 1 Pictorial calendar.
Branch Manager's	1 Table Diary (Ordinary).
Distinguished Club	1 Pictorial calendar.

Complimentary copy of 'Yogakshema'

Members of Corporate, Galaxy, Chairman's and Z.M's Club are entitled to a free copy of 'Yogakshema' every month.

Certificate of Membership:-

The members of the Agents Clubs will get a duly signed certificate of membership from the Chairman, Zonal Manager, Divisional Manager or the Branch Manager depending upon the club in which the membership is enjoyed. It is necessary that the club member agent displays the 'certificate of membership' (alongwith the copy of Agents' Appointment Letter) in Office maintained by them as this will impress the visitors and clients about the stature in the profession. In respect of C.M's Club the Membership Certificates will be issued to the New Entrants to the Club only and 'a letter certifying the continuing Membership' will be issued to all the existing Members of the C.M's Club by the respective Zonal Offices.

Invitation for Annual Convention

A convention of the respective club members will be arranged every year. The idea of such a convention is to promote a spirit of camaraderie amongst members of a club and also to help them to share their experience and new ideas with their colleagues. Discussions/seminars on topics of importance like Underwriting, New Products and subjects of importance concerning of insurance agency are normally arranged in such conventions. Such professional conventions will help in enriching the knowledge of the participants for scientific selling.

Rules of T.E and other expenses for attending club conventions are as under:

Club Membership category	Mode of Travel allowed	Out of Pocket Expenses
1. Chairman's	Air Fare (Economy Class) or II/First class/III A.C.Sleeper.	Rs.4500/-
2. Zonal Manager's	st 1 Class or second class Two Tier AC or Three Tier AC Sleeper (if reservation in first class is not available)	Rs. 2500/-. However, in respect of club members belonging to the place where the convention is held will be paid an amount of Rs. 250/- as local conveyance and these agents shall not be paid Rs.2500/- as out of pocket expenses.
3. Divisional Manager's	st 1 Class or second class Two Tier AC or Three Tier AC Sleeper (if reservation in first class is not available)	Rs. 400. However, in respect of club members belonging to the place where the convention is held shall not be paid any out of pocket expenses.
4. Branch Manager's	st 1 Class or second class Two Tier AC or Three Tier AC Sleeper (if reservation in first class is not available)	Rs. 200. However, in respect of club members belonging to the place where the convention is held shall not be paid any out of pocket expenses.

Note:-

1. Journeys to be undertaken by the shortest route. Otherwise the reimbursement would be made limiting the fare to the shortest route.
2. No separate T.E./D.A will be paid.
3. No separate Conveyance charges are allowed.

4. No Lodging/Boarding expenses are allowed

Travelling Expenses to Agents

The revised rules for reimbursement of Travelling Expenses to Agents if not specified otherwise will be as under:

Category	Eligibility
For all Agents who attend Training at various Training Centres	By train (other than Rajadhani/Shatabdi) First Class or AC III Tier. Wherever the facility of AC III tier is not existing or where reservation is not available, the agent may travel by AC II Tier (in trains other than Rajadhani/Shatabdi) and the Competent Authority to decide this will be the Sr./Divisional Manager(I/C). In case of travel by any other mode(higher/lower), the actuals incurred will be reimbursed subject to the maximum limit of III A/C(ord. train)
For all Agents who attend Educational Seminars, Conventions (other than annual club conventions), Competitions, get-together etc. at various levels.	The entitlement will be decided by the controlling office which should be within the budget sanction of the concerned office.

Whenever agents are sponsored for any Training programme or for any other purpose their entitlement of the T.E. as above or other wise is to be specifically mentioned in the communication sent to them.

Daily Allowance allowed to Agents

The Daily Allowance payable to Agents who are required to undertake tours for Official purposes within India depending upon their club membership and the classification of cities are as shown hereunder :

Club Membership	A' Class City (Rs.)	B' Class City (Rs.)	C' Class City (Rs.)
Corporate Club	800	700	600
Galaxy Club	800	700	600
Chairman's Club	800	700	600
Zonal Manager's Club	700	600	500
Divisional Manager's Club	500	375	300
Branch Manager's Club	375	275	225
Distinguished Club	325	225	175

1. The Members of the various Clubs as also other agents who are paid lump sum amounts towards **“Out-of-pocket”** expenses for club conventions, training, various developmental meets or any other occasion at the rate approved from time to time **no separate daily allowance shall be admissible.**
2. Classification of cities and other terms and conditions with regard to payment of Daily Allowance are as under:-

CLASSIFICATION OF CITIES:

The classification of cities viz., "A", "B" and "C" is same as that of applicable from time to time to the employees of the Corporation while on tour.

APPLICABILITY OF DAILY ALLOWANCE:

- (i) Where free lodging and boarding are provided to an Agent at the place of halt, only 1/4th of the Daily Allowance will be admissible.
- (ii) Where free boarding is provided to an Agent at the place of halt, half of the Daily Allowance will be admissible.
- (iii) Where free lodging is provided at the place of halt, 3/4th of Daily Allowance will be admissible.
- (iv) Daily Allowance for journey period will be paid at the rate applicable at the place of destination i.e, the place of tour.

METHOD OF CALCULATION OF DAILY ALLOWANCE:

- (i) Where the total period of absence from headquarters is more than 24 hours, each period of 24 hours or any subsequent part thereof, reckoned from the scheduled time of departure from headquarters to the actual time of arrival at headquarters will be treated as a 'day' and D.A paid accordingly.
- (ii) Where the absence from headquarters is 24 hours or less:-
 - (a) Where the total period of absence is less than 8 hours but more than 4 hours, D.A at half the rate will be payable.
 - (b) Where the total period of absence is 8 hours or more, D.A at full rate will be payable.

INCIDENTAL CHARGES:

The method of allowing the incidental charges are same as those are applicable to the employees of the Corporation while on tour i.e., actual incidental expenses, but not exceeding half the Daily Allowance payable to them for each completed journey.

Club Membership and Credit for Business under different plans of assurance

Unless other specified under any plan of assurance, the credit for the business done by any agent should be allowed in full in respect of the number of lives, premium income, commission etc for club membership purpose. Some of the plans of assurance which are to be dealt with in following manner in the matter of credit for club membership purpose.

1. Group Insurance Business will not be taken into account for the purpose of Club Membership.
2. Credit for Plan Jeevan Sathi (T- 89) :

If an agent secures a policy under Jeevan Sathi Plan (T-89) two lives will be counted for consideration of Club membership

If an agent secures two policies one under Jeevan Sathi Plan on the lives of wife and husband jointly and the other policy under an individual plan on the life of either husband/wife, the credit will be limited to two lives only for Club Membership

3. Credit for Health Insurance Plans: Health Protection Plus (T-902) and Jeevan Arogya (T-903)

Credit of one separate life will be given on each life covered under a single Health insurance policy for consideration of Club Membership .

4. The credit for business under individual pension plans to the agent for the purpose to qualify or to continue for club membership from the year 200001 has been withdrawn. However, the same has been restored again with effect from the Membership year 2002-03 on the same lines as was given earlier prior to the withdrawal the credit.
5. The credit for business under Varishtha Pension Bima Yojana (Plan 828) to the agent for consideration of Club Membership : Full credit will be given for the number of lives and Commission received under the plan.

The credit for total no.of Lives will be allowed as long as the annuity under the plans is payable to the annuitant i.e. till the exit of the policy .

*For giving any credit the top-up (additional premium) and commission on such top-up premiums are to be excluded.

Various authorities for admission/termination of Agent Clubs

Name of the Club	Competent Authority	
	For admission to club	For termination of Membership of club

Branch Manager's Club/Distinguished Club.	Officer in-charge of Branch	Officer chargein- of Division
Divisional Manager's Club	Officer in-charge of Division	Zonal Manager(I//C) of the Zone
Zonal Manager's Club	Regional Manager(Mktg.) duly authorised by the Z.M(I/C) of the Zone. Life Membership will be awarded by Z.M(I/C) of the Zone.	Zonal Manager(I//C) of the Zone
Chairman's Club	Regional Manager(Mktg.) duly authorised by the Z.M(I/C) of the Zone. However, Life Membership will be awarded by Chairman.	Zonal Manager(I//C) of the Zone

Corporate Club

The Corporate Club has been formed w.e.f. the Membership Year 2004-2005.

The qualifying year for this Club would be a Financial Year.

The qualifying conditions for entry and continuation in the club for **M.Y.201718** would be as under:

- 1) **First Year Commission requirements for entry for M.Y. 2017-18**

At least ` 18 lacs in the Qualifying Financial Year i.e. F.Y. 2016-17 and at least ` 18 lacs in the Financial Year preceding the Qualifying Year i.e. F.Y. 2015-16.

2) First Year Commission requirement for Continuation for M.Y. 2017-18

At least ` 36 lacs in the Qualifying Financial Year i.e. 2016-17 and in the Financial Year preceding the Qualifying Year i.e. F.Y. 2015-16 **subject** to minimum First Year Commission of at least ` 15 lacs in the Financial Year 2016-17.

It is to be noted that First Year Commission includes the First Year Commission paid only on LIC business (excluding any Bonus commission, Commission on P & GS / Mutual Fund Business).

The qualifying criteria are liable to be revised every year/alternate year.

No relaxation whatsoever will be given for qualifying for the club.

First Year lapsation not to exceed 10%.

Interview for Club Membership:

Mere fulfillment of criteria for entry to this club does not confer upon an agent the Club Membership unless he/she has been interviewed and found suitable for admission to the Club by the Competent Authority.

A three member committee constituted at the Zonal Level will conduct the interviews for the Corporate Club. The Regional Manager (Mktg.) will be the chairman of the committee and the two other members (not below the cadre of Regional Manager) are nominated by the Zonal Manager (I/C) of Zone.

Benefits:

- Interest free car Advance of-

Actual price of the Car OR
Last two Years' Renewal Commission
OR
Rs 20 lacs, (WHICHEVER IS LESS)

Note: However as a one time relaxation the Car loan for the purchase of the superior model car for those qualifiers who have earlier availed of Car advance will be considered subject to the repayment of the outstanding advance of the existing car in one lump sum.

If the agent does not qualify for the "Club" later then interest will be levied on the outstanding advance as per the prevailing rules.

- Office Allowance:

1	Agents who are the members of Corporate Club consecutively for 5 years and more	50% of the actual expenses as determined below OR Rs.1,75,000,whichever is lower
2	Agents who are the members of Corporate Club consecutively for at least 3 years but less than 5 years	50% of the actual expenses as determined below OR Rs.1,50,000,whichever is lower
3	Corporate club member agents who are not falling under above criteria of (i) and (ii)	50% of the actual expenses as determined below OR Rs.1,25,000,whichever is lower

Reimbursement of Office Allowance is done to Club Member agents for maintaining an office depending on the expenses incurred during the Membership Year which includes,

- a) Rent Paid (actual)
- b) Salaries paid to the staff (actual)

- c) Postage expenses incurred (actual)
- d) Amount spent on stationary upto a maximum of Rs 3000/-
- e) Expenses on office maintenance and electricity upto a maximum of Rs. 5000/- (Expenses allowable on electricity alone will be limited to 1/4th of the actual electricity bill provided the office is not the residence of the Club Member).
- f) Expenses on entertainment upto a maximum of Rs. 5000/-
- g) Expenses for maintaining personal computer.

Note: Where both the agent and his spouse are Corporate Club member agents, then in such a case office allowance will be paid to only one member agent. If the spouse of the Corporate Club member is also a member of one of the CM's/ZM's/DM's/BM's Club then only the Corporate Club member will be paid the office allowance. The Office allowance should be claimed during the Club Membership Year but not later than six months after the expiry of Club Membership Year.

However payment of separate office allowance is allowed where both husband and wife are maintaining **Premium Point Offices** separately w.e.f. M.Y.201516 subject to the following conditions:

1. The agent should have functional Premium Point in the relevant Membership Year, active and operational.
2. The offices should be at different locations, in different premises/area.
3. Their offices are in separate names of husband and wife. (Whether it is on ownership basis, lease or rental)
4. These Premium Point offices are used exclusively for the purpose of servicing LIC Policyholders and not for any other purpose.
5. The respective Club Members daily manage their offices with their fair own presence as well as the staff hired to serve LIC Policies/Proposals showing a good growth in their New Business Performance.
6. The Manager (Sales) will inspect the office/rent receipts/related bills/books of accounts for reimbursement of office allowance.
7. The SDM (I/C) of the Division would be the Competent Authority to decide that both the Club Member Agents are working independently and having separate Premium Point Offices.

Kindly note that **no Additional office allowance** is payable over and above the office allowance as mentioned in Central Office Circular dated 08/06/2010.

- Facility to attend a Convention and option to attend Educational Seminar at International destination or Training from a reputed training Institute such as ISB,Hyderabd ,IIM etc.

Out of Pocket Expenses: Corporate Club member agents attending Convention will be paid Out of Pocket Expenses as under-

For Outstation Members: Rs.6000/-
For Local Members : Rs.1000/-
OR

Reimbursement of actual Air fare or Rs. 60,000/- whichever is lower for attending the MDRT Meet/ MDRT Experience meet.

The following **fringe benefits** will be paid to the Corporate Club members without linking to any other club :

- a) Sales Promotional Gift Items (including Diaries and Calendars) .
 - b) Supply of letterheads with envelopes and visiting cards .
 - c) Telephone facility: Rs.15000/- p.a. towards rental and call charges of Landline/Mobile phone.
 - d) Group Mediclaim Scheme.
 - e) Group Insurance Scheme for Club Member Agents.
 - f) Reimbursement for undergoing Computer Training at a reputed training institute(to be decided by the concerned Sr.Divisional Manager – Rs.5000/- .
- **Advances:** Corporate Club member Agents are eligible for following advances :
 - a) Advance for Office equipments
 - a) Other Advances (for Miscellaneous Purposes)
 - b) Flood, Drought, Cyclone Advances
 - c) Festival Advance
 - d) Advance for Computers
 - e) Advance for training

(Please refer Scheme of Advances to Agents for modifications/revision in above)

- **Functional Privileges:** As mentioned earlier .

Agents who satisfy conditions for entry/continuation into Corporate Club.but have not completed 5 years of their agency,will be allowed membership of the

Corporate club. However, they will not be granted advances and functional privileges until they complete five agency years and continue in the club.

- **Agency with other Insurer:**

If any member/s of an LIC agent's family has taken agency/Corporate Agency or is a Specified person / Financial Services Executive / Direct Sales Executive with any other Life Insurer or is a Life Insurance Broker, then the agent working with LIC shall not be eligible for grant / continuation of Membership of any Club. The definition of members of family of an agent shall include-

(i) Spouse;

(ii) Children or step-children staying with the existing agent; (iii)

Any other person related whether by blood or marriage

staying with the existing agent **or** as amended by LIC of India

from time to time.

- Pre MDRT Meet, MDRT Conventions at Corporate level, Zonal level and Divisional level **will not be held.**
- The agent/ member will be **required to submit the claim of membership/** continuation on prescribed format as per proforma (Annexure III) within 30 days of New Business closing. The office will verify the claim within 7 days of receipt. The interviews shall be completed in such a way that the results are declared by 31st July every year.
- Roster to be prepared for the Qualifiers of this Club in the format specified. If any member of this Club does not qualify for continuation then depending on the performance, his/ her status (CM's Club/ ZM's Club/ DM's Club/ BM's Club/ Dist. Club/ No Club) will be ascertained.
- Nothing contained in these rules shall affect the right of the Managing Director to deny Club Membership to an agent without assigning any reason even if he/ she has become eligible to join the Scheme or terminate the membership of an agent from the Club.
- The Managing Director reserves the right to amend, alter, relax, modify or delete any or all the rules governing the grant or continuation of the membership of the Club including the benefits thereof.

(This form is applicable to the Qualifying F.Y. 2006 -07 only. Appropriate changes be made in the form for its use in the relevant years.)

ÁAnnexure III(M.Y.06-07)
(Proforma)

APPLICATION FOR THE MEMBERSHIP INTO CORPORATE CLUB

I request you to admit/continue me in the Corporate Club for the Membership Year: _____
I give below the necessary data regarding my agency / performance etc. for your consideration.

1. NAME _____ AGENCY CODE _____

2. MALE/ FEMALE: _____

3. ADDRESS (RES.) _____

RESIDENTIAL TELEPHONE

4. WHETHER MAINTAINING OFFICE (Y/N) _____

IF YES, ADDRESS (OFFICE) _____

OFFICE TELEPHONE _____

MOBILE: _____ E-MAIL

ID _____

5. DATE OF BIRTH: _____

6. ACADEMIC

QUALIFICATION: Academic:

Professional:

Technical:

7. DATE OF APPOINTMENT AS AN AGENT: _____

8. WHETHER DIRECT OR ATTACHED TO A DEVELOPMENT OFFICER:

IF ATTACHED, Name/ Code of the DO: _____

9. FULL TIME/ PART TIME: _____

10. NATURE OF CONVEYANCE: DATE OF SUPPLY:

11. IF PC AVAILABLE:

12. TRAINING PARTICULARS:

SR.NO.	TRAINING DEATILS	ATTENDED AT	PERIOD (MM/YY)

13. PERFORMANCE AND COMMISSION PARTICULARS :

FINANCIAL YEAR	FIRST YEAR COMMISSION PAID	RENEWAL COMMISSION PAID
2005-2006		Not Applicable
2004-2005		

14. LAPSATION DATA

FINANCIAL YEAR	TOTAL NO OF POLS INTRODUCED IN THE FY (A)	NO OF POLICIES LAPSED WITHOUT PAYMENT OF FYP AS ON 31/03/2006 (B)	%AGE LAPSATION $\frac{(B)}{(A)} * 100$
2004-2005			

I AGREE THAT THE ABOVE DETAILS ARE TRUE TO THE BEST OF MY KNOWLEDGE. I AGREE TO ABIDE BY THE RULES OF THE CLUB MEMBERSHIP.

SIGNATURE

Galaxy Club

It has been decided to introduce a club called the 'Executive Club for Agents' to recognize and motivate the agents of the Corporation. Details of conditions and benefits are enumerated herein below:

1. Membership year:

The year in which an agent becomes member of a club will be known as the Membership Year. It will run from 1st September to the following 31st August. The Financial year immediately preceding the Membership Year is the Qualifying Year. First qualifying year will be from 1st April 2014 to 31st March 2015 and First membership year will be from 1st September 2015 to 31st August 2016.

2. Eligibility Criteria:

Eligibility criteria for the Entry and Continuation in the club shall be fixed every year by the Central Office.

Eligibility criteria for Membership year 2015-16

(a) The qualifying condition for **entry to the Club** would be as under:

1.	Agents should have brought following business in the financial year preceding the qualifying year i.e. during the financial year 2013-14: First Year Commission : 8 lakh (Without Bonus Commission) OR First year Premium : 33 lakh (In case of Single premium 6% credit will be given for First year premium)
2.	Requirement in qualifying year (2014-15): First Year Commission : 10 lakh (without Bonus commission) OR First year Premium : 40 lakh (In case of Single premium 6% credit will be given for First year premium)
3.	First Year Lapsation at the end of qualifying year : <10%

(b) Continuation in the club:

1.	First Year Commission : 10 lakh (without Bonus commission) OR First year Premium : 40 lakh (In case of Single premium 6% credit will be given for First year premium)
2.	First Year Lapsation <10%

*

(c) Registration with MDRT, USA is pre-requisite for membership of the Executive Club for agents. The registration should be valid at the time of admission to the club and continuation in the club.

3. Interview:

Mere fulfillment of criteria for entry to the club does not confer upon an agent the club membership unless he has been interviewed and found suitable for admission to the club by the Competent Authority. A three

member committee at Zonal Office, headed by the officer not below the cadre of Zonal Manager will recommend the eligible agents for the membership of this club. Zonal Manager (I/C) is the competent authority to award the membership.

Agents who have been relegated to a lower club due to non fulfillment of business conditions shall not be called for the interview.

The interviews should be completed in such a way that the results are declared by 31st July every year.

4. Relaxation clause for continuation in the club:

In case any member agent could not meet the requirements for continuation in the club due to shortfall in the First Year commission or First Year Premium, he may be granted the membership of the club by the Sr./Divisional Manager (I/C) if:

- (i) He has fulfilled 80% of the stipulated performance criteria for continuation in the current qualifying year.
- (ii) Sr. Divisional Manager is satisfied that reasons for the shortfall in the performance parameters are due to the factors which were extraordinary and beyond his control.

Provided, the agent had been the member of the club without availing this relaxation clause during two consecutive qualifying years preceding the year in which he desires the relaxation.

5. Transfer of business credit for continuation in the club:

In case of shortfall in business and commission earning during the qualifying year, credit for the business and commission in excess of the eligibility criteria for the year immediately preceding the current qualifying year, may be transferred to the current qualifying year. However, maximum credit by way of such transfer should not be more than 20% of current qualifying year's eligibility criteria. Such Agents would be eligible for all the benefits stipulated for this club.

6. Agency with other insurer:

If any member/s of the family of an agent of the Corporation has taken up agency/ corporate agency or is a Specified Person/ Financial Services Executive/ Direct Sales Executive with any other Life Insurer or is a Life Insurance Broker, then the agent working with LIC of India shall not be eligible for grant/ continuation of membership of the club. The definition of members of family of an agent shall include:

- (i) Spouse;
 - (ii) Children or step-children staying with the existing agent;
 - (iii) Any other person related whether by blood or marriage staying with the existing agent
- Or as amended by LIC of India from time to time.

7. BENEFITS:

I. Fringe Benefits:

No linkage of fringe benefits with any of the other clubs (CM's/ ZM's/DM's/ BM's). The following fringe benefits will be given to the member of the club:

- (a) Office Allowance:** 50% of the actual expenses as determined below or Rs. 100,000/- whichever is lower would be reimbursed to the agents once in a year at the end of membership year. Allowance may be paid only to the agents maintaining an office for the purpose of LIC business. For computing total expenses on maintaining the office, following would be considered:
- (i) Rent paid (Actual)
 - (ii) Salaries paid to the staff (Actual)
 - (iii) Postage expenses incurred (Actual)
 - (iv) Amount spent on stationary -Maximum of Rs. 3000/-
 - (v) General maintenance and Electricity charges up to maximum Rs. 5000/- (25% of the actual Electricity bill, provided the office is not at the residence of the Club agent)
 - (vi) Expenses on entertainment- Maximum of Rs. 5000/-
 - (vii) Expenses on maintaining personal computer - Maximum of Rs. 10,000/-

Claiming the office allowance:

Minimum infrastructure for the 'Office' and process to claim the reimbursement of office allowance will be the same as it is for the Chairman Club agents.

Note: Where both the agent and his/ her spouse are members of Executive club for Agents, then in such a case office allowance will be paid only to one member agent. If spouse of the Executive club agent is a member of either higher or lower club then the member agent who is in higher club may claim the office allowance applicable for his/her club.

(b) Telephone facility: Maximum reimbursement of Rs. 12000/- per annum would be admissible towards rental and call charges of Landline/ Mobile phone.

(c) Supply of Letter heads, envelopes and Visiting Cards- As mentioned earlier.

(d) Club convention & other options :

1. Attend the club convention at a place decided by the Competent Authority with Rs. 20,000/- as out of pocket expenses.

2. Actual airfare or Rs.60,000/- whichever is lower for attending the MDRT Meet / MDRT Experience meet with out of pocket expenses of Rs. 10,000/- for attending the meet.
3. Visiting a place of choice along with family members (Spouse/ Children/Parents / Parents-in-law) and taking reimbursement upto a maximum of Rs.35,000/- based on the declaration stating the place visited of their choice subject to deduction of Income Tax as per rules.
4. Attending training programme at reputed Training Institute for which an all inclusive amount of Rs.40,000/- will be reimbursed. Training Institutes to be approved by the Regional Manager (Marketing) of the Zone. Prior approval of the training sought is mandatory.

A Galaxy Club member agent may avail **only any one** of the above mentioned options. The time frame for availing the options (03) and (04) above will be as stipulated for Chairman Club members vide circular Ref: Mktg./ZD/38/2016 dated 22.09.2016.

Further for option 2, it is clarified that for the membership year 2015-16, Galaxy Club members may be allowed to exercise the option (02) of claiming reimbursement of the actual airfare or Rs. 60,000/- whichever is lower for attending the MDRT Meet / MDRT Experience meet pertaining to MDRT- 2016 (2015-Calendar Year Production) and out of pocket expenses of Rs.10,000/-. Those who have already claimed the aforementioned reimbursement are deemed to have exercised Option (02) for the membership year 2015-16.

Similarly, MDRT-2017 (2016- Calendar Year Production) will be reckoned for exercising option (02) for Galaxy Club members for membership year 201617, and so on.

(e) Club Blazer: Rs. 5000/- for a Blazer as per the colour and pattern specified by the Corporation, will be reimbursed once in every three years.

(f) Other benefits like Daily allowance, Group Insurance, Mediclaim and Complimentary diaries will be same as it is for the Chairman Club member agents.

Benefits to the member agents under relaxation clause:

Agents who have been allowed continuation of membership of this club under the relaxation clause (point no. 4) will be treated at par with other member agents except:

- (i) Eligibility for attending the club convention or other options mentioned above for the membership year under relaxation clause.
- (ii) Eligibility for full office allowance and telephone reimbursement. However, agents may be paid 50% of the maximum eligible office allowance and telephone reimbursement for the membership year under relaxation clause.

II. Advances:

Agents qualifying and continuing for this club are eligible for various advances against renewal commission as per the 'Scheme of Advance for Agents'. Conditions, quantum and process for advance is same as it is for the Chairman Club agents except for 'Four wheeler advance' which would be as under for the first and subsequent advance for member agents of this club:

Actual price of the Car

OR

Last two Years' Renewal Commission

OR

Rs. 10 lakh, Whichever is less.

Note: A one-time relaxation for the purchase of superior model for those qualifiers who have earlier availed of car advance under Scheme of Advances to Agents will be considered subject to the repayment of the outstanding advance of the existing car in one lump sum.

Advance for Second Hand four wheelers: The amount of advance for second hand four wheelers would be 2/3 rd of the purchase price of the car as determined by the garage of repute or the renewal commission paid to the agent in the last year or ` 2 lacs whichever is less. The repayment term shall be 60 months.

8. General:

- (a) Only a 'Qualified Agent' i.e. an agent who has completed the minimum business quota as per the LIC of India (Agents) Rules, 1972 and as amended from time to time is eligible to enter or continue as a member of the club. However, this will not be applicable to an agent who has been exempted from the same under the Agents Rules, 1972.
- (b) The agent/ member of the club will be required to submit the claim of membership/ continuation on the format prescribed as per Annexure I, within 30 days of new business closing.

- (c) The business done by an agent in any part of India will be considered for reckoning the eligibility for qualifying for membership of the club.
- (d) If the agency is terminated for any reason whatsoever, the club membership will automatically cease. On reinstatement of agency, the club membership may be revived depending on merits of the case. If as a result of any disciplinary action against the agent, the agency is terminated and subsequently it is reinstated by the higher authority then club membership may be restored unless otherwise decided.
- (e) Nothing contained in these rules shall affect the right of the Managing Director to deny Club membership to an agent without assigning any reason even if he/she has become eligible to join the scheme or terminate the membership of an agent from the club.
- (f) The Managing Director reserves the right to amend, alter, relax, modify or delete any or all the rules governing the grant or continuation of the membership of the club including the benefits thereof.

Annexure I

Application for the membership of Galaxy Club for Agents

I request you to admit/ continue me in the Galaxy club for the Membership
Year.....

I give below the necessary data regarding my agency / performance etc. for your consideration.

- 1. Name..... Agency
code.....
- 2. Gender: Male/ Female
- 3. Residential address
.....
..... Tel no. (Res.).....
- 4. Whether maintaining office: Yes/ No
If Yes,
Office Address.....
Tel no. (Office).....
Mobile no..... E-mail ID.....
- 5. Date of Birth...
- 6. Academic qualification...
- 7. Professional qualifications.....
- 8. Date of appointment as an agent...
- 9. Whether Direct or attached to a Development Officer...
- If attached, Name and Code of DO...
- 10. Full time/ Part Time
- 11. Nature of conveyance... date of supply:
- 12. Is PC/ Laptop available in your office:
- 13. Training particulars:

Sr.No.	Training details	Attended at	Period (MM/YY)

14. Performance and commission particulars:

Financial year	First year commission (Without comm.)	year paid Bonus	First year premium	
			Non single	Single Prem
2013-14				
2014-15				

15. First year Lapsation as at 31st March 2015:

16. Registration with MDRT valid upto:.....

17. Whether your spouse a life insurance agent: Yes/ No

If Yes then name of the insurer..... Club membership (if any).....

18. Whether any other family member is life insurance agent: Yes/ No

If yes then name of the insurer..... Club membership (if any).....

I hereby declare that above details are true to the best of my knowledge. I undertake to abide by the rules of the club.

Date:

Signature