

To All HODs of Central Office ,All Zonal Offices All Divisional Offices All Branch Offices & Satellite Offices Audit and Inspection Departments MDC, ZTCs & STCs

Re: Rules related to Reinstatement and Reappointment of Terminated Agents Pursuant to the notification of Life Insurance Corporation of Regulations, 2023, the revised rules for reinstatement and reappointment of terminated be as follows:

Sl. No.	Subject	Reinstatement	Reappointment
1.	Eligibility Conditions	An agency which stands terminated for failure to bring in minimum business may be reinstated by the competent authority only <u>within 5 years</u> from the date of termination.	All agents who cannot be reinstated and/or agents who had earlier resigned will be considered for, reappointment only.
2.	Who are not eligible?	<ol style="list-style-type: none"> 1) Agents terminated on account of a vigilance enquiry, disciplinary action, early claim, etc. or for any reason whatsoever under Regulations 15 & 16 of the LIC of India (Agents) Regulations, 2017, as amended from time to time. 2) Agents who have earlier resigned from the Corporation. 3) Agents who have been paid commuted commission under their agency. 4) Agent who had joined another insurer during the period his/her agency remained terminated, and subsequently resigned agency with that insurer. 	Agents terminated on account of a vigilance enquiry, disciplinary action, early claim, etc. or for any reason whatsoever under Regulations 15 & 16 of the LIC of India (Agents) Regulations, 2017, as amended from time to time.
			Note: Scrupulous check of agency records, even in cases where master shows 'Termination due to non-fulfillment of MBG', should be ensured, as there may
3.	Number of occasions	<p>Reinstatement of agency can be considered for <u>6 occasions (maximum)</u> from the date of appointment till the agent becomes eligible for renewal commission, provided reinstatement is done <u>within 5 years</u> from the date of termination.</p> <p>Once an agent becomes <u>eligible for renewal commission</u>, he/she can be reinstated <u>any number of times</u>, provided the reinstatement is done <u>within 5 years</u> from the date of termination.</p>	There shall be no restriction on the number of occasions for reappointment of a terminated agent.
4.	Competent Authority	A. Before agent becomes ERC :	Sr. / Divisional Manager in-charge

		<p>B. After agent becomes ERC : Branch in-charge, irrespective of the number of occasions within five years of date of termination.</p>	
5.	<p>Attachment of terminated agent on Reinstatement / Reappointment</p>	<p>Agents reinstated within 12 months from the date of termination shall continue to work under the organization of the same Development Officer or PDO (wherever applicable)/CLIA/LICA with whom he/she was working prior to termination.</p>	<p>On reappointment (other than agents who had resigned), Agents can be attached under the organization of any</p>
			<p>Development Officer/Probationary Development Officer (PDO)/CLIA/LICA, of any Branch/Division, who motivates the concerned agent.</p>
		<p>In case an agent under the organization of a Development Officer/ PDO/ LICA, remains terminated for <u>more than 12 months, but within 5 years</u> from the date of his/her termination, he/she can be reinstated by another Development Officer/PDO/LICA or CLIA of any Branch/Division, who motivates the concerned agent for reinstatement. In such case, declaration as per Annexure-A should be obtained from agent who wants to be reinstated and his/her agency will be attached to the concerned Dev. Officer/PDO/CLIA/LICA.</p>	---
		<p>Similarly, any supervised agent under CLIA who remains terminated for <u>more than 12 months, but within 5 years</u> from the date of his/her termination, can be reinstated by any CLIA or Development Officer/ PDO/ LICA of any Branch/Division, who motivates him/her for reinstatement. In such case, declaration as per Annexure-A should be obtained from the supervised agent who wants to be reinstated and his/her agency will be attached to the concerned Dev. Officer/PDO/CLIA/LICA.</p>	---

	<p>In case of permanent exit of a Development Officer due to retirement, resignation or death, attachment of reinstated agents will be allowed only to another Development Officer/PDO <u>within one year of termination of agency.</u></p>	<p>---</p>
	<p>Agents who resigned shall not be eligible for reinstatement.</p>	<p>Agents who resigned, if reappointed <u>within 12 months</u> from the date of termination (in view of his/her resignation), shall be attached to the same Development Officer/PDO/CLIA/LICA.</p>
		<p>Agents who resigned, if reappointed <u>after 12 months</u> from the date of termination (in view of his/her resignation), shall be attached to any Development Officer/PDO/LICA or any CLIA who motivates such resigned agent to take up fresh agency.</p>
	<p>Agents who were appointed as <u>Direct</u>, on reinstatement, shall remain only as <u>Direct</u>, and shall not be attached to any Development Officer/PDO/LICA or CLIA.</p>	<p>Agents who were appointed <u>Direct</u> and have subsequently resigned shall, on reappointment, be made Direct only and shall not be attached to any Development Officer/PDO /LICA or CLIA.</p>
	<p>The conditions related to number of <u>allotment</u> of agents to the Development Officers as prescribed in circular Ref: CO/Mktg/ZD/FPDO/46/2021 dated 18.10.2021, shall not be applicable while considering <u>attachment</u> of terminated agents on reinstatement, i.e. the number of agents allotted to Development Officers shall not be clubbed while considering attachment of terminated agents on reinstatement to the Development Officers.</p>	<p>Since reappointment, for all practical purposes, is considered as a fresh appointment, the conditions related to allotment of agents to the Development Officers/PDOs as prescribed in circular Ref: CO/Mktg/ZD/FPDO/46/2021 dated 18.10.2021, shall be applicable for reappointed agents.</p>
	<p>Further, the terminated agents reinstated by a Probationary Development Officer will be deemed as agents recruited by the PDO and shall be included for the purpose of his/her confirmation.</p>	

6.	Commission eligibility	<p>In accordance with the provisions of Regulation 13(3) of the LIC of India (Agents) Regulations, 2017, a reinstated agency shall be treated as continuous for all purposes.</p> <p>Accordingly, the agent commission under the agency shall be automatically restored.</p>	<p>Subsequent to LIC of India (Agents) Amendment Regulations, 2023, reappointed agents will be eligible for renewal commission</p>
			<p>under the old agency. On reappointment, no benefits of old agency would be made applicable under new agency for gratuity, club membership, etc except renewal commission if eligible for the same under provision of sub-regulation (1) of Regulation 19 of LIC of India (Agents) Regulations, 2017, as amended from time to time.</p>
7.	Commutation of Commission	<p>Reinstatement shall not be allowed to Agents, who have availed commutation of commission.</p>	<p>Reappointment shall be allowed to Agents who have availed commutation of commission.</p>
8.	Training	<p>A reinstated agency is treated as continuous for all purposes.</p> <p>However, if reinstatement is after a period of two years from date of termination of agency, such agents should be exposed to the training at DTC within one month of reinstatement.</p>	<p>Agents shall undergo 25 hours training imparted at DTC along with an internal test conducted on the lines of PRT by the Insurance Institute of India or any approved examination body.</p> <p>The Sr. Divisional Manager shall be the competent authority to decide the modality of the examination.</p>
9.	RCA/CCA/UCA	<p>RCA Scheme is a two years scheme. Termination and reinstatement of RCA shall be as per Regulation 13 of the LIC of India (Agents) Regulations, 2017. If any terminated RCA gets reinstated, he / she will be treated only as a regular agent. Such reinstated RCA will not be eligible for stipendiary payment or any other benefits applicable to RCA. Thus, reinstatement</p>	<p>Reappointment, for all practical purposes, shall be considered as a fresh appointment. Therefore, all rules related to reappointment of regular agents shall be</p>
		<p>rules applicable to regular agents shall be applicable to RCAs.</p>	<p>applicable to an RCA/CCA/UCA seeking reappointment.</p>
		<p>CCA Scheme is a one year scheme. After one year, CCAs would become regular agents and therefore reinstatement rules applicable to the regular agents shall be applicable to them.</p>	

		UCA Scheme is a three year scheme, and they are directly recruited, i.e. not under a development officer. As such, UCAs on reinstatement shall be treated as a direct agent only and will not be attached to any Development Officer/PDO/ CLIA/LICA. Such reinstated UCA will not be eligible for stipendiary payment or any other benefits applicable to UCA.	
10.	Gratuity	A terminated agent can be reinstated even after payment of gratuity, subject to the extant rules governing reinstatement. Needless to mention that such reinstated agent shall not be eligible for any further gratuity, for any period during which he/she works thereafter as an agent, and an undertaking to that effect should be taken from him/her, before reinstatement.	A terminated agent can be reappointed even after payment of gratuity, subject to the extant rules governing reappointment. Needless to mention that such reappointed agent shall not be eligible for any further gratuity for any period during which he/she works thereafter as an agent, and an undertaking to that effect should be taken from him/her before reappointment.

It is also clarified that reinstatement of the agent is allowed only at the Branch where the agent is originally attached. In cases of reinstatement of agency after a period of twelve months from date of termination, if the attachment to a different Development Officer/PDO/CLIA/LICA in the same branch/any other branch is required to be done, then after such attachment is approved by the Divisional Office, the parent branch of the agent has to effect the reinstatement and attachment to the new Dev. Officer/PDO/CLIA/LICA in the module subject to strict compliance of necessary KYC etc. formalities.

The instructions of this circular shall come into effect from the date of issue of this circular.

Further, this circular related to ‘Reinstatement and Reappointment of Terminated Agents’ supersedes all the earlier circulars in this regard. However, the cases of Reinstatement and Reappointment done before the date of issue of this circular should not be reopened.

The update to effect the provision of this circular on reinstatement and reappointment of agency will be released by IT/SD.

Executive Director (Marketing/PD) & CMO