

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:711
ANSWERED ON:25.02.2009
CLIA SCHEME
Sen Smt. Minati

Will the Minister of FINANCE be pleased to state:

- (a) whether the Life Insurance Corporation of India (LIC) has introduced `Chief Life Insurance Advisors` (CLIA) scheme;
- (b) If so, the details thereof;
- (c) whether the CLIA scheme diversified the agents who are the resources for the Development Officers to achieve the targets and to produce business; and
- (d) If so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b): Yes, Sir. The Life Insurance Corporation of India (LIC) has introduced the Chief Life Insurance Advisors Scheme, 2008 (CLIA) with effect from 01.04.2008. The details of the schemes are Annexed.

(c) & (d): LIC has developed this strategic channel for recruitment of agents given the changed market scenario in the Insurance Industry. The CLIA model aims to help the LIC to develop a strong and stable agency force, increase market penetration and to reduce the chances of poaching of senior agents by private companies. The intention is to empower senior agents to play a supervisory role given their long experience, knowledge and understanding of the market. The Development Officers shall continue to get credit for business done by their agents even if such agents have become CLIAs.

ANNEXURE

DETAILS OF THE CHIEF LIFE INSURANCE ADVISOR (CLIA) SCHEME:

ELIGIBILITY CRITERIA:

The applicant should be member of any of the following Clubs for Agents:

1. Corporate, 2. Chairman's, 3. Zonal Manager's 4. Divisional Manager's. OR The applicant should be Financial Service Executive having at least 3 years standing. OR The applicant should be a Retired Employee of the Corporation in the Class I, II and III cadre including who has taken voluntary retirement under Pension Rules and having LIC agency.

AGE:

The applicant should have completed minimum age of 25 years and should not have completed 65 years of age. The Zonal Manager incharge can relax the upper age limit in deserving cases. The Maximum age upto which an applicant can work as a Chief Life Insurance Advisor shall be 70 years.

SELECTION PROCESS:

The applicant fulfilling the above eligibility criteria will be authorized to act as Chief Life Insurance Advisor (CLIA) on the basis of an interview by a 3 Member Committee constituted by the Sr. Divisional Manager incharge of the Divisional Office. The committee will be headed by an officer not below the rank of Assistant Divisional Manager and the other members of the committee will not be below the rank of Administrative Officer. Such selected applicants will enter into a separate agreement with the Life Insurance Corporation of India on such terms and conditions as may be defined from time to time. The agreement would be signed by Marketing Manager or a person authorized by Sr. /Divisional Manager /C on behalf of the Corporation and the applicant would be authorized to act as a Chief Life Insurance Advisor. The contract would be for a period of Five years and renewable thereafter for a period of five years or less in case of CLIA attaining 70 years of age. The Competent authority may terminate this agreement by giving one month's notice thereof in writing even if the CLIA has fulfilled minimum performance norms as specified from time to time. However, the CLIA during this notice period shall continue to be responsible for the quality of business brought by his supervised agents.

FUNCTIONS OF A CHIEF LIFE INSURANCE ADVISOR:

- (a) Every Chief Life Insurance Advisor shall recommend names of candidates suitable for appointment as new agents. These individuals, after passing the necessary pre- recruitment test as specified by Insurance Regulatory Development Authority (Licensing of Insurance Agents) Regulations, 2000 as amended from time to time, shall be placed under the supervision of the Chief Life Insurance Advisor.
- (b) Every Chief Life Insurance Advisor shall make attempt.for re-appointment of terminated agents of the Corporation by motivating them. Such agents on reappointment shall be placed under the supervision of the CLIA who motivated them subject to existing provisions inforce.
- (c) The Chief Life Insurance Advisor shall be responsible for Post Recruitment mentoring, counseling, and performance of the Agents supervised by him. The Chief Life Insurance Advisor shall also be responsible for the quality of business and professional conduct of the agent supervised.
- (d) Every Chief Life Insurance Advisor shall be responsible for activating the agent placed under him/her and shall motivate him to perform satisfactorily.
- (e) Every Chief Life Insurance Advisor shall help the supervised agent to perform his duties as per Agents Rules 1972 and IRDA Rules and Regulations as applicable from time to time.
- (f) Every Chief Life Insurance Advisor shall perform such other duties as may be entrusted or assigned to fiim/her by the Corporation from time to time.