

**LIFE INSURANCE CORPORATION OF INDIA CLASS I  
OFFICERS (REVISION OF TERMS AND CONDITIONS OF  
SERVICE) RULES, 1996**

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**LIFE INSURANCE CORPORATION OF INDIA CLASS I  
OFFICERS (REVISION OF TERMS AND CONDITIONS OF  
SERVICE) RULES, 1996**

In exercise of the powers conferred by Cl. (cc) of sub-section (2) of Sec. 48 of the Life Insurance Corporation Act, 1956 (31 of 1956), the Central Government hereby makes the following rules regulating certain terms and conditions of service of Class I Officers (other than the Managing Directors) of the Life Insurance Corporation of India, namely:

**1. Short title, commencement and application :-**

(1) These rules may be called the LIFE INSURANCE CORPORATION

# OF INDIA CLASS I OFFICERS (REVISION OF TERMS AND CONDITIONS OF SERVICE) RULES, 1996

(2) They shall be deemed to have come into force on the 1st day of August, 1992.

(3) They shall apply to every whole-time (salaried) Class I Officer of the Corporation in India unless otherwise provided by the terms of any contract.

(4) Notwithstanding anything contained in sub-rule (2), where any Class I Officer gives a notice in writing to the Corporation, within thirty days of the date of publication of these rules in the Official Gazette, expressing his option to be governed by the provisions of these rules with effect from the date of such publication, the Corporation may, by order, permit such officer to be governed by the said rules with effect from the said date.

## **2. Definitions :-**

In these rules, unless the context otherwise requires,

(a) "Act" means the Life Insurance Corporation Act, 1956 (31 of 1956);

(b) "Class I Officers" means an employee of the Life Insurance Corporation of India (other than the Managing Directors) working in Class I post and includes any person who became an employee of Corporation on the appointed day under the Act and is so working ;

(c) "Staff Rules" means the Life Insurance Corporation of India (Staff) Regulations, 1960;

(d) words and expressions used in these rules and not defined herein but defined in the Staff Rules, shall have the meanings respectively assigned to them in the Staff Rules.

## **3. Conditions of Service of Class I Officers :-**

Notwithstanding anything contained in the Staff Rules, the terms and conditions of service of Class I Officers relating to matters covered by these rules shall be regulated in accordance with the provisions hereinafter contained in these rules.

## **4. Scales of pay of Class I Officers :-**

The scales of pay of Class I Officers shall be as under:

## **5. Dearness allowance :-**

(1) The scales of dearness allowance applicable to Class I Officers shall be determined as under:

(a) Index: All India Average Consumer Price Index number of Industrial workers.

(b) Base : Index No. 1148 in the series 1960=100

(c) Rate : For every four points in the quarterly average of the All India Price Index above 1148 points, Class-I Officers may be paid dearness allowance at the following rates

Basic Pay	Rates of dearness allowance for every 4 points.
(i) up to Rs.4,800	0.35% of basic pay
(ii) Rs.4,801 to 7,700	0.35% of Rs.4,800 plus 0.29% of basic pay in excess of Rs.4,800.
(iii) Rs.7,701 to 8,200	0.35% of Rs.4,800 plus 0.29% of difference between Rs.7,700 and Rs.4,800 plus 0.17% of basic pay in excess of Rs.7,700.
(iv) Rs.8,201 and above	0.35% of Rs.4,800 plus 0.29% of difference between Rs.7,700 and Rs.4,800 plus 0.17% of difference between Rs.8,200 and Rs.7,700 plus 0.09% of basic pay in excess of Rs.8,200

## **6. House Rent Allowance :-**

(1) The scales of house rent allowance applicable to Class I Officers, except those who have been allotted staff quarters, shall be at the rate of 12.5 per cent of the basic pay, subject to a maximum of Rs. 875.

(2) Class I Officers who are allotted staff quarters, or leased accommodation shall not be entitled to any house rent allowance but they shall pay an amount equivalent to appropriate licence fee, for the staff quarters or leased accommodation allotted to them.

## **7. City Compensatory Allowance :-**

The scales of city compensatory allowance payable to Class I Officers shall be as under:

## **8. Provident Fund :-**

(1) Every Class I Officers of the Corporation other than an Officer

on probation or an officer appointed on temporary basis or an officer who is contributing to an approved Superannuation Fund, shall contribute every month to the Provident Fund established by the Corporation at the rate of 10 per cent of his basic pay and the Corporation shall also contribute to the Provident Fund every month an amount equal to the actual contribution of each such officer subject to a maximum of 10 per cent of the basic pay of each such officer:

Provided that the Corporation shall not be required to make any such contribution to the Provident Fund in respect of an officer governed by the Life Insurance Corporation of India (Employees) Pension Rules, 1995.

(2) Class I Officers who are transferred employees of the Oriental Government Security Life Assurance Company Ltd., and who are contributing to the Pension Fund of that Company, which is being continued with modifications as a separate Fund for such employees only, shall be entitled to pension according to the rules of that fund.

(3) Class I Officers referred to in sub-rule (2) may, however, be permitted to contribute to the Provident Fund established by the Corporation but the Corporation shall not be required to make any contribution to the Provident Fund in respect of such officers.

**9. Conveyance Allowance :-**

Every Class I Officer, other than an officer who is in receipt of any conveyance allowance under any of the schemes of the Corporation, shall be paid conveyance allowance of Rs. 100 per month.

**10. Functional Allowance :-**

**11. Vehicle Advance and benefits :-**

As per the Cir. Ref., MKTG/ZD/17/ 87 dated 1st September, 1987.

1. Scheme is for all confirmed Class I Officers

(i) New two wheeler which can be availed maximum twice during the service period.

(ii) The amount of advance shall be equal to full purchase price without accessories.

(iii) The interest shall be charged @ Rs. 3% per annum.

(iv) The amount of advance shall be recovered divided into sixty

plus interest from the salary every month.

(v) Insurance Tax and RTO tax will be borne by the Corporation.

2. Scheme for following Officers;

(a) Assistant Divisional Managers (Sales)

(b) Branch Managers

(c) Sr. Branch Managers

(d) Asstt. Branch Managers (Sales)

(i) Advance for full purchase price of a (without accessories) prescribed model viz. Ambassador, Fiat Padmini, Maruti 800 cc, Maruti Omni and Jeep.

(ii) The recovery is to be made in 120 equal monthly instalments through the salary.

(iii) Insurance premium and taxes will be borne by the Corporation,

(iv) Allowances towards fixed charges per month payable with salary will be as under:

(a) For depreciation : 80% of the purchase price spread over 120 monthly instalments.

(b) For charges towards maintenance : 80% of Rs. 50= Rs. 40 per month.

(c) For repairs and replacements (other than major repairs and replacements): 80% of Rs. 40= Rs. 32 per month.

(v) Major repairs will be allowed as under :

(v) Major repairs will be allowed as under :	
Age of the car	Amount per annum
First Year	Rs. 900
Second Year	Rs. 1,100
Third Year	Rs. 2,300
Fourth Year	Rs. 2,500
Fifth Year	Rs. 2,800
Sixth Year	Rs. 3,000
Seventh Year	Rs. 3,200
Eighth Year	Rs. 3,500
Ninth Year	Rs. 3,900
Tenth Year	Rs. 3,900

(vi) Major replacements will be allowed as under:

(a) Replacement by ordinary tyres after every 32,180 Km. run.

(b) Replacement by nylon tyres after every 37,007 Km. run.

(c) The amount of reimbursement will be equal to 80% of five tyres' cost.

(d) Replacement of batteries is allowed every 18 months with the reimbursement of 80% of cost.

(e) While reimbursing for replacement of tyres and/or batteries, the value of worn out tyres or batteries shall be debited).

(vii) Mileage allowance is allowed for town running and tour running based on the rate of petrol and rate of engine oil and divided by the fixed (by the Corporation) distance in km. covered per litre of petrol for each Make and Model of the car.

(viii) The Officer is allowed to make an official tour covering maximum distance of 4,023 Km. per quarter viz. April to June, July to September, October to December and January to March. However, the competent authority can sanction the extended distance of 4,827 Kms. for second and third quarters and 5632 Kms. for fourth quarter of the financial year.

3. Scheme for Assistant Divisional Manager and Divisional Manager of Administrative side.

(i) Advance amount shall be equal to full purchase price of a new car without accessories.

(ii) simple interest @ 5% per annum shall be charged.

(iii) The advance shall be recovered in 120 monthly instalments along with the interest.

(iv) The amount of insurance premium and other taxes shall be borne by the Corporation.

4. Scheme for executive Director, Zonal Manager, Deputy Zonal Manager, Sr. Divisional Manager or Divisional Manager (as incharge of the Division), Marketing Manager and Divisional Manager (Sales).

(i) Amount of advance shall be equal to full purchase price of a new

car without accessories.

(ii) No interest shall be charged.

(iii) The advance shall be recovered in equal 120 monthly instalments.

(iv) The expenses towards insurance premium and taxes shall be borne by the Corporation.

(v) For major repairs, 80% of the expenses shall be reimbursed.

(vi) The mileage expenses for petrol shall be payable as fixed by the Corporation per Km. for different model of cars.

(vii) For the purpose of mileage expenses, the officer is allowed to tour covering a distance of 4,000 kms. per quarter from April to June, July to September, October to December and January to March.

**12. Leave Rules :-**

The same as explained in SI. No. 13 of Service Rules of Class III and IV employees.

**13. Superannuation and Retirement :-**

The same as explained in SI. No.13 of Service Rules of Development Officers.

**14. Encashment Benefit :-**

The same explained in SI.No. 17 of Service Rules of Class III and IV Employees.

**15. Medical Benefit :-**

The same as explained in SI. No. 15 of Service Rule of Development Officers.

**16. Mediclaim :-**

The same as explained in SI. No. 19. of Service Rules of class III and IV Employees.

**17. Leave Travel Concession :-**

The same as explained in SI.No. 20 of Service Rules of Class III and IV Employees.

**18. Gratuity :-**

The same as explained in SI. No. 21 of service Rules of class III and IV Employees, excluding the item No. 3 and parts thereto.

**19. Additional Gratuity :-**

The same as explained in SI. No. 23 of Service Rules of Development Officers.

**20. Group Term Assurance :-**

The same as explained in SI. No. 23 of Service Rules of class III and IV Employees.

**21. Group Saving Link Insurance :-**

The same as explained in SI. No.24 of Service Rules of class III and IV employees.

**22. Pension :-**

The same as explained in SI. No. 25 of Service Rules of class III and IV Employees.

**23. Interpretation :-**

Where any doubt or difficulty arises as to the interpretation of these rules, it shall be referred to the Central Government/ Central office for its decision.