

**COMMITTEE ON THE WELFARE OF  
SCHEDULED CASTES AND SCHEDULED TRIBES  
(2007-2008)**

**(FOURTEENTH LOK SABHA)**

**TWENTY-SEVENTH REPORT**

**ON**

**MINISTRY OF FINANCE  
(DEPARTMENT OF FINANCIAL SERVICES – INSURANCE DIVISION)**

**Action taken by the Government on the recommendations contained in the Nineteenth Report (14<sup>th</sup> Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes – “Reservation for and Employment of Scheduled Castes and Scheduled Tribes in United India Insurance Company Limited”.**

**Presented to Lok Sabha on 13/3/2008**

**Laid in Rajya Sabha on 13/3/2008**

**LOK SABHA SECRETARIAT  
NEW DELHI**

**March, 2008/ Phalguna, 1929 (Saka)**

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APPENDIX II	Analysis of the Action Taken by the Government on the Recommendations contained in the Nineteenth Report (Fourteenth Lok Sabha).

**COMPOSITION OF THE COMMITTEE ON THE WELFARE OF SCHEDULED CASTES  
AND SCHEDULED TRIBES (2007-2008)**

Shri Ratilal Kalidas Varma - Chairman

**MEMBERS – LOK SABHA**

2. Shri Anandrao Vithoba Adsul
3. Shri S. Ajaya Kumar
4. Shri Kailash Baitha
5. Shri S.K. Bwiswmuthiary
6. Dr. Tushar A. Chaudhary
7. Shri Eknath M. Gaikwad
8. Smt. Sushila Kerketta
9. Shri Kailash Meghwal
10. Shri Rupchand Murmu
11. Shri Jual Oram
12. Shri Virchandra Paswan
13. Shri E. Ponnuswamy
14. Shri Ashok Pradhan
15. Smt. K. Rani
16. Shri Bajju Ban Riyan
17. Shri Sarvey Sathyanarayana
18. Shri Sugrib Singh
19. Shri Chengara Surendran
20. Shri Vanlalawma

**MEMBERS – RAJYA SABHA**

21. Shri Krishan Lal Balmiki
22. Shri Sharad Anantrao Joshi
23. Shri Robert Kharshiing
24. Shri Lalhming Liana
25. Dr. Radhakant Nayak
26. Shri Mahendra Sahnii
27. Shri Jesudas Seelam
28. Miss Anusuiya Uikey
29. Shri Veer Singh
30. Shri Nandi Yellaiah

**SECRETARIAT**

- |    |                        |   |                            |
|----|------------------------|---|----------------------------|
| 1. | Dr. (Smt.) P.K. Sandhu | - | Additional Secretary       |
| 2. | Shri P.K. Misra        | - | Joint Secretary            |
| 3. | Shri Gopal Singh       | - | Director                   |
| 4. | Ms. J.C. Namchyo       | - | Deputy Secretary           |
| 5. | Smt. Maya Lingi        | - | Under Secretary            |
| 6. | Shri Mukesh Kumar      | - | Senior Committee Assistant |

## INTRODUCTION

I, the Chairman, Committee on the Welfare of Scheduled Castes and Scheduled Tribes having been authorised by the Committee to finalise and submit the report on their behalf, present this Twenty-seventh Report (Fourteenth Lok Sabha) on action taken by the Government on the recommendations contained in their Nineteenth Report (Fourteenth Lok Sabha) on the Ministry of Finance, Department of Financial Services (Insurance Division) regarding "Reservation for and Employment of Scheduled Castes and Scheduled Tribes in United India Insurance Company Limited".

2. The draft Report was considered and adopted by the Committee on 31<sup>st</sup> January, 2008 (Appendix-I).

3. The Report has been divided into the following chapters:-

- I Report
- II Recommendations/Observations which have been accepted by the Government.
- III Recommendations/Observations which the Committee do not desire to pursue in view of replies of the Government.
- IV Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration.
- V Recommendations/Observations in respect of which final replies of the Government have not been received.

4. An analysis of the Action Taken by the Government on the recommendations contained in the Nineteenth Report (Fourteenth Lok Sabha) is given in Appendix-II. It would be observed therefrom that out of 38 recommendations/observations made in the report, 23 recommendations i.e. 60 per cent have been accepted by the Government. The Committee do not desire to pursue 9 recommendations i.e. 24 per cent in view of the replies of the Government. There are 6 recommendations i.e. 16 per cent in respect of which replies of the Government have not been accepted by the Committee and which require further reiteration.

**New Delhi:**  
**March, 2008**  
Phalgun, 1929 (Saka)

**RATILAL KALIDAS VARMA**  
**Chairman**  
**Committee on the Welfare**  
**of Scheduled Castes and**  
**Scheduled Tribes**

## CHAPTER – I

### REPORT

1.1 This Report of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes deals with the action taken by the Government on the recommendations contained in the Nineteenth Report (Fourteenth Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes on “Reservation for and Employment of Scheduled Castes and Scheduled Tribes in United India Insurance Company Limited”.

1.2 The Nineteenth Report was presented to Lok Sabha on 19<sup>th</sup> December, 2006. It contained 38 recommendations/observations. Replies of the Government in respect of all these recommendations/observations have been examined and may be categorised as under:-

- (i) Recommendations/Observations which have been accepted by the Government (Sl. Nos. 1, 4, 6, 8, 9, 11, 13, 16, 19, 21, 22, 23, 24, 25, 26, 28, 30, 32, 33, 34, 35, 36 and 37).
- (ii) Recommendations/Observations which the Committee do not desire to pursue in the light of the replies received from the Government (Sl. Nos. 7, 12, 15, 18, 20, 27, 29, 31 and 38).
- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration (Sl. Nos. 2, 3, 5, 10, 14 and 17).
- (iv) Recommendations/Observations in respect of which final replies of the Government have not been received (NIL).

1.3 The Committee will now deal with the Action Taken Replies of the Government which need reiteration or merit comments:-

**Recommendation (Sl. No. 2, Para No. 1.14)**

1.4 The Committee observe that there is neither any specific provision in the General Insurance Company (GIC) Act, 1972 for appointment of Scheduled Caste and Scheduled Tribe candidates on the Board of Directors nor any member belonging to these communities has ever been appointed on the Board of Directors of the United India Insurance Company. The Committee also find that the Government can nominate non-official members on the Board. Regarding nomination of non-official members on the Board of Directors, the Ministry of Finance, Department of Economic Affairs (Insurance Division) in their final Action Taken Notes on the recommendations contained in the 33<sup>rd</sup> Report (10<sup>th</sup> Lok Sabha) of the Committee had informed that the Appointments Committee of the Cabinet (ACC) had given their clearance for appointment of non-official Directors on the Board of LIC of which one of the Directors belonged to SC/ST category. The Committee, therefore, cannot understand what restricts the Government to issue guidelines based on the decision of Appointments Committee of the Cabinet (ACC) for whole of the insurance sector. They are surprised to note that the Ministry have not taken into consideration the decision of the Appointments Committee of the Cabinet (ACC) regarding the appointment of one SC/ST member on the Board of Life Insurance Corporation (LIC) based on the recommendation of this Committee which could have been made applicable to the whole insurance sector. The Committee, therefore, desire the Government to adopt a serious approach to find a workable solution towards appointment of SC/ST members on the Board of Directors of Insurance Companies either by way of an amendment to the GIC Act, 1972 or by issuing specific instructions regarding their appointment.

### **Reply of the Government**

1.5 Appointment of non-official directors is done by Appointments Committee of the Cabinet (ACC).

### **Comments of the Committee**

1.6 The Committee are distressed to note that their concern regarding appointment of SC/ST members on the Board of Directors has been taken in a casual manner by the Government. The action taken reply merely states that appointment of non-official directors is done by Appointments Committee of the Cabinet (ACC). Knowing fully well that powers to make all appointments on Boards of PSUs at present rest with the ACC, who had already cleared this issue in the case of L.I.C., the Committee had clearly desired that Government should find a workable solution towards appointment of SC/ST members on the Board of Directors either by way of an amendment to the LIC Act 1972 or by issuing specific instructions regarding their appointment. The Committee therefore reiterate their earlier recommendation.

### **Recommendation (Sl. No. 3, Para No. 1.15)**

1.7 The Committee note that the Board of General Insurance Companies consists of 11 Directors including 3 official and 8 non-official Directors. The present Board of the United India Insurance Company comprise of only two official and two non-official Directors. Six posts of non-official Director and one post of official Director are still vacant. The Committee are surprised to find that the present board is not even half of its actual strength. They, therefore, desire that immediate action be taken to fill up the posts



of official and non-official Directors with sincere efforts toward finding an SC/ST member in the non-official Directors category also.

#### **Reply of the Government**

1.8 Normally, apart from CMD, two out of four General Managers, in order of seniority, are appointed as official Directors on the Board of Public Sector Insurance Companies. In case of UIICL, three posts of GMs were vacant for a long time. Now they have been filled and the process of appointing third Official Director is underway. The appointment of non-official Directors is done by the Appointments Committee of the Cabinet (ACC). The proposal to appoint non-official Directors is pending with ACC for a long time.

#### **Comments of the Committee**

**1.9 The Committee are not happy with the fact that the posts of official and non-official Directors are not fully filled up for a long time in the United India Insurance Company. The Committee would like the Ministry to convey their grave concern to ACC in finalising appointment of official and non-official directors on the Board of the Company and advise the Ministry to initiate action for appointment of all the vacant posts expeditiously.**

#### **Recommendation (Sl. No. 5, Para No. 1.17)**

1.10 The Committee feel that there is an urgent need to lay down policy guidelines for appointments to the Boards of various insurance companies which encourage appointment of SCs/STs as Chairman and members of the Board. The Committee fail to understand as to why no SC/ST officer could make it to the Board of United Insurance Company when 3 Regional and 71 Divisional Offices are being held by SCs/STs. The Committee desire that a study in this regard should be made by the Ministry of Finance and a report be sent to this Committee within 6 months.



### **Reply of the Government**

1.11 SC/ST candidates along with general category candidates are governed by the services conditions. There is a well laid down promotion policy for all categories. However, the appointment of CMD is done by ACC on the recommendation of a Selection Committee which comprise of Secretary (EA)/Secretary (FS)/Secretary (DOPT)/Chairman (IRDA). The eligibility criteria is also defined according to which only GMs of GIC and four non-life public sector insurance companies with minimum one year experience as GM and two years of residual service on the date of vacancy are eligible for consideration for appointment as CMD.

### **Comments of the Committee**

**1.12 The Committee note that despite having many SC/ST officers occupying the higher posts in UIICL, not a single out of them got appointed as Chairman or Member on the Board. The Committee, therefore, wanted the Government to seriously consider laying down policy guidelines that could ensure appointment of SC/ST officers on the Board of the Company since the present efforts made by the Government have not been able to yield results. The Committee, therefore, reiterate their earlier recommendation and desire that the Ministry of Finance should examine the whole issue seriously in consultation with all the agencies involved and come up with fresh policy guidelines that could ensure appointment of SC/ST as Chairman and Members on the Board.**

### **Recommendation (Sl. No. 10, Para No. 2.25)**

1.13 The Committee note that reservation is provided in promotion upto lowest rung of Class I cadre i.e. upto Assistant Administrative Officer (AAO) grade. For promotions to

the grade of Administrative Officer, Assistant Manager and Deputy Manager, there is a provision of "Protection Clause" in the codified promotion policy. However, an officer must be rated 'fit' either in two out of his latest 3 years ACRs or in the latest ACR. It is also noted that there is a provision for appeal against non promotion and the reviewing authority examine such cases in detail to ensure justice only after the whole exercise has been completed. In contrast to this, the safeguard provided against supersession of SCs/STs in promotions provide that before any officer of these categories is considered 'unfit' for promotion, the Departmental Committee/ Selection Committee may satisfy itself that the concerned officer had been advised about his unsatisfactory performance and that his explanation/representation, if any, against this had been considered by the appropriate authorities. The Committee however, do not understand as to how this aspect would be looked after in the light of claim by the Company that the provision of examination of appeal against promotion by the reviewing authority ensure justice in such cases. The Committee further note that negative/adverse remarks of Reporting Officer are viewed at two levels by two Reviewing Officers who are superior in rank to the Reporting Officer. The remarks of the last Reviewing Officer are considered final and the Promotion Committee generally agrees to the views of the Reviewing Officers. The Committee, however, fail to understand as to how the SC/ST community officer being a member of the same Promotion Committee which generally agree with views of the Reviewing Authorities, can ensure any prejudicial reporting against an SC/ST officer in their ACRs. The Committee feel that the present system of scrutiny by the Promotion Committees should be reviewed and the SC/ST Member associated with it must be given powers to stall the whole process and investigate any negative/adverse remarks awarded to SC/ST Officers declaring them unfit.

### **Reply of the Government**

1.14 UIICL has reported that since the Company could fill up all promotion vacancies with the candidates of respective categories, the recommendation of the Committee may lead to stalling or delaying the process rather than timely filling of vacancies.

### **Comments of the Committee**

**1.15 The Committee are distressed to note that the Government have not seriously gone through the issue highlighted in the recommendation. Instead, they are content with what UIICL has reported that the recommendation of the Committee may lead to stalling or delaying the process rather than timely filling of vacancies. The Committee have not questioned the filling-up of backlog vacancies. They had raised a totally different issue relating to negative/adverse marking in ACRs and had pointed out some shortcomings. The Committee, therefore, reiterate that the present system of scrutiny by the Promotion Committees should be reviewed and the SC/ST Member associated with it must be given powers to stall the whole process and investigate any negative/adverse remarks awarded to SC/ST officers declaring them unfit.**

### **Recommendation (Sl. No. 14, Para No. 2.29)**

1.16 The Committee further note with concern that no relaxation in the eligibility criteria is extended to the SC/ST candidate where none of the vacancies are reserved for these categories. They unanimously feel that relaxation in the eligibility criteria must be extended to the SC/ST candidates even in case none of the vacancies are reserved in order to at least give them a chance for appearing in the exams to compete along with the general candidates and qualify as per the general passing standards.

### **Reply of the Government**

1.17 There is no brochure provision for relaxation in eligibility criteria for the SC/ST candidates in respect of unreserved vacancies.

### **Comments of the Committee**

**1.18 The Committee are not satisfied with the reply furnished by the Government that there is no brochure provision for relaxation in eligibility criteria for the SC/ST candidates in respect of unreserved vacancies. The Committee view the Brochure as a compilation of guidelines which can always be improved upon or withdrawn as to the need of the situation. The Committee are of the view that giving relaxation in eligibility criteria would at least provide a chance to the SC/ST candidates for appearing in a competition alongwith general candidates. The Committee, therefore, reiterate their earlier recommendation and desire that instructions to this effect should be issued till such time as such a provision is incorporated in the Brochure.**

### **Recommendation (Sl. No. 17, Para No. 2.47)**

1.19 The Committee note that the shortfall in the Class-I and Class-IV categories have been filled up. The backlog of SCs/STs in the Development Officers cadre has continued for the last few years. The figures relating to the Development Officers for the last few years provided to the Committee, show a shortfall of 163 Scheduled Caste and 163 Scheduled Tribe officers as on 01.01.2001. The shortage stood at 153 Scheduled Caste and 158 Scheduled Tribe as on 01.01.2002, which slightly came down to 139 Scheduled Caste and 156 Scheduled Tribe Development Officers as on 01.01.2003. The Committee also note that Special Voluntary Package (SVRP) offered for the Development Officer category during 2003 was opted by a total 369 Development Officers including only 3

SC/ST officers. The present figures show a backlog of 34 SC and 61 ST in recruitment. In promotion there is a backlog of 4 SC and 7 ST. Inability to fill the continuous backlog in this category proves the negligible efforts made by the United India Insurance Company. It has now been told that further recruitment cannot be opened in the cadre owing to opening up of the insurance sector and introduction of new intermediaries as per the Insurance Regulatory Development Authority guidelines. The Committee also note that process is on to fill all the posts except those in Class II category (i.e. Development Officers).

1.20 It is evident to the Committee that no sincere efforts had been made by the United India Insurance Company to fill the vacant posts of Development Officers in the previous years and the backlog continued to accumulate during the consecutive years. The Committee apparently believe that the decision to offer Special Voluntary Retirement Scheme to the Development Officers and subsequent decision to freeze the cadre at the post SVRs level is a step aimed at doing away with the accumulated backlog. The Committee observe that had the Company presented the efforts initiated to fill backlog before deciding to freeze the cadre it would have been a much satisfactory explanation instead of arbitrarily doing away with reservation in the Class-II cadre. The Committee, therefore, urge upon the Ministry to present the whole case as to how this backlog was allowed to be accumulated to such high levels.

### **Reply of the Government**

1.21 There has been no recruitment to the Development Officer Cadre from the year 2003 when it was declared to be run-off. DOPT issued instructions for filling up the backlog of SC/ST vacancies in their O.M. No.36038/1/2004-Estt(Res) dated the 5<sup>th</sup>

August, 2004. Since Development Officer Cadre had been frozen earlier, its backlog vacancies were not filled up.

### **Comments of the Committee**

**1.22 The Committee note that the backlog in the Development Officer category was in existence since the year 2001 but without making any committed efforts to fill those vacancies, the recruitment to the cadre stopped from the year 2003. It is now easy to say that the instructions of DOP&T for filling up the SC/ST backlog had come too late as recruitment to Development Officer cadre had been frozen by then. The whole case appears to be an attempt to do away with reservation. The Committee also do not understand as to how would the Government compensate for the loss that has occurred due to laxity in filling up of reserved posts and thereafter abolishing the Class II category posts on the plea of introduction of new intermediaries in their place. The Committee as such would want the Ministry to atleast investigate the matter as to how the backlog was allowed to accumulate to such high levels and whether the decision to freeze the Development Officer (Gr. II) cadre was taken with the concurrence of the Department of Personnel and Training, Ministry of Finance, National Commission for the Scheduled Castes and the Scheduled Tribes before abolishing the cadre of Development Officers (Grade-II) altogether along with huge accumulated backlogs. The report to this affect should be submitted within three months of the presentation of the report.**

### **Recommendation (Sl. No. 25, Para No. 3.8)**

**1.23 The Committee further note that no specific training is given to liaison officers before their appointment. However, after appointment they are sent for training on**



reservation provisions conducted by outside institutions. The Committee further observe that though liaison officers are independent of management interference, they are given additional responsibilities so as to keep them in the mainstream. The Committee firstly opine that sending a Liaison Officer for training to outside institutions after appointment is likely to create a vacuum by stalling the work falling under his charge. Secondly, the Committee while endorsing the concept of keeping Liaison Officer independent of management interference feel that putting additional responsibilities beyond his capacity may dilute the whole purpose of appointment of a Liaison Officer and it may be difficult for him to concentrate on his specific duties enumerated in Para 15.1 of the “Brochure on Reservation for Scheduled Castes and Scheduled Tribes in Services” which itself is cumbersome enough to keep him engaged. The Committee, therefore, recommend that a select list of officers to be appointed as liaison officers should be drawn and they be sent for training to outside institutions before appointment as Liaison Officers so that their work does not suffer in their absence. It may also be ensured that the liaison officers are not overburdened so that their specific duties remain unaffected.

#### **Reply of the Government**

1.24 The Company agrees with the recommendation of the Committee.

#### **Comments of the Committee**

**1.25 The Committee are happy to note that the Government agree with their view. The Committee would like the Ministry to issue specific instructions to whole of the Insurance Sector regarding training of officers likely to be appointed as Liaison Officers before appointment so that official work may not suffer during their tenure as Liaison Officer. The Committee would also like the Government to note that**

**Liaison Officers are appointed for specific purpose and they should be entrusted with SC/ST related duties only.**

**Recommendation (Sl. No. 34, Para No. 4.10)**

1.26 The Committee note that the United India Insurance Company has discontinued the scheme of compassionate appointments w.e.f. 1<sup>st</sup> June, 2002 and introduced a system of lump sum payment to the family of the deceased employees. The Committee also note that the dependants of all the employees who died prior to 31<sup>st</sup> May, 2002 have been given compassionate appointment subject to their fulfilling the eligibility conditions and general guidelines laid down by the Supreme Court governing these appointments. The Committee, however, feel that no amount of money can compensate the loss of life of the head of a family who may be their sole bread winner. The Committee opine that since the deceased employee renders service during his prime years of life to an organisation, they also have a certain obligation towards his family besides compensation which cannot be overlooked. The Committee, as such, consider that associating one member of the family of the deceased, directly or indirectly, by appointing him/her as broker/corporate agent/direct service agent or providing them employment on contractual basis should be the foremost duty of the company besides lump sum payment in such cases. The Committee, accordingly desire the Ministry of Finance and the United India Insurance Company to seriously examine the issue and come up with a more appropriate and appealing solution.

**Reply of the Government**

1.27 Broker/Corporate Agent etc. are licensed by IRDA and Insurance Companies cannot make appointment to the family members of the deceased employee as broker/agent etc.

**Comments of the Committee**

**1.28 The Committee agrees to the contention that the company is not competent to appoint family members of deceased employee as broker/agent. However, they would like that the Ministry of Finance should consider introducing both the systems i.e. “lump sum payment” and “compassionate appointment” and seek option from family members of the deceased for choosing one of them.**

## CHAPTER – II

### RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Recommendation (Sl. No. 1, Para No. 1.13)

2.1 The Committee note that the United India Insurance Company Limited operating through a network of 24 Regional Offices, 364 Divisional Offices, 705 Branch Offices and 248 Micro Offices has no presence in the rural areas.

#### Reply of the Government

2.2 United India Insurance Company Limited has presence in rural areas through micro insurance agents and Bank branches which are acting as its agents. As on 31/03/2006, there were 2859 insurance agents working in the rural area. They have procured a total business of Rs.218.36 crore during 2006-2007. UIICL has also entered into agreement with Branches of Scheduled Banks for selling its products in rural areas. At present the UIICL has tied up with the following banks:

Sl. No.	Name of the Bank	Branches in rural areas for selling UIICL products	Date of MOU
1.	Andhra Bank	389	24/02/2003
2.	Bank of Maharashtra	513	04/05/2006
3.	Canara Bank	766	20/01/2006
4.	Federal Bank Ltd.	93	28/05/2003
5.	Indian Bank	446	06/02/2003
6.	Indian Overseas Bank	505	19/12/2005
7.	South Indian Bank Ltd.	66	11/12/2003
8.	State Bank of Hyderabad	256	01/03/2004
9.	State Bank of Indore	119	31/03/2004
10.	State Bank of Patiala	264	14/08/2003
11.	State Bank of Travancore	72	03/11/2003
12.	Syndicate Bank	624	29/09/2006
	<b>Total</b>	<b>4113</b>	

As a result of Banks tie up, the rural premium has increased to Rs. 387.82 crore in the year 2005-06 from Rs. 211.45 crore in the year 2002-03. Before entering the tie up with the scheduled banks, the total business of the Company in rural areas was of Rs. 211.45 crore. Besides above, IRDA has specified rural/social obligations for the Insurance companies and the UIICL has fully complied with these regulations in 2005-2006.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 4, Para No. 1.16)**

2.3 The Committee find that the reviews on the implementation of the reservation policy are undertaken on yearly basis that also at the time of preparation of annual reports. The Committee feel that such an exercise when all energies of the management are concentrated towards finalisation of the annual reports may be futile until and unless the details of the unfilled posts of SCs/STs both in recruitment and promotions are not highlighted therein. Moreover, if such an exercise is carried out on half yearly basis, the Management would get ample time to identify the actual and anticipated shortfalls and plan their strategy to fill them in the next half leaving no room for backlogs. The Committee, therefore, recommend that half yearly reviews be undertaken in place of yearly reviews and details of vacant posts, if any should be highlighted in the Annual Reports along with the steps to be taken/initiated to fill them up.

### **Reply of the Government**

2.4 DOPT guidelines are being followed rigidly. As a result, presently there is no backlog vacancy of SC/ST.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 6, Para No. 2.10)**

2.5 The Committee note with concern that advertisement for recruitment in the United India Insurance Company are only advertised in the national and regional newspapers and not normally announced through All India Radio or Doordarshan. Even vacancies notified to local employment exchange are not announced through these media. The Insurance Company has also not specified any reason for not doing so. Further, the copies of the advertisements are sent to the Welfare Associations and Organisations of Scheduled Castes and Scheduled Tribes. The Committee desire that the advertisement for recruitment should invariably be announced on All India Radio and Doordarshan in terms of Para 7.1 (iv) of the “Brochure on Reservation for Scheduled Castes and Scheduled Tribes in Services”. The Committee also desire that copies of the advertisements should be endorsed to them in future.

**Reply of the Government**

2.6 Company has agreed to follow the direction as per para 7.1(iv) of the “Brochure on Reservation for SC and ST in Services.”

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division’s O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 8, Para No. 2.12)**

2.7 The Committee note that on various occasions Employment Exchanges have failed to sponsor sufficient number of candidates especially in ST category leading to backlogs. The Company neither undertakes campus recruitment in such situations nor they generally resort to considering candidates from outside States. The Committee, therefore, desire that in case local employment exchanges fail to nominate adequate

number of candidates, the candidates from adjoining States should also be sought through specific advertisements. The Company should also resort to campus recruitment to generate adequate number of candidates.

### **Reply of the Government**

2.8 UIICL has been able to fill up all backlog vacancies of SC/ST through the present system. It has agreed to consider Campus recruitment, in case it fails to get candidates from the existing channels.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 9, Para No.2.13)**

2.9 The Committee are dismayed to note that further relaxation in the standards of suitability are not extended to wipe out SC/ST shortfall during recruitment in the absence of such a stipulation in the recruitment rules of the United India Insurance Company Limited. The Committee are, however, pleased to note that the Company which had not relaxed the criteria on any occasion earlier had done so for ST candidates in recruitment to the post of stenographers. The Committee would like to draw the attention of the Company to the provision contained in Para 6.5 of the "Brochure on Reservation for SCs and STs in Services" which stipulate that in direct recruitment, whether by examination or otherwise, if sufficient number of SCs/STs are not available to fill all the vacancies reserved for them, candidates belonging to these communities should be selected on relaxed standards to fill up the remaining vacancies reserved for them. The Committee observe that perhaps this stipulation has never been given thought of by the Company. This stipulation, in the first place, leaves no scope for shortfall and secondly shortfall left, if any, needs to be filled in a similar manner. The Committee, therefore, recommend the



Ministry to issue necessary advice to the United India Insurance Company to carry out the necessary changes in their recruitment procedure in this regard.

### **Reply of the Government**

2.10 UIICL has filled up all the backlog vacancies by relaxing the norms for the posts for which candidates were not available.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 11, Para No. 2.26)**

2.11 The Committee notes with concern that though concession is given to SC/ST candidates in passing percentage in departmental examination for promotion, no concession/relaxation is given to them in work record and interview for selection. This is in contravention to the basic tenet of reservation. The extant provision envisages that in promotion through departmental examinations, those SC/ST candidates who have not acquired the general qualifying standard should also be considered for promotion by relaxing the standards provided they are not found unfit. Furthermore, instructions contained in the Ministry of Finance Letter No. 101/9/86/SCT (B) dated 15<sup>th</sup> May, 1986 provide for relaxation of 5% marks in examination as well as interviews. The only criterion to be considered while undertaking such exercise are minimum eligibility condition in terms of length of service and non-availability of candidates in the feeder cadre. The Committee, therefore, recommends that concession/relaxation should be given to the SC/ST candidates in all the areas.

### **Reply of the Government**

2.12 UIICL has reported to be following the guidelines issued by the Government in this behalf. It agrees to consider relaxation to SC/ST candidates in all the areas if suitable candidates are not available without relaxation.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 13, Para No. 2.28)**

2.13 The Committee are distressed to note that besides associating the Chief Liaison Officer at head office and Liaison Officer at regional office level in the various stages of promotion process, no SC/ST member is specially associated with the departmental promotion process for the reason that setting of question papers for promotion and the evaluation of answers are done at corporate level except for test to the post of record clerk which is conducted at regional office level. The Committee, therefore, desire that an SC/ST officer should invariably be associated with the actual promotion process involving them in preparation of question papers and evaluation of answers.

### **Reply of the Government**

2.14 According to the extant guidelines, a SC/ST officer is necessarily associated with the interview committee for promotions.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 16, Para No.2.46)**

2.15 The Committee note that there is an impressive tally of Scheduled Castes Officers in the posts of Administrative Officer, Assistant Manager and Deputy Manager which are covered under the protection clause of the Promotion Policy adopted by the United India Insurance Company Limited. The overall percentage of the ST officers in these posts is

however 4.03% only. The Committee hope that in the coming years this tally is further improved to contain at least 15% SCs and 7.5% STs in these posts.

### **Reply of the Government**

2.16 The relative shortage of ST Officers is due to non-availability of ST Officers in the feeder cadres. The Company will make efforts to improve the percentage of ST Officers over a period of time with the induction of required number of ST Officers in feeder cadres. It is also to be mentioned that with the ban of interchange of vacancies between SC and ST, ST vacancies, in future, would be filled by ST candidates only.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 19, Para No. 2.49)**

2.17 The Committee are happy to note that the United India Insurance Company have taken positive action to fill the backlog in Class III category by filling 106 out of the total identified 167 unfilled vacancies before coming for oral evidence. They are further satisfied with their submission that the process of filling the remaining backlog vacancies will be completed soon. The Committee hope that all the vacancies in this category have been filled by now. They desire that the details of the same are communicated at the time of submitting action taken notes.

### **Reply of the Government**

2.18 DOPT had issued order in respect of filling the SCs/STs backlog vacancies vide their letter No.36038/1/2004-Estt.(Res.) dated 5<sup>th</sup> August, 2004 to all the PSUs including the insurance companies. UIICL had made an exercise to fill up the backlog vacancies in the reserve categories. The Company had identified the backlog vacancies of 85 posts in Scheduled Castes and 85 posts of Scheduled Tribes in Direct Recruitment and 19 posts

in Scheduled Castes and 29 posts in Scheduled Tribes in promotion. The Company has reported that all the backlog vacancies have been filled.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 21, Para No.2.51)**

2.19 The Committee also believe that there should be no problem in achieving the different reservation percentages applicable in States as they have been worked out on the basis of the population of Scheduled Castes and Scheduled Tribes in those States. The Committee also believe that in case eligible Scheduled Caste/Scheduled Tribe candidates are not available in the feeder cadre through recruitment in a particular State owing to its backwardness, special provisions should be made to impart extensive pre-recruitment trainings. Concession/relaxation should be further extended and candidates from adjoining States be allowed to apply so as to fully achieve the goal.

**Reply of the Government**

2.20 The Company agrees with the recommendation of the Committee.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 22, Para No.2.52)**

2.21 The Committee are pleased to note that the United India Insurance Company has been successful in complying with almost all the assurances given for filling backlog in recruitment as well as promotions during evidence. The Committee, further hope that a workable solution as regards problems being faced in clearing ST backlog in recruitment and backlog in promotions (3 Scheduled Tribe) in the Class III categories in certain regions will be found soon and the backlog cleared subsequently.

**Reply of the Government**

2.22 The ST backlog in Direct Recruitment as well as in promotion has since been filled up.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division’s O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 23, Para No. 3.6)**

2.23 The Committee are happy to note that except the Chief Liaison Officer all the 24 Liaison Officers appointed by the United India Insurance Company belong to SCs/STs. They however, note with concern that no direct liaison exists between the Chief Liaison Officer and the Ministry of Finance whereas Para 15.1(4) (vi) of the “Brochure on Reservation for the SCs and STs in Services” clearly specify that the Liaison Officer would act as a liaison between the Bank/Financial Institution and the Ministry of Finance for supply of information, answering questions and queries and clearing doubts in regard to matters covered by the reservation orders. The Ministry of Finance Letter No. 7/80/69-SB dated 06.11.1970 also stipulates furnishing the name, address and telephone number of the Liaison Officer to the Ministry of Finance for establishing a direct contact among them. The Committee, therefore, recommend that directions should be immediately issued by Ministry of Finance establishing direct liaison between the Liaison Officer and the Ministry.

**Reply of the Government**

2.24 Necessary directions for establishing direct liaison between the Liaison Officer of the Company and the Government have been issued and accordingly the details of the Liaison Officer which are given:

Name of Chief Liaison Officer:	Shri R.V. Ravi Shankar, Chief Manager, United India Insurance Company Limited,
Address and Tel. & Fax No.:	24, Whites Road, Chennai-600014. Telephone No. 044-28575291 Mobile No. 09444049738 Fax No.044-28525289

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 24, Para No. 3.7)**

2.25 The Committee note that the post of Liaison Officers in the Ministry of Finance (Department of Economic Affairs) – Insurance Division, an important position, to monitor and keep track of the implementation of the reservation policy was vacant for quite a long time. This was one of the main reasons that resulted in submission of preliminary material to this Committee containing various discrepancies. The Committee therefore desire that the post of Liaison Officer should not be kept vacant for long and should be filled up immediately after it falls vacant.

**Reply of the Government**

2.26 The post of Liaison Officer in the Ministry as well as in the Company have already been filled up, whose particulars are given below:

Name of Liaison Officer:	Shri Lalit Kumar, Deputy Secretary, Insurance Division, Banking and Insurance, Department of Economic Affairs, Ministry of Finance,
Address and Tel. & Fax No.:	Parliament Street, New Delhi-110001. Telephone No.011-23365808 Fax No. 011-23344605

Name of Chief Liaison Officer:	Shri R.V. Ravi Shankar, Chief Manager, United India Insurance Company Limited,
Address and Tel. & Fax No.:	24, Whites Road, Chennai-600014. Telephone No. 044-28575291 Mobile No. 09444049738 Fax No.044-28525289

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]





**Recommendation (Sl. No. 25, Para No. 3.8)**

2.27 The Committee further note that no specific training is given to liaison officers before their appointment. However, after appointment they are sent for training on reservation provisions conducted by outside institutions. The Committee further observe that though liaison officers are independent of management interference, they are given additional responsibilities so as to keep them in the mainstream. The Committee firstly opine that sending a Liaison Officer for training to outside institutions after appointment is likely to create a vacuum by stalling the work falling under his charge. Secondly, the Committee while endorsing the concept of keeping Liaison Officer independent of management interference feel that putting additional responsibilities beyond his capacity may dilute the whole purpose of appointment of a Liaison Officer and it may be difficult for him to concentrate on his specific duties enumerated in Para 15.1 of the “Brochure on Reservation for Scheduled Castes and Scheduled Tribes in Services” which itself is cumbersome enough to keep him engaged. The Committee, therefore, recommend that a select list of officers to be appointed as liaison officers should be drawn and they be sent for training to outside institutions before appointment as Liaison Officers so that their work does not suffer in their absence. It may also be ensured that the liaison officers are not overburdened so that their specific duties remain unaffected.

**Reply of the Government**

2.28 The Company agrees with the recommendation of the Committee.

**Comments of the Committee**

2.29 Please see para 1.28 of Chapter – I.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division’s O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 26, Para No. 3.13)**

2.30 The Committee are pained to note that though rosters are maintained on annual basis without fail, no replies as to when the last such exercise was carried out and the type of discrepancies noted have been furnished. Moreover, the inability of the Company Management, including the Liaison Officer, in correctly understanding the post based roster system leave the Committee with no option but to believe that rosters are not being maintained properly. The Committee, therefore, impress upon the United India Insurance Company and the Ministry of Finance to take note of the situation and initiate necessary steps in the direction of proper maintenance of the rosters. The Committee hope that the Ministry of Finance have fully complied with the assurance given during evidence regarding introduction of a separate system for maintenance of rosters and periodic inspections as also develop a software for the purpose. The Committee should be informed of the steps taken in this regard within three months of this report.

**Reply of the Government**

2.31 Ministry's officials visited the Public Sector Insurance Companies for **in depth examination of implementation of reservation policy for Scheduled Caste and Scheduled Tribe as per the details given below:**

<b>Sl. No.</b>	<b>Name of the Company visited</b>	<b>Duration of visit</b>
1.	National Insurance Company Limited, Kolkata	21-25 December, 2005
2.	United Insurance Company Limited, Chennai	15-17 January, 2006
3.	(a) Life Insurance Corporation of India, Mumbai (b) General Insurance Corporation of India, Mumbai (c) New India Assurance Company Limited, Mumbai	18-21 January, 2006
4.	Oriental Insurance Company Limited, New Delhi	23-24 August, 2006

2.32 Further the Company has informed that software is being developed and would be presented very shortly.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 28, Para No. 3.20)**

2.33 The Committee are pleased to note that induction training on functional and management skills, pre-promotional training and foreign training are imparted to the employees of the United India Insurance Company. The Committee are also happy to note that the desired number of SCs/STs are nominated for various training programmes and hope that the same trend will be maintained in future also.

**Reply of the Government**

2.34 No comment is warranted.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 30, Para No. 3.22)**

2.35 The Committee note that foreign training is imparted in specialized areas like re-insurance engineering etc., for which the job knowledge and track record of an officer are taken into consideration while nominating them for training abroad. The Committee recommend the Ministry of Finance to issue specific instruction in terms of Para 17.15 of the "Brochure on Reservation for SCs and STs in Services" which envisage that it would be useful to include eligible SC/ST officers in such training programmes to broaden their outlook and also build up specialised knowledge thereby boosting up the morale of the officers of these communities.

**Reply of the Government**

2.36 Necessary instructions forwarding the eligible SCs/STs officers in terms of para 17.15 of the “Brochure on Reservation for SCs and STs in Services” for training

programmes to broaden their outlook and build up specialized knowledge have been issued to the Company.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division’s O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 32, Para No. 4.6)**

2.37 The Committee are concerned with the fact that a majority of false caste certificate cases pertain to Scheduled Tribes relating to a particular State. The Committee are pained to find that persons appointed on the basis of false caste certificate are still continuing in service. They are further distressed to observe that firstly the cases relating to false caste certificates take extraordinary time in disposal and secondly the United India Insurance Company hesitate to file FIRs against such employees as soon as the cases come to their knowledge. The process of filing FIRs is undertaken only after direction from Revenue Authorities. The Committee, therefore, desire the United India Insurance Company to firstly take precaution and prevent such cases by scrupulous scanning of antecedents of Scheduled Tribe candidates and secondly if the appointing authority finds genuine difficulty in getting the caste certificate verified at the time of appointment, the appointing authority should verify the claim through the District Magistrate concerned. The doubtful cases, however, may be referred to Ministry of Finance for further clarifications from the Ministry of Social Justice and Empowerment in terms of Para 12.3 of the “Brochure on Reservation for SCs and STs in Services”. The Central Vigilance

Commission should also be consulted whenever necessary. The Committee also desire that FIRs are invariably filed in all such cases.

### **Reply of the Government**

2.38 UIICL has reported that it has noted the recommendation of the Committee and their advice will be followed strictly.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 33, Para No. 4.7)**

2.39 The Committee further recommend the United India Insurance Company to move Court for vacation of stay obtained against removal from service by the employees recruited on the basis of false caste certificate. The Committee desire that the time taken should also be cut short in such cases by impressing upon the importance of the matter in the courts.

### **Reply of the Government**

2.40 The Company has already moved the Court for vacation of stay obtained against removal from service and is diligently following up the matter.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 34, Para No. 4.10)**

2.41 The Committee note that the United India Insurance Company has discontinued the scheme of compassionate appointments w.e.f. 1<sup>st</sup> June, 2002 and introduced a system of lump sum payment to the family of the deceased employees. The Committee also note that the dependants of all the employees who died prior to 31<sup>st</sup> May, 2002 have been given compassionate appointment subject to their fulfilling the eligibility conditions and general guidelines laid down by the Supreme Court governing these appointments. The Committee, however, feel that no amount of money can compensate the loss of life of

the head of a family who may be their sole bread winner. The Committee opine that since the deceased employee renders service during his prime years of life to an organisation, they also have a certain obligation towards his family besides compensation which cannot be overlooked. The Committee, as such, consider that associating one member of the family of the deceased, directly or indirectly, by appointing him/her as broker/corporate agent/direct service agent or providing them employment on contractual basis should be the foremost duty of the company besides lump sum payment in such cases. The Committee, accordingly desire the Ministry of Finance and the United India Insurance Company to seriously examine the issue and come up with a more appropriate and appealing solution.

#### **Reply of the Government**

2.42 Broker/Corporate Agent etc. are licensed by IRDA and Insurance companies cannot make appointment to the family members of the deceased employee as broker/agent etc.

#### **Comments of the Committee**

2.43 Please see para 1.31 of Chapter – I.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

#### **Recommendation (Sl. No. 35, Para No. 4.15)**

2.44 The Committee find that 4 cases of harassment of SC/ST employees have so far been received. In one case departmental proceedings have been initiated against the officer responsible. The two other cases did not attract any action, as no *prima facie* case of harassment could be established against the officers responsible for alleged harassment. The fourth case is under examination. The Committee further find that the

United India Insurance Company did not file or supplement filing cases of harassment under the provisions of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989 except making a plain statement that FIRs are normally registered by the complainants themselves. The Committee believe that an organisation has an imperative role to support an aggrieved employee who has faced humiliation and harassment. The Committee, therefore, recommend that the SC/ST Employees Welfare Association should be encouraged by the United India Insurance Company to take initiative in helping the victimised persons and supporting them in filing FIRs.

#### **Reply of the Government**

2.45 UIICL has reported that it would follow the procedure for filing cases of harassment under the provisions of the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division’s O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

#### **Recommendation (Sl. No. 36, Para No. 4.16)**

2.46 The Committee find that the grievances received from individual employees only are registered in the grievance register. The grievances not redressed at departmental level are taken up by the Association and are examined by the Chairman and Managing Director. The Committee are surprised that representation given by Association are not registered contrary to the Ministry of Finance instructions contained in their Order No. 101/1/83-SCT (B) dated 18.1.1983 mandating registration of all such representations in a register along with the action taken thereon. The Committee, therefore, recommend that representations received from SC/ST Employees’ Welfare Association should also be registered.

#### **Reply of the Government**



2.47 The recommendation of the Committee is accepted.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 37, Para No. 4.17)**

2.48 The Committee further take serious note of the large number of complaints especially related to posting/transfer despite the contention of the United India Insurance Company that preference is given in place of posting to the SC/ST employees on promotion and under Transfer and Mobility policy/job rotation in vogue. The Committee draw the attention of the United India Insurance Company to the instructions contained in Para 17.17 of the Brochure on "Reservation for SCs and STs in Services", emphasising Government servants to desist from any act of discrimination against members of SC/ST communities and prevent them from transferring the SC/ST employees to far-off places or insignificant positions on the grounds of their social origin. The Committee, therefore, urge upon the United India Insurance Company to ensure that the Scheduled Caste/Scheduled Tribe employees are not posted far away from their native places.

**Reply of the Government**

2.49 Transfer of all employees including SC/ST employees is governed by the TMP. However, the Company always treats SC/ST employees with empathy in the matter of the promotion/TMP to the extent possible.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**CHAPTER – III****RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE REPLIES OF THE GOVERNMENT****Recommendation (Sl. No. 7, Para No. 2.11)**

3.1 The Committee observe that in view of the fresh regulations framed by the Insurance Regulatory Development Authority (IRDA) for development of new intermediaries like brokers and corporate agents, the role of Development Officers as direct sales officers would diminish. The Company has accordingly decided to freeze this cadre. The Committee note with concern that the Government seem to decline reservation among Brokers and Corporate Agents that have been introduced in place of Development Officers merely on grounds that they are not their employees totally in contrast of the extant guidelines which provide reservation for SCs and STs, upto the lowest rung of Group 'A' posts (i.e. lowest rung of Class I posts). The Committee feel that in normal course also only a negligible number of Scheduled Castes and Scheduled Tribes may get appointed as brokers or corporate agents since the Insurance sector has been unable to provide visible representation to these categories in the appointment of agents till now as noted by the Committee in discussions with the Management of various institutions during their study visits. The United India Insurance Company have even failed to provide details of the number of SC/ST agents among the 55,000 agents presently earning business for the Company for the reasons best known to them. The Committee, therefore, insist that a serious effort should be made to restructure and re-work the terms and conditions for appointment of brokers and corporate agents so as to give adequate representation to the Scheduled Caste and Scheduled Tribe communities.

### **Reply of the Government**

3.2 Brokers and Corporate Agents are licensed by the IRDA as per IRDA (Licensing of Corporate Agents) Regulations, 2002 and IRDA (Insurance Brokers) Regulations, 2002.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 12, Para No. 2.27)**

3.3 The Committee also note that a system of decimal marking is prevalent in the United India Insurance Company for assessing employees for promotion. The codified promotion policy also involves numerical quantification of ratings given in the confidential reports giving the necessity for decimal marking. The Committee, however, feel that such a marking system can hamper the prospects of an officer since in such a system it may be difficult to establish any prejudicial marking by the candidate because of the fact that final tally may vary only by decimal one (.1) and which may be very easy to substantiate by the Management. The Committee, therefore, desire that the system of decimal marking should be replaced by a liberal system of grading which definitely should fit into the Codified Promotion Policy also.

### **Reply of the Government**

3.4 The present promotion policy is applicable for both reserved and general candidates. The system of marking is working perfectly well and there are no complaints in this regard.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 15, Para No. 2.30)**

3.5 The Committee compliment the United India Insurance Company for achieving full reservation percentage for SCs/STs in recruitment twice in 1996 and 1998. In promotion they have achieved full reservation percentage only twice during 1992 and 1994 and not thrice as claimed. During the year 1999 the United India Insurance Company could only promote 72 SC/ST candidates as compared to 444 General candidates in Class I category clearly falling short of 27 vacancies. The Committee, however, expect that the good work would be continued in future also. The Committee further desire that in case the company continuously fail to find SC/ST candidates for promotion at any point of time, decision should be taken to fill them through recruitment as a rule and not as an exception.

#### **Reply of the Government**

3.6 In respect of backlog in Senior Assistant cadre, it will not be possible to recruit from outside, as all posts of Senior Assistant are to be filled by promotion from the Assistant Cadre. Recruiting from outside would take away the promotional prospects of eligible departmental candidates. However, the Company has achieved the distinction of filling up all backlog vacancies of promotion as well as Direct Recruitment.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

#### **Recommendation (Sl. No. 18, Para No. 2.48)**

3.7 The Committee further deplore the new set-up to be introduced in the Class II posts and question whether there will be any reservation among the new intermediaries stated to be introduced in place of Development Officers. The Committee feel that the process is simply against the basic tenet of reservation. The Committee, therefore,

recommend that decision should be taken to first fill all the backlog in the Development Officers cadre and then evolve a system to introduce reservation among the new intermediaries expected to take up the job of Development Officers as discussed in para 2.11.

### **Reply of the Government**

3.8 There is no point in filling the posts of Development Officers Cadre as it had been frozen in the year 2003. Moreover, Development Officers are not the intermediaries. They used to enlist agents, who acted as intermediaries. Agents are still appointed by companies out of the candidates licensed by IRDA.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 20, Para No. 2.50)**

3.9 The Committee note that the United India Insurance Company is facing a practical problem in filling up the promotion posts for the reasons that the exercise is undertaken region-wise and the shortfall in certain regions accrue firstly due to non-availability of candidates owing to variation in reservation percentages in the recruitment level for each State whereas promotion percentage are the same as 15% for SCs and 7 ½ % for STs for all the posts throughout the country. Besides, promotions take place regularly from entry cadre to promotion cadre making impossible to fill resultant vacancies in the feeder cadre. The Committee also note that the provision in DOPT's guidelines for interchange of vacancies between Scheduled Castes and Scheduled Tribes in the event of vacancies remaining unfilled in either category which came handy in filling up shortfalls in both the categories is not available since 6<sup>th</sup> November, 2003. The Committee also take note of the solution to the issue offered by the representative of the Ministry of Finance during

evidence that in case no candidates are available internally for promotions, candidates of the same category shall be recruited by the Board by converting the promotion quota posts into recruitment posts. The Committee, therefore advise the Ministry of Finance to examine the whole issue and arrive at a possible system as to how the practical problems being faced by the United India Insurance Company in achieving reservation percentages in different States are addressed in the first place itself.

### **Reply of the Government**

3.10 All the backlog vacancies have been filled by the Company.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 27, Para No. 3.14)**

3.11 The Committee seriously note the anomalies found in the backlog positions in recruitment and promotion while shifting over from vacancy based roster system to post based roster system and the inability of the Liaison Officer to either impress upon the United India Insurance Company to rectify the discrepancies and fill backlog or call for/ expedite action against the delinquent officers responsible for such discrepancies and backlog. The Committee, therefore, advise the United India Insurance Company to be extra vigilant in future and empower the Chief Liaison Officer to take active part in identifications of delinquent officials who fail to implement the reservation safeguards properly.

### **Reply of the Government**

3.12 As on date, there is no backlog in the vacancies for SCs/STs.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]



**Recommendation (Sl. No. 29, Para No. 3.21)**

3.13 The Committee are however unhappy to note that no pre-recruitment training is being imparted and this may have led to shortfalls in recruitment in some regions. As such, the Committee recommend that pre-recruitment training should also be started to help the SC/ST candidates to prepare themselves for the recruitment examinations held by the United India Insurance Company for various posts.

**Reply of the Government**

3.14 The Company has reported that looking to large number of applicants spread throughout the country, it may not be possible for the Company to arrange such training as a normal activity. However, this may be done as part of activities of Dr. Ambedkar Welfare Trust.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 31, Para No. 3.23)**

3.15 The Committee are unable to understand the logic behind keeping a short duration of the training for Class III employees in comparison to the training of 2-3 months duration being imparted to the officers. The Committee feel that the staff belonging to the Class II and Class III categories form the backbone of any organisation and depriving these essential employees of the proper training may affect the functioning of an organisation. The Committee, therefore, recommend that the duration of the training of employees belonging to the Class II and especially Class III categories is increased at least upto 1 month so as to enable them to gain expertise to function more effectively.

**Reply of the Government**



3.16 Training programmes of long duration of 2-3 months is imparted to Officers only after recruitment. During the period of service their training programme do not exceed a period of 5 days at one time. There is practically no recruitment in class III cadre and wherever recruitment takes place, training up to one month is given to class III employees as part of induction into the Organisation.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

#### **Recommendation (Sl. No. 38, Para No. 4.19)**

3.17 The Committee note that except for contribution in the corpus of Rs. 50 Lakh deposited by the four subsidiaries of the General Insurance Companies with a Public Charitable Trust known as Dr. B.R. Ambedkar Welfare Trust, no other scheme or activity has been exclusively undertaken by the United India Insurance Company for the socio-economic development of the SCs and STs. The Committee understand that the Company being one of the premier profit making insurance companies has a social obligation towards the development of the Nation. The Committee, therefore, recommend that the Company should at least adopt villages from time to time, with a predominant population of the SCs/STs, and work for their socio-economic development as is being done by various other Organisations and Banks.

#### **Reply of the Government**

3.18 The recommendation of the Committee is noted for consideration.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**CHAPTER – IV****RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION****Recommendation (Sl. No. 2, Para No. 1.14)**

4.1 The Committee observe that there is neither any specific provision in the General Insurance Company (GIC) Act, 1972 for appointment of Scheduled Caste and Scheduled Tribe candidates on the Board of Directors nor any member belonging to these communities has ever been appointed on the Board of Directors of the United India Insurance Company. The Committee also find that the Government can nominate non-official members on the Board. Regarding nomination of non-official members on the Board of Directors, the Ministry of Finance, Department of Economic Affairs (Insurance Division) in their final Action Taken Notes on the recommendations contained in the 33<sup>rd</sup> Report (10<sup>th</sup> Lok Sabha) of the Committee had informed that the Appointments Committee of the Cabinet (ACC) had given their clearance for appointment of non-official Directors on the Board of LIC of which one of the Directors belonged to SC/ST category. The Committee, therefore, cannot understand what restricts the Government to issue guidelines based on the decision of Appointments Committee of the Cabinet (ACC) for whole of the insurance sector. They are surprised to note that the Ministry have not taken into consideration the decision of the Appointments Committee of the Cabinet(ACC) regarding the appointment of one SC/ST member on the Board of Life Insurance Corporation (LIC) based on the recommendation of this Committee which could have been made applicable to the whole insurance sector. The Committee, therefore, desire the Government to adopt a serious approach to find a workable solution towards appointment of SC/ST members on the Board of Directors of Insurance Companies either

by way of an amendment to the GIC Act, 1972 or by issuing specific instructions regarding their appointment.

### **Reply of the Government**

4.2 Appointment of non-official directors is done by ACC.

### **Comments of the Committee**

4.3 Please see para 1.6 of Chapter-I.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 3, Para No. 1.15)**

4.4 The Committee note that the Board of General Insurance Companies consists of 11 Directors including 3 official and 8 non-official Directors. The present Board of the United India Insurance Company comprise of only two official and two non-official Directors. Six posts of non-official Director and one post of official Director are still vacant. The Committee are surprised to find that the present board is not even half of its actual strength. They, therefore, desire that immediate action be taken to fill up the posts of official and non-official Directors with sincere efforts toward finding an SC/ST member in the non-official Directors category also.

### **Reply of the Government**

4.5 Normally, apart from CMD, two out of four General Managers, in order of seniority, are appointed as official Directors on the Board of Public Sector Insurance Companies. In case of UIICL, three posts of GMs were vacant for a long time. Now they have been filled and the process of appointing third Official Director is underway. The appointment of non-official Directors is done by the Appointment Committee of the Cabinet (ACC). The proposal to appoint non-official Directors is pending with ACC for a long time.

### **Comments of the Committee**

4.6 Please see para 1.9 of Chapter-I.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

### **Recommendation (Sl. No. 5, Para No. 1.17)**

4.7 The Committee feel that there is an urgent need to lay down policy guidelines for appointments to the Boards of various insurance companies which encourage appointment of SCs/STs as Chairman and members of the Board. The Committee fail to understand as to why no SC/ST officer could make it to the Board of United Insurance Company when 3 Regional and 71 Divisional Offices are being held by SCs/STs. The Committee desire that a study in this regard should be made by the Ministry of Finance and a report be sent to this Committee within 6 months.

### **Reply of the Government**

4.8 SC/ST candidates along with general category candidates are governed by the services conditions. There is a well laid down promotion policy for all categories. However, the appointment of CMD is done by ACC on the recommendation of a Selection Committee which comprise of Secretary (EA)/Secretary (FS)/Secretary (DOPT)/Chairman (IRDA). The eligibility criteria is also defined according to which only GMs of GIC and four non-life public sector insurance companies with minimum one year experience as GM and two years of residual service on the date of vacancy are eligible for consideration for appointment as CMD.

### **Comments of the Committee**

4.9 Please see para 1.15 of Chapter-I.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 10, Para No. 2.25)**

4.10 The Committee note that reservation is provided in promotion upto lowest rung of Class I cadre i.e. upto Assistant Administrative Officer (AAO) grade. For promotions to the grade of Administrative Officer, Assistant Manager and Deputy Manager, there is a provision of "Protection Clause" in the codified promotion policy. However, an officer must be rated 'fit' either in two out of his latest 3 years ACRs or in the latest ACR. It is also noted that there is a provision for appeal against non promotion and the reviewing authority examine such cases in detail to ensure justice only after the whole exercise has been completed. In contrast to this, the safeguard provided against supersession of SCs/STs in promotions provide that before any officer of these categories is considered 'unfit' for promotion, the Departmental Committee/Selection Committee may satisfy itself that the concerned officer had been advised about his unsatisfactory performance and that his explanation/representation, if any, against this had been considered by the appropriate authorities. The Committee however, do not understand as to how this aspect would be looked after in the light of claim by the Company that the provision of examination of appeal against promotion by the reviewing authority ensure justice in such cases. The Committee further note that negative/adverse remarks of Reporting Officer are viewed at two levels by two Reviewing Officers who are superior in rank to the Reporting Officer. The remarks of the last Reviewing Officer are considered final and the Promotion Committee generally agrees to the views of the Reviewing Officers. The Committee, however, fail to understand as to how the SC/ST community officer being a member of the same Promotion Committee which generally agree with views of the Reviewing Authorities, can ensure any prejudicial reporting against an SC/ST officer in their ACRs.

The Committee feel that the present system of scrutiny by the Promotion Committees should be reviewed and the SC/ST Member associated with it must be given powers to stall the whole process and investigate any negative/adverse remarks awarded to SC/ST Officers declaring them unfit.

#### **Reply of the Government**

4.11 UIICL has reported that since the Company could fill up all promotion vacancies with the candidates of respective categories, the recommendation of the Committee may lead to stalling or delaying the process rather than timely filling of vacancies.

#### **Comments of the Committee**

4.12 Please see para 1.18 of Chapter-I.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

#### **Recommendation (Sl. No. 14, Para No. 2.29)**

4.13 The Committee further note with concern that no relaxation in the eligibility criteria is extended to the SC/ST candidate where none of the vacancies are reserved for these categories. They unanimously feel that relaxation in the eligibility criteria must be extended to the SC/ST candidates even in case none of the vacancies are reserved in order to at least give them a chance for appearing in the exams to compete along with the general candidates and qualify as per the general passing standards.

#### **Reply of the Government**

4.14 There is no brochure provision for relaxation in eligibility criteria for the SC/ST candidates in respect of unreserved vacancies.

#### **Comments of the Committee**

4.15 Please see para 1.21 of Chapter-I.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**Recommendation (Sl. No. 17, Para No. 2.47)**

4.16 The Committee note that the shortfall in the Class-I and Class-IV categories have been filled up. The backlog of SCs/STs in the Development Officers cadre has continued for the last few years. The figures relating to the Development Officers for the last few years provided to the Committee, show a shortfall of 163 Scheduled Caste and 163 Scheduled Tribe officers as on 01.01.2001. The shortage stood at 153 Scheduled Caste and 158 Scheduled Tribe as on 01.01.2002, which slightly came down to 139 Scheduled Caste and 156 Scheduled Tribe Development Officers as on 01.01.2003. The Committee also note that Special Voluntary Package (SVRP) offered for the Development Officer category during 2003 was opted by a total 369 Development Officers including only 3 SC/ST officers. The present figures show a backlog of 34 SC and 61 ST in recruitment. In promotion there is a backlog of 4 SC and 7 ST. Inability to fill the continuous backlog in this category proves the negligible efforts made by the United India Insurance Company. It has now been told that further recruitment cannot be opened in the cadre owing to opening up of the insurance sector and introduction of new intermediaries as per the Insurance Regulatory Development Authority guidelines. The Committee also note that process is on to fill all the posts except those in Class II category (i.e. Development Officers).

4.17 It is evident to the Committee that no sincere efforts had been made by the United India Insurance Company to fill the vacant posts of Development Officers in the previous years and the backlog continued to accumulate during the consecutive years. The

Committee apparently believe that the decision to offer Special Voluntary Retirement Scheme to the Development Officers and subsequent decision to freeze the cadre at the post SVRs level is a step aimed at doing away with the accumulated backlog. The Committee observe that had the Company presented the efforts initiated to fill backlog before deciding to freeze the cadre it would have been a much satisfactory explanation instead of arbitrarily doing away with reservation in the Class-II cadre. The Committee, therefore, urge upon the Ministry to present the whole case as to how this backlog was allowed to be accumulated to such high levels.

#### **Reply of the Government**

4.18 There has been no recruitment to the Development Officer Cadre from the year 2003 when it was declared to be run-off. DOPT issued instructions for filling up the backlog of SC/ST vacancies in their O.M.No.36038/1/2004-Estt(Res) dated 5<sup>th</sup> August, 2004. Since Development Officer Cadre had been frozen earlier, its backlog vacancies were not filled up.

#### **Comments of the Committee**

4.19 Please see para 1.24 of Chapter – I.

[Vide Ministry of Finance, Department of Economic Affairs – Insurance Division's O.M.No.R.11011/18/2006-Ins.II dated 28.06.2007]

**New Delhi;**  
**March, 2008**  


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**Phalguna, 1929 (Saka)**

**RATILAL KALIDAS VARMA**  
**Chairman**  
**Committee on the Welfare**  
**of Scheduled Castes and**  
**Scheduled Tribes**



**MINUTES**

**COMMITTEE ON THE WELFARE OF SCHEDULED CASTES  
AND SCHEDULED TRIBES  
(2007-2008)**

**(FOURTEENTH LOK SABHA)**

**ELEVENTH SITTING**

**(31.01.2008)**

The Committee sat from 1100 to 1200 hrs.

**PRESENT**

Shri Ratilal Kalidas Varma - Chairman

**MEMBERS**

**LOK SABHA**

2. Shri Anandrao Vithoba Adsul
3. Shri S. Ajaya Kumar
4. Shri Kailash Baitha
5. Shri Eknath M. Gaikwad
6. Shri Kailash Meghwal
7. Shri Jual Oram
8. Shri Virchandra Paswan
9. Shri E. Ponnuswamy
10. Smt. K. Rani
11. Shri Bajju Ban Riyan
12. Shri Vanlalawma

**RAJYA SABHA**

13. Shri Krishan Lal Balmiki
14. Shri Sharad Anantrao Joshi
15. Shri Robert Kharshiing
16. Shri Lalhming Liana
17. Shri Mahendra Sahnii
18. Miss Anusuiya Uikey
19. Shri Nandi Yellaiah

**SECRETARIAT**

1. Shri P.K. Misra, Joint Secretary
2. Shri Gopal Singh, Director
3. Ms. J.C. Namchyo, Deputy Secretary
4. Smt. Maya Lingi, Under Secretary

At the outset, the Hon'ble Chairman welcomed the Hon'ble Members of the Committee. The Committee then considered the draft report on Action taken by the Government on the recommendations contained in the Nineteenth Report (14<sup>th</sup> Lok Sabha) of the Committee on the subject "Reservation for and Employment of Scheduled Castes and Scheduled Tribes in United India Insurance Company Limited" and adopted the same with minor modifications.

2. The Committee also authorised the Chairman to finalise the report in the light of consequential changes and present the same to both the Houses of Parliament.

The Committee then adjourned.

**APPENDIX II**

(Vide Para 4 of Introduction)

Analysis of action taken by Government on the recommendations contained in Nineteenth Report (14<sup>th</sup> Lok Sabha) of the Committee on the Welfare of Scheduled Castes and Scheduled Tribes.

1.	Total number of recommendations	38
2.	Recommendations/Observations that have been accepted by the Government ( <u>vide</u> recommendations at Sl. Nos. 1, 4, 6, 8, 9, 11, 13, 16, 19, 21, 22, 23, 24, 25, 26, 28, 30, 32, 33, 34, 35, 36 and 37)	
	Number	23
	Percentage to the total	60%
3.	Recommendations/Observation which the Committee do not desire to pursue in view of Government's replies ( <u>vide</u> recommendations at Sl. Nos. 7, 12, 15, 18, 20, 27, 29, 31 and 38)	
	Number	9
	Percentage to the total	24%
4.	Recommendations/Observations in respect of which replies of Government have not been accepted and which require reiteration ( <u>vide</u> recommendations at Sl. Nos. 2, 3, 5, 10, 14 and 17)	
	Number	6
	Percentage to the total	16%
5.	Recommendations/Observations in respect of which final replies of Government have not been received	Nil

