

F.No: 28-03/2019-LI(3)
Government of India
Ministry of Communications
Department of Posts
(Directorate of Postal Life Insurance)

Chanakyapuri P.O. Complex, New Delhi-110021

Dated: 31.08.2020

Subject: Promotional and Incentive Structure of PLI / RPLI – Clarification in respect of sales force - reg

This is regarding the promotional and incentive structure of PLI/RPLI, circulated vide PLI Directorate OM No. 28-03/2019-LI dated 19.06.2020 and implemented in Circles w.e.f. 01.07.2020.

2. In this connection, the following is clarified in respect of sales force procuring PLI/RPLI business:

Sl No.	Issue	Clarification
(i)	Order of preference in payment of incentive to sales force of PLI/RPLI.	<p>Direct Agents are not Departmental Employees and majority of them are dependent on incentive for their livelihood. Therefore, there is a need to nurture and handhold Direct Agents by way of giving priority to them in incentive payment.</p> <p>Accordingly, the following order of preference shall be followed by Circles while making payment of incentive to sales force of PLI/RPLI:</p> <ul style="list-style-type: none">(i) Direct Agents(ii) Gramin Dak Sevaks(iii) Field Officers(iv) Departmental Employees
(ii)	Nomination facility for sales force of PLI/RPLI.	<p>(i) Nomination facility may be provided to sales force of PLI/RPLI. In the event of unfortunate death of a sales force, incentive will be paid to the nominee of that sales force for the PLI/RPLI business procured by that sales force for the period she/he was alive.</p> <p>(ii) Further, if the nominee of the deceased sales force wants to procure PLI/RPLI business, she/he may apply for fresh direct agency licence. If found suitable, the concerned Division may issue fresh licence to her/him. Procurement/renewal incentive shall be paid only for the business procured by her/him subsequent to the issue of fresh licence.</p>
(iii)	Abolition of group agency system of incentive	<p>(i) Earlier, Group Leader was paid group incentive @ 7 % of the total procurement and renewal incentive payable to sales force under his jurisdiction. Resultantly, out of the total incentive on a PLI policy, the sales force used to get only 93% of the incentive and the remaining 7% used to be payable to the Group Leader.</p> <p>(ii) In the new incentive structure, the group incentive structure has been abolished and done away with.</p> <p>(iii) As a result, sales force of PLI and RPLI will get 100% of procurement and renewal incentive payable on PLI/RPLI policies as per prescribed rates effective from 01.07.2020.</p>

		(iv) In the new structure, Development Officer will be paid procurement incentive @ 1 % of total PLI/RPLI new business premium procured by Direct Agents attached to that Development Officer. The incentive payable to Development Officer will be over and above the incentive payable to Direct Agents working under her/him.
(iv)	Procurement of business by family members of Development Officer.	<p>In order to avoid conflict of interest, members of family of Development Officer are not allowed to procure PLI/RPLI business and claim incentive. Members of the family for this purpose would include the following:</p> <p>(a) The spouse, but not including a separated spouse or one living separately while judicial separation proceedings are on;</p> <p>(b) Children and stepchildren but not including children and stepchildren of whose custody the serving postal employee has been deprived by law;</p> <p>(c) Other persons such as wards and parents, who are dependent on and live with the Development Officer.</p>
(v)	Rate of incentive payable on PLI/RPLI policies.	<p>Incentive payable on PLI/RPLI policies is being explained with the help of following illustration:</p> <p>For a PLI policy procured on 1st November 2009, the procurement and renewal incentive payable on this policy is detailed as under:</p> <p>(i) 01.11.2009 to 31.10.2010 (First Year Premium): PLI Procurement Incentive during this period will be paid as per the procurement incentive rate applicable during that period.</p> <p>(ii) 01.11.2010 to 30.06.2020: Renewal Incentive during this period will be paid as per the renewal incentive rate applicable during that period.</p> <p>(iii) 01.07.2020 onwards: Renewal Incentive from 01.07.2020 onwards will be paid @ 1% of renewal premium.</p>

3. This issues with approval of the competent authority.


 (Gurninder Singh)
 Deputy Divisional Manager - I

To
All HoCs