

---

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

CONTENTS

1. Short title and commencement
2. Definitions
3. Conditions of Service of Development Officers
4. Scale of pay
5. Dearness allowance
6. House rent allowance
7. City compensatory allowance
- 7A. Hill allowance
- 7B. Kit allowance
8. Provident Fund
9. Equitable relief
- 9A. Fixed personal allowance
10. Appraisal
11. Vehicle advance and its benefits
12. Leave Rules
13. Superannuation and retirement
14. Encashment of leave benefit
15. Medical benefit
16. Mediclaime
17. Leave Travel Concession
18. Gratuity
19. Additional Gratuity
20. Group Term Insurance
21. Group Savings Link Insurance
22. Pension

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

(1) 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 to further amend the Life Insurance Corporation of India. Development Officers (Revision of Terms and Conditions of Service) Rules, 1986, namely:

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

(1) These rules may be called the LIFE INSURANCE CORPORATION OF INDIA DEVELOPMENT 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 April, 1995.

**2. Definitions :-**

In these rules, unless the context otherwise requires,

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

(b) "Development Officer" means a whole-time salaried employee of the Corporation belonging to class II and includes any person who became an employee of the Corporation on the 1st day of September, 1956 and is working as Development Officer;

(c) "Special provisions" means the provisions contained in Schedule III to the Staff Rules;

(d) "Instructions" means the instructions issued by the Chairman under sub-regulation (2) of Rg.51(2) of Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989 the Staff Rules;

(e) "Special Rules" means the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989;

(f) "Staff Rules" means the Life Insurance Corporation of India (Staff) Regulations, 1960; which by virtue of sub-section (2-A) of S.48(2A) of Life Insurance Corporation of India (Staff) Regulations, 1960 the Act are deemed to be rules;

(g) words and expressions used in these rules and not defined but defined in the Special Rules or Staff Rules, shall have the same meanings assigned to them in the Special Rules or the Staff Rules.

### **3. Conditions of Service of Development Officers :-**

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

### **4. Scale of pay :-**

**1**

(1) The scales of pay of the Development Officers shall be as follows : Rs. 2,660- 155- 3,435- 190- 36,250-215- 3,840- EB- 230- 5,680-EB-230- 7,520.

(2) The pay referred to in sub-rule (1) and other allowances admissible to a Development Officer shall be regulated in accordance with the Staff Rules and Special Rules.

1. Subs. by G.S.R. 287(E), dated 18th July, 1996 (w.e.f. 1st April, 1995).

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

**1**

(1) The scale of dearness allowance applicable to Development Officers shall

be determined as under:

(a) Index : All India Average Consumer Price Index Number for Industrial Workers.

(b) Base : Index No. 1148 in the Series 1,960-100.

(c) Rate : Revision of dearness allowance shall be made on quarterly basis for every four point rise or fall, in the quarterly average of the All India Consumer Price Index above 1,148 points. Development Officers may be paid dearness allowance at the following rates:

	<b>Basic Pay</b>	<b>Rate of D.A. for every 4 points</b>
(i)	Upto Rs. 4,800	0.35% of basic pay :
(ii)	Rs. 4,801 to Rs. 7,700	0.35% of Rs. 4,800 plus .029% of basic pay in excess of Rs. 4,800
(iii)	Rs. 7,701 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 basic pay in excess of Rs. 7,700

(2) There shall be an upward revision of the dearness allowance payable for every four points rise in the quarterly average (hereinafter referred to as the "current average figure") of the All India Consumer Price Index above 1,148 points in the Sequence 1,148-1,152-1,152-1,160 and so on and there shall be a downward revision of the dearness allowance payable if current average figure falls by four points below the index figure in the above sequence with reference to which the dearness allowance has been paid for the 1st preceding quarter. On the downward revision, the dearness allowance payable shall correspond to the current average figure if such current average figure is a figure in the above sequence, and the dearness allowance payable shall correspond to the figure in the above sequence next preceding the current average figure if such current average figure is not a figure in the above sequence. For this purpose, quarter shall mean a period of three months ending on the last day of March, June, September or December. The final Index Figure as published in the Indian Labour Journal or the Gazettee of India, whichever publication is available earlier, shall be the Index Figure which shall be taken for the purpose of calculation of dearness allowance.

(3) For the propose of calculating dearness allowance for a particular month, the quarterly average for the last quarter for which the final index figures are available on the 15th day of that month shall be taken. Actual payment of this revised dearness allowance shall be made in the month following that in which the relevant index figures are available.

1. Subs. by G.S.R. 287(E), dated 18th July, 1996 (w.e.f. 1st April, 1996).

**6. House rent allowance :-**

(1) The scale of house rent allowance of Development Officers/except those who have been allotted residential

(2) Development Officers who are allotted residential accommodation by the Corporation shall pay for such residential accommodation appropriate licence fee as may be decided by the Corporation from time to time and they shall not be entitled to any house rent allowance.

1. Subs. by G.S.R. 287(E), dated 18th July, 1996 (w.e.f. 1st April, 1996).

**7. City compensatory allowance :-**

**1** The scales of city compensatory allowance payable to Development Officers shall be as under:

1. Subs. by G.S.R. 287(E), dated 18th July, 1996 (w.e.f. 1st April, 1995).

**7A. Hill allowance :-**

**1** The scales of hill allowance payable to Development Officers shall be as under

1. Subs. by G.S.R. 287(E), dated 18th July, 1996 (w.e.f. 1st April, 1995).

**7B. Kit allowance :-**

**1** Every Development Officer of the Corporation on his first appointment at, or transfer to, any of the hill stations at which hill allowance is admissible in terms of rule 7-A, shall be paid a kit allowance of Rs. 1,500 as one time payment:

Provided that no kit allowance shall be payable to a Development Officer if he has drawn such allowance at any time earlier.

1. Subs. by G.S.R. 287(E), dated 18th July, 1996 (w.e.f. 1st April, 1995).

**8. Provident Fund :-**

(1) Every Development Officer of the Corporation, other than a Development Officer on probation or a Development Officer appointed on a temporary basis or a Development Officer who is a transferred employee of the Oriental Government Security Life Assurance Company Limited who is contributing to the Pension Fund of that Company, shall contribute every month to the Provident Fund established by the Corporation at the rate of ten per cent of his basic pay. The Corporation shall contribute to the Provident Fund an amount equal to the actual contribution of each such Development Officer subject to a maximum of ten per cent of the basic pay of each such Development Officer:

Provided that the Corporation shall not be required to make any such contribution to the Provident Fund in respect of a Development Officer governed by the Life Insurance Corporation of India (Employees) Pension Rules, 1996.

(2) Development Officers who are transferred employees of the Oriental Government Security Life Assurance Company Limited and who are

contributing to the Pension Fund of that Company, shall 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 Development Officers.

**9. Equitable relief :-**

(1) Notwithstanding anything contained in sub-rule (2) of rule 4, the Corporation may, in respect of existing Development Officers, by instructions, provide for

(i) the fixation of basic pay and the grant of dearness allowance, house rent allowance and hill allowance in the scale of pay as revised by these rules, with effect from a date not earlier than the 1st day of April, 1993;

(ii) the grant of city compensatory allowance as revised by these rules, with effect from a date not earlier than 1st day of August, 1993;

(iii) contribution to the Provident Fund in accordance with rule 8, from a date not earlier than the 1st day of November, 1993; and grant arrears of salary for the period prior to 01.04.1995, by way of equitable relief, which shall form part of their ad-hoc annual remuneration in the relevant appraisal years:

Provided that a Development Officer may within such period as may be prescribed by instructions, choose that fifty per cent of such arrears of pay and allowances shall form part of his ad hoc annual remuneration and annual remuneration for the appraisal year commencing immediately after the date of publication of these rules and in respect of the balance thereof, for the appraisal year commencing immediately thereafter.

Explanation. (1) For the purpose of this sub-rule, the expression "existing Development Officers" means employees who are working as Development Officers on the date of publication of these rules.

(2) For the purpose of Cl. (ii) of this sub-rule, the provisions of sub-rule (1) of rule 4 shall be deemed to have come into force from the date provided for in accordance with Cl. (i) of sub-rule (1) but not later than the 1st day of August, 1993 and the 1st day of November, 1993, respectively.

(3) For the removal of doubts, it is clarified that the salary relating to the financial year commencing on the 1st April, 1995, shall form part of the annual remuneration in the relevant appraisal year in that financial year.

(4) The Corporation may provide by instructions issued in this behalf under sub-regulation (2) of regulation 51 of Staff Rules for fixation of basic pay in the scales of pay as revised by these rules of persons who may have worked as Development Officers on or after 1st April, 1993, but before the date of publication of these rules, classify them according to the nature of cessation of their service as Development Officers and specify whether the payment by way of equitable relief may be allowed to any class of Development Officers

at all for the period of their service as such and if so, the amount and the terms and conditions thereof:

Provided that no payment by way of equitable relief shall be allowed in respect of the class of Development Officers whose services may have been terminated under the Special Rules.

(5) Subject to the other provisions of this rule, where basic pay is fixed in accordance with this rule, the other allowances and benefits as revised by these rules shall also be payable on the basis of such fixation.

**9A. Fixed personal allowance :-**

(1) A Development Officer other than a Development Officer on probation, on first appointment or who has reached the maximum of the scale of pay applicable to him on the 1st day of November, 1993, shall be paid, on account of computerisation, one increment in the scale of pay applicable to him on the 1st day of November, 1993: Provided that a Development Officer who on his first appointment in the Corporation's service was on probation on the 1st day of November, 1993 shall be paid one such increment on completion of one year of service after confirmation.

(2) A Development Officer who has reached the maximum of the scale of pay applicable to him on the 1st day of November, 1993, shall be paid, a fixed personal allowance on account of computerisation equal to the aggregate of the amount of the last increment in the scale of pay applicable to him on the 1st day of November, 1993, the dearness allowance thereon as on the 1st day of November, 1993 and the amount of house rent allowance thereon, if any.

(3) A Development Officer who is in receipt of an increment on account of computerisation and who has reached the maximum of the scale of pay applicable to him shall be paid the fixed personal allowance referred to in sub-rule (2) on the expiry of a period of one year of reaching the maximum of the scale of pay.

(4) Fixed personal allowance, to the extent it does not exceed the amount of the last increment in the scale of pay applicable to him on the 1st day of November, 1993, shall count for the purposes of provident fund and gratuity and for the purpose of pension payable under the Life Insurance Corporation of India (Employees) Pension Rules, 1995.

Explanation. An employee in Class III who was in receipt of a Fixed Personal Allowance and who has been appointed as a Development Officer on or after the 1st day of November, 1993, shall continue to draw such fixed personal allowance.

(5) Fixed personal allowance paid to a Development Officer in accordance with the foregoing provisions shall form part of his ad-hoc annual remuneration and annual remuneration under the Special Rules.

Explanation. For the removal of doubts, it is clarified that the increment granted under sub-rule (1) and the fixed personal allowance paid under sub-rule (2) or sub-rule (3), as the case may be, shall also qualify for equitable relief referred to in rule 9."

**10. Appraisal :-**

Certain terms and conditions of service applicable to Development Officers regarding the appraisal of their performance have been revised from time to time. Presently as a result of revision of salary which is published in the Gazette of India in Part II, Sec. 3, Sub-section (i) Extraordinary, amended by the Chairman as per circular ref. Deptt. Personnel/ER No. ZD/852/ASP-96 dated 27.7.96 :

**11. Vehicle advance and its benefits :-**

The actual job of a Development Officer, is to sell life insurance policies through his agents which needs frequent mobility in the field. From this point of view, the Corporation gives advance for vehicles to each Development Officer. The eligibility, terms and conditions are as under: Two Wheelers A scooter or motor-cycle is permitted to all confirmed as well as to probationary Development Officers. The salient features are as under:

- (i) The amount of advance is payable for the purchase of new vehicle in full without the accessories.
- (ii) The amount of advance is recoverable in equal sixty monthly instalments through deduction from salary.
- (iii) There is no interest to be charged on this advance.
- (iv) the amount of insurance and taxes are to be borne by the Corporation.
- (v) After the expiry of sixty months, the advance is payable again for the new vehicle.
- (vi) The conveyance allowance is payable to each Development Officer per month at the following rate (revised and has become effective from 01.03.1997 vide LIC circular ref.Per/ZD/884/ASP/97, dated 09.06.1997):

A. Without Fast Conveyance (It is on the option of a Development Officer to move in the field by having a fast conveyance or without it):

Category of Development Officer	Amount of Conveyance Allowance
(i) A probationary Development Officer	Rs. 440
(ii) A confirmed Development Officer	Rs. 560

B. With motor-cycle/scooter :

Category of Development Officer	Conveyance Allowance per month
(i) A Probationary Development Officer	Rs. 620
(ii) A confirmed Development Officer	Rs. 795

#### Four Wheelers (Car or jeep)

The Corporation permits advance for a car or jeep only to an eligible Development Officer. As per LIC circular ref. NCZO-MKTG/Sales/14/Veh.Sch. II dated 11.01.1993, the eligibility condition is as under:

Particulars	In Appraisal years				
	First	Second	Third	Fourth	Fifth
1. Scheduled First Year's Premium Income (in lakh)	4.00	6.00	6.00	7.50	7.50
2. No. of Lives	400	400	450	450	450
3. No. of Qualified Agents	12	14	14	16	16
4. No. of Millionaire agents out of qualified agents and /or					
No. of agents out of Qualified agents who bring minimum FYP of Rs. 32,000	2	2	4	4	4
5. Expense Ratio not more than	15%	15%	15%	15%	15%

#### B. Eligibility condition for getting advance in four years :

Particulars	In Appraisal Years			
	First	Second	Third	Fourth
1. Scheduled First Year Premium Income (in lakh)	6.00	7.00	8.00	8.00
2. No. of Lives	400	400	450	450
3. No. of Qualified agents	12	14	14	14
4. No. of millionaire agents out of qualified agents and /or who bring minimum FYP of Rs. 32,000	2	2	4	4
5. Expense Ratio not more than	15%	15%	15%	15%

(i) The amount of advance is payable equal to full purchase price of any of the following vehicles:

(a) Fiat (b) Ambassador; (c) Maruti 800; (d) Maruti Van; (e) Jeep.

(ii) The recovery is to be made in 120 monthly equal instalments without any interest.

(iii) The amounts of Insurance and other taxes shall be borne by the Corporation.

(iv) An amount of Rs. 1,675 is payable towards monthly conveyance allowance.

#### **12. Leave Rules :-**

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

employees.

**13. Superannuation and retirement :-**

A Development Officer shall retire on completion of 58 years of age provided that the competent authority specified in Schedule IV to the Staff Regulation may, if it is of the opinion that it is in the interest of the Corporation to do so, direct a Development Officer to retire on completion of 55 years of age or at any time thereafter on giving him three months notice or salary in lieu thereof.

**14. Encashment of leave benefit :-**

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

**15. Medical benefit :-**

This is as per circular of Central Office, Dept. of Personnel/ ER. Ref. 3841 /ASP/96, dated 2nd December, 1996 issued by the Chairman in exercise of the powers conferred by Regulation 4 read with Rg.81A of L.I.C.(Staff) Regulation, 1960 A scheme is introduced applicable to Class I Officers and Class II Officers (Development Officers) as a reimbursement of medical expenses in respect of domiciliary treatment of which the salient features are as under-

(i) The Officer, his wife and maximum two dependant are covered.

(ii) 'Dependant' includes legitimate child of the Officer who, in case of a male child, should have not completed 21 years of age or 25 years of age if studying (whole time) in a recognised educational institution and in case of a female child, should be unmarried and if widowed or divorced, should be residing with the officer. Further, the dependant should not have an earned income of over Rs. 500 per month.

(iii) Domiciliary treatment means treatment by a recognised medical practitioner who may be an allopath, homoeopath or ayurvedi; but does not include hospitalization, domiciliary hospitalization, convalescence or maternity care.

(iv) Monthly contribution by the officer shall be as under:

Class I officers are divided in two categories; category 'A' includes Officers with basic pay exceeding Rs. 8,280, category 'B' includes Officers with basic pay upto Rs. 8,280.

<b>Class I Officer</b>		<b>Development Officer</b>			
<b>Category A</b>		<b>Category B</b>		<b>Self only with family</b>	
Self only	with family	Self only	with family		
Rs. 5.00	Rs. 10.00	Rs. 3.50	Rs. 7.00	Rs. 3.50	Rs. 7.00

(v) The coverage is divided in two parts (a) Dental treatment and non-surgical eye treatment; (b) other treatment.

(iv) The limit of benefit shall be as under:

	<b>Class I Officers of Category 'A'</b>	<b>Class I Officers of Category 'B'</b>	<b>Development Officers</b>
<b>(For Dental treatment and non-surgical eye treatment)</b>			
Per member	Rs. 300	Rs. 200	Rs. 200
For family	Rs. 1,200	Rs. 800 (For other treatment)	Rs. 800
Per member	Rs. 450	Rs. 270	Rs. 270
For family	Rs. 1,800	Rs. 1,080	Rs. 1,080

(vii) Claim can be made by the officer in respect of any one member equal to double the amount per member or part thereof but the total claim shall not exceed the limit for family.

(viii) The year for this scheme commences from 1st July and concludes on 30th June every year.

(ix) The full or any part of the limit of benefit, if not availed by the officer, such balance amount is permitted to be carried forward to immediate next year.

(x) On every claim submitted, the officer himself shall bear 10% of the same. It means the Corporation shall reimburse the expenses less by 10%.

(xi) The claim must be submitted during the period of treatment or within 30 days from the date of completion of treatment on a prescribed form enclosing therewith (i) the prescription of the treating medical practitioner; (ii) receipts of the chemist; (iii) reports of the laboratory test with receipt.

(xii) The reimbursement is allowed to the expenses for which treatment is undergone in India only.

**16. Mediclaim :-**

The same as is explained in SI. No. 19 of Service Rules of Class III and IV employees.

**17. Leave Travel Concession :-**

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

**18. Gratuity :-**

The same as is explained in SI. No. 21 of Service Rules of Class III and IV employees excluding item nd. (3) and part thereto.

**19. Additional Gratuity :-**

This is an additional retirement benefit which is available to Class I and Class II (Development Officers) Officers. The benefit is equal to Rs.4,000 of an Endowment Policy or Rs, 5,000 of a whole life policy at the beginning of service which shall go on increasing b2V1 ,000 of an Endowment Policy or Rs. 1,250 of a whole life policy for every five years of service to the maximum of Rs. 8,000 of an Endowment Policy or Rs. 10,000 of a whole Life Policy plus admissible bonus for the entire period of service. To avail this benefit, the officer must take an Endowment Policy or Whole Life Policy for minimum of Rs. 8,000 or Rs.10,000 respectively neither maturing nor surrendering before retirement, from the beginning of his service. If such policy is taken some time after the beginning of service, this benefit shall commence from the date of taking the policy and not from beginning of service and accordingly the increase in amount and bonus also shall be calculated from the date of taking the Policy. Since the scheme of GSLI is introduced w.e.f. 01.11.1987, the benefit of Additional Gratuity shall be available to those officers also who have not taken any qualifying policy w.e.f. 01.11.1987.

**20. Group Term Insurance :-**

The same as is explained in SI. No. 23 of Service Rules of Class III and IV employees.

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

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

**22. Pension :-**

The same as is explained in SI. No. 25 of Service Rules of Class III and IV employees.