

## 153. THE LIFE INSURANCE CORPORATION OF INDIA DEVELOPMENT OFFICERS (REVISION OF CERTAIN TERMS AND CONDITIONS OF SERVICE) RULES, 2009

Ministry of Finance (Deptt. of Financial Services), Noti. No. G.S.R. 818 (E), dated November 12, 2009, published in the Gazette of India, Extra., Part II, Section 3(i), dated 12th November, 2009, pp. 14-31, No. 653.—In exercise of the powers conferred by sub-section (1) read with clause (cc) of sub-section (2) of Section 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 relating to business performance of Development Officers of the Life Insurance Corporation of India, namely :—

**1. Short title and commencement.**—(1) These rules may be called the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 2009.

(2) They shall come into force on the date of their publication in the Official Gazette.

**2. Definitions.**—In these rules, unless the context otherwise requires;—

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

(b) "*annual remuneration*" means the basic pay, special pay; personal pay, dearness allowance, and all other allowances and non-profit sharing or *ex-gratia* bonus due to, or paid to, a Development Officer during the appraisal year and includes the expenses payable or reimbursed to him or incurred by the Corporation during that year in respect of travelling, residential telephone, mobile, insurance premium and taxes on motor vehicles, but does not include incentive bonus paid to him in accordance with Rule 13;

(c) "*appraisal date*" means—

(I) in relation to a Development Officer appointed on or after the date of publication of these rules in the Official Gazette,

(A) in the first year of his service, the first day of the month following that in which he completes twelve months of service from the date of his appointment; and

(B) in every subsequent year of his service, the first day of the month following that in which he completes twelve months of service from the last appraisal date;

(II) in relation to a Development Officer appointed prior to the date of publication of these rules in the Official Gazette,

(A) in the first year of his service from the date of publication of these rules in the Official Gazette the 1st day of the month following that in which he completes a period of twelve months of service from the date on which his last

- annual increment accrued (Whether released or not) in accordance with sub-rule (2) of Rule 56 of the Life Insurance Corporation of India (Staff) Rules, 1960, and
- (B) in every subsequent year of service, the first day of month following that in which he completes twelve months of service from the last appraisal date;
- (d) "*appraisal year*" means the period between two consecutive appraisal dates and the period of twelve months of service preceding the appraisal date ascertained in accordance with Item (A) of sub-clause (I) of clause (c), and each period of twelve months of service next preceding the appraisal date ascertained in accordance with Item (A) of sub-clause (II) of clause (c), shall also be an appraisal year;
- (e) "*cost ratio*" in relation to a Development Officer means the ratio which his annual remuneration in any year bears to the eligible premium of that year and expressed as a percentage of such eligible premium;
- (f) "*decrement*" means reduction in basic pay by one or more stages in the scale of pay on one or more occasions;
- (g) "*Development Officer*" means a whole-time salaried employee of the Corporation belonging to Class II appointed as a Development Officer;
- (h) "*disincentive*" means non-grant of increment or decrement/s as provided in the Table of Disincentive;
- (i) "*eligible premium*" means such proportion as may be specified by the Corporation from time to time on the first year's premiums received by the Corporation in respect of the business secured by the agents in the organisation of a Development Officer, which is adjusted in the relevant appraisal year;
- (j) "*expense limit*" in respect of an appraisal year in relation to a Development Officer working in an operational area specified in column (1) of the Table below (hereinafter referred to as the "Table of Expense Limit") means the percentage of the eligible premium of that year as specified in the corresponding entry in column (2) thereof and it shall apply to the Development Officers who have been confirmed in the services of the Corporation on a date prior to the date of publication of these rules in the Official Gazette :—

TABLE OF EXPENSE LIMIT

If the Development Officer is working in operational area	Percentage of eligible premium
(1)	(2)
A	19%
B	20%
C	21%
D	22%



Provided that, in respect of a Development Officer who has been confirmed in service on or after the date of publication of these rules in the Official Gazette, the expense limit applicable shall as specified in the Table below :

TABLE OF EXPENSE LIMIT

If the Development Officer is working in operational area	Percentage of eligible premium		
	In the first appraisal year after confirmation	In the second appraisal year after confirmation	In the third and subsequent appraisal years after confirmation
(1)	(2)	(3)	(4)
A	22%	21%	19%
B	23%	22%	20%
C	24%	23%	21%
D	25%	24%	22%

*Note.*—(1) The expense limit of a Development Officer for any appraisal year is expressed as a percentage of the eligible premium of that year; a Development Officer is said to exceed the expense limit if his annual remuneration in that year is in excess of the expense limit; such excess or the ratio which such annual remuneration bears to the eligible premium of that year may also be expressed as a percentage of the eligible premium.

(2) In the case of a Development Officer who has been confirmed in the services of the Corporation on a date prior to the date of publication of these rules in the Official Gazette, the percentage specified in the above Table shall be increased by the appropriate transitional concessions, if any, as defined in clause (t) :

Provided that, the transitional concessions shall not apply to those Development Officers who are governed under Rule 4.

- (k) "*operational area*" with reference to a Development Officer means the area in which he is posted to work as Development Officer and the area is said to be his operational area, if,—
- (A) he is working in a City or Urban agglomeration or Town with an ascertained population of more than 10 lakhs;
  - (B) he is working in a City or Urban agglomeration or Town with an ascertained population of 6 lakhs or above but not more than 10 lakhs;
  - (C) he is working in a City or Urban agglomeration or Town with an ascertained population of less than 6 lakhs; and
  - (D) he is working in a rural area or remote rural area or any hilly area specified in Explanation (2) and (3) or an other hilly area which the Central Government may in consultation with the Corporation by notification in the Official Gazette specify in this behalf;

*Explanation.*—For the purpose of this clause,—

- (1) "*ascertained population*" means the population as ascertained from the latest Census Report of the Government of India;
  - (2) A Development Officer is said to be working in a "rural area" or "remote rural area" if his headquarters is at a place with an ascertained population of 50,000 or less and his operational area has an ascertained population of not more than 1.5 lakhs;
  - (3) A Development Officer is said to be working in a "hilly area" if his headquarter is at a place situated at a height of 1000 metres and over, above mean sea level.
- (l) "*preceding year*" or "*relevant appraisal year*" means the appraisal year immediately preceding the relevant appraisal date.
  - (m) "*prescribed expense limit*" or "*prescribed cost ratio*" means the increased expense limit ascertained in accordance with Rule 4, where such expense limit is applicable to a Development Officer, or if it is not so applicable to him, the expressions shall mean the expense limit applicable to him;
  - (n) "*relevant appraisal date*" means the appraisal date on which the performance of the Development Officer for the appraisal year immediately preceding that date is assessed for any purpose under these rules or was assessed hitherto under the staff rules;
  - (o) "*service*" means the period spent on duty as a Development Officer and leave including extraordinary leave which has been condoned under sub-rule (4) of Rule 69 of the staff rules;
  - (p) "*staff rules*" means the Life Insurance Corporation of India (Staff) Rules, 1960;
  - (q) "*succeeding year*" means the period of twelve months commencing from the relevant appraisal date;
  - (r) "*Table of Disincentives*" means the Table as appended in sub-rule (1) of Rule 6;
  - (s) "*Increased Expense Limit*" means the Expense Limit as mentioned in Rule 4.
  - (t) "*transitional concession*" means the concession as specified in the Table below applicable to a Development Officer who has been confirmed in the services of the Corporation on a date prior to the date of publication of these rules in the Official Gazette :



TABLE

Operational Area as defined in clause (l) of Rule 2 of the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989	A	B	C	D	E
Expense Limit as provided in the Table of Expense Limit in clause (k) of Rule 2 of the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989 so repealed shall be taken as base for providing transitional concessions for the subsequent years based on the date of publication of these rules in the Official Gazette and subsequent years mentioned as under :	22%	23%	24%	25%	26%
(a) Expense Limit applicable in the First appraisal year	21%	22%	23%	24%	25%
(b) Expense Limit applicable in the Second appraisal year	20%	21%	22%	23%	24%
(c) Expense Limit applicable in the Third appraisal year	19%	20%	21%	22%	22%

- (u) words and expressions used and not defined herein but defined in the staff rules shall have the meanings respectively assigned to them in those staff rules.

**3. Tenure.**—Subject to the provisions, of these rules, a Development Officer shall hold office by the same tenure and in the same manner as any other class of employee in the Corporation :

Provided that, he shall conform to the expense limit applicable to him :

Provided further that, the services of a confirmed Development Officer shall not be terminated on the ground of poor business production resulting in cost ratio in excess of the expense limit applicable to him, unless he has been given an opportunity to confirm to the expense limit as provided in Rule 6.

**4. Expense limit applicable to Development Officers.**—(1) The expense limit applicable to a Development Officer shall be as specified in the Table of Expense Limit as provided in clause (j) of Rule 2 and it shall be the expense limit applicable to his operational area as increased by two per cent, if, at or before such commencement of the relevant appraisal year, he has completed the age of 55 years :

Provided that, the increased expense limit specified in the sub-rule (1) shall apply to relevant appraisal date commencing after the date of publication of these rules in the Official Gazette in respect of operational areas 'A', 'B', 'C' and 'D'.

(2) In respect of a Development Officer who has been confirmed on a date prior to the date of publication of these rules in the Official Gazette and who has put in more than ten years of service as a Development Officer at the commencement of the relevant appraisal year—

- (a) the expense limit applicable in the first, second and third appraisal years shall be as provided in the Table as under, if he has completed 50 years of age and not completed 52 years, at or before such commencement of the relevant appraisal year :



TABLE

Operational Area as defined in clause (I) of Rule 2 of the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989	A	B	C	D	E
Expense Limit as provided in the Table of Expense Limit in clause (I) of Rule 4 of the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989 so repealed shall be taken as base for providing transitional concessions for the subsequent years based on the date of publication of these rules in the Official Gazette and subsequent years mentioned as under :	23%	24%	25%	26%	27%
(a) Expense Limit applicable in the First appraisal year	22%	23%	24%	25%	26%
(b) Expense Limit applicable in the Second appraisal year	21%	22%	23%	24%	24%
(c) Expense Limit applicable in the Third appraisal year	19%	20%	21%	22%	22%

- (b) the expense limit applicable in the first, second and third appraisal years shall be as under, if he has completed 52 years of age and not completed 53 years, at or before such commencement of the relevant appraisal year :

TABLE

Operational Area as defined in clause (I) of Rule 2 of the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989	A	B	C	D	E
Expense Limit as provided in the Table of Expense Limit in clause (I) of Rule 4 of the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989 so repealed shall be taken as base for providing transitional concessions for the subsequent years based on the date of publication of these rules in the Official Gazette and subsequent years mentioned as under :	24%	25%	26%	27%	28%
(a) Expense Limit applicable in the First appraisal year	23%	24%	25%	26%	27%
(b) Expense Limit applicable in the Second appraisal year	21%	22%	23%	24%	25%
(c) Expense Limit applicable in the Third appraisal year	19%	20%	21%	22%	22%

- (c) the expense limit applicable in the first, second and third appraisal years shall be as under, if he has completed 53 years of age and not completed 54 years, at or before such commencement of the relevant appraisal year :



TABLE

Operational Area as defined in clause (I) of Rule 2 of the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989	A	B	C	D	E
Expense Limit as provided in the Table of Expense Limit in clause (I) of Rule 4 of the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989 so repealed shall be taken as base for providing transitional concessions for the subsequent years based on the date of publication of these rules in the Official Gazette and subsequent years mentioned as under :	24%	25%	26%	27%	28%
(a) Expense Limit applicable in the First appraisal year	23%	24%	25%	26%	27%
(b) Expense Limit applicable in the Second appraisal year	22%	23%	24%	25%	26%
(c) Expense Limit applicable in the Third appraisal year	21%	22%	23%	24%	24%

- (d) the expense limit applicable in the first, second and third appraisal years shall be as under, if he has completed 54 years of age, at or before such commencement of the relevant appraisal year :

TABLE

Operational Area as defined in clause (I) of Rule 2 of the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989	A	B	C	D	E
Expense Limit as provided in the Table of Expense Limit in clause (I) of Rule 4 of the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989 so repealed shall be taken as base for providing transitional concessions for the subsequent years based on the date of publication of these rules in the Official Gazette and subsequent years mentioned as under :	25%	26%	27%	28%	29%
(a) Expense Limit applicable in the First appraisal year	24%	25%	26%	27%	28%
(b) Expense Limit applicable in the Second appraisal year	22%	23%	24%	25%	26%
(c) Expense Limit applicable in the Third appraisal year	21%	22%	23%	24%	24%

(3) Notwithstanding anything contained in sub-rules (1) and (2) of Rule 4 the percentage specified in column (2) of the Table of Disincentives as provided in sub-rule (1) of Rule 6 or the percentages specified in sub-rules (8) and (9) of Rule 6 shall not be increased.

**5. Increments.**—(1) Increments shall ordinarily be drawn by a Development Officer as a matter of course in accordance with Rule 56 of the staff rules, unless he has reached the maximum of the grade or the increment cannot be allowed in accordance with Rule 6 or it is withheld as a disciplinary measure under Rule 39 of the staff rules.

(2) Where no increment is granted to a Development Officer in any year in accordance with Rule 6 as a disincentive, such increment shall not be granted



to him in any subsequent year, except in accordance with the provisions contained in Rule 8.

**6. Opportunity to conform to the expense limit.**—(1) Where the annual remuneration of any Development Officer in the preceding year or years is in excess of the expense limit, his services shall not be terminated merely on that ground if his case is capable of being dealt with by awarding disincentives, subject to the provisions of Rule 8, from the relevant appraisal date as provided in the Table of Disincentives, so as to afford him an opportunity to conform to the expense limit :

Provided that, for the purpose of award of disincentives in accordance with the Table of Disincentives, his performance shall be appraised with reference to the annual remuneration and the prescribed expense limit applicable to him.

Table of Disincentives

Sl. No.	Where the cost ratio is in excess of prescribed limit	Disincentives where the cost ratio is in excess of prescribed limit in the appraisal year next preceding the relevant appraisal date		
		On the first occasion	On the second successive occasion	On the third and subsequent successive occasion
1.	By not more than 2% (Provided that the cost ratio in the appraisal year is not more than 32%).	Nil	Nil	Nil
2.	By more than 2% but not more than 4% (Provided that the cost ratio in the appraisal year is not more than 32%)	No Increment	No Increment	No Increment
3.	By more than 4% (Provided that the cost ratio in the appraisal year is not more than 32%)	No Increment	No Increment	No Increment and one decrement
4.	Where the cost ratio in the appraisal year is more than 32% but not more than 35%	No Increment	No Increment and one decrement	No Increment and two decrements
5.	Where the cost ratio in the appraisal year is more than 35%	No increment and one decrement.	No Increment and two decrements	No Increment and two decrements

*Note.*—For the purposes of this Table :—

(a) "no increment" means non-grant of increment;

(b) "decrement" means reduction in basic pay by one or more stage/s.

*Explanation.*—(i) The application of Table of Disincentives shall be subject to the provisions contained in Rule 8 provided the services of the Development Officer are not liable to be terminated under sub-rule (2) or sub-rule (8) of this rule.



(ii) For the purpose of the Table of Disincentives, the annual remuneration of a Development Officer shall be deemed to be in excess of the prescribed expense limit on a successive occasion if such remuneration exceeds such expense limit in two consecutive appraisal years even though the excess percentage over the prescribed expense limit may vary and an appraisal year in which the Development Officer exceeds the prescribed expense limit even though there is no disincentive shall be reckoned for ascertaining whether the expense limit is exceeded on successive occasions and the disincentive on the successive occasion shall correspond to the excess of the prescribed expense limit in the appraisal year next preceding the relevant appraisal date.

(iii) The Table of Disincentives shall be repeatedly applied, if, after conforming to the prescribed expense limit, the Development Officer exceeds it again at a later date.

(2) If, as a consequence of the application of the provisions contained in sub-rule (1) the basic pay arrived at falls below the minimum of the grade applicable to the Development Officer, his basic pay shall be fixed at such minimum as applicable to Development Officer :

Provided that, the fixation of basic pay at minimum under this sub-rule shall not be allowed more than once during the entire service of a Development Officer and if, on a second occasion, the basic pay so arrived at falls below such minimum, his services shall be liable to be terminated in accordance with Rule 7.

(3) Where the basic pay of a Development Officer is reduced or fixed under sub-rule (1) or sub-rule (2) (hereinafter referred to as "the revised basic pay"), he shall be allowed only such allowances and other benefits as are admissible on that basic pay :

Provided that, there shall be on protection of the annual remuneration either by granting a personal allowance to otherwise; and no arrears of pay or any allowance for the past period consequent on his conforming to the expense limit later on shall be payable.

(4) The appointing authority shall be the competent authority for implementing the provisions of sub-rule (1), (2) and (3) and it shall determine the matters specified in the said sub-rules, as soon as may be, after the expiry of the relevant appraisal year :

Provided that, the competent authority concerned shall, before deciding any matter under this rule, give an opportunity to the Development Officer to make a representation.

(5) Where the representation received under proviso to sub-rule (4) discloses,

- (a) any factual inaccuracies in the computation of eligible premium or other figures, the competent authority shall revise his decision to the extent it is warranted by the revised figures and pass appropriate orders disposing of the representation;
- (b) any cause beyond the control of the Development Officer, such as accident or sickness which warrants relaxation on the expense



limit and he pleads that award of disincentives should not be effected on that ground, the competent authority shall forward the representation to the Zonal Manager for decision.

(6) If the Zonal Manager is satisfied that there is any merit in the representation, he may consider the facts and circumstances of the case and pass such orders as he may deem fit.

(7) A Development Officer whose representation has been rejected by the Zonal Manager may submit a Memorial to the Chairman in respect of that matter.

(8) Notwithstanding anything contained in sub-rules (1) to (7) where the annual remuneration of a Development Officer in any preceding year (hereafter in this sub-rule referred to as the "relevant year") exceeds 38% of the eligible premium of that year and the aggregate of annual remuneration in the relevant year and the appraisal year immediately preceding the relevant year exceeds 38% of the aggregate of the eligible premium in those two years, his services shall be liable to be terminated in accordance with Rule 7.

(9) In the case of a Development Officer who has been confirmed in the services of the Corporation on a date prior to the date of publication of these rules in the Official Gazette, the percentage mentioned in sub-rule (8) above shall be increased by the appropriate transitional concessions, and it shall be as under,—

- (a) The services of a Development Officer shall be liable for termination in accordance with Rule 7, if his annual remuneration in the First appraisal year commencing after the date of publication of these rules in the Official Gazette (hereinafter referred to as the "first appraisal year") exceeds 50% of the eligible premium in that year and the aggregate of the annual remuneration in the first appraisal year and the two appraisal years immediately preceding the first appraisal year exceeds 50% of the aggregate of the eligible premium in those three years.
- (b) The services of a Development Officer shall be liable for termination in accordance with Rule 7, if his annual remuneration in the Second appraisal year commencing after the date of publication of these rules in the Official Gazette (hereinafter referred to as the "second appraisal year") exceeds 45% of the eligible premium in that year and the aggregate of the annual remuneration in the second appraisal year and the two appraisal years immediately preceding the second appraisal year exceeds 50% of the aggregate of the eligible premium in those three years.
- (c) The services of a Development Officer shall be liable for termination in accordance with Rule 7, if his annual remuneration in the Third appraisal year commencing after the date of publication of these rules in the Official Gazette (hereinafter referred to as the "third appraisal year") exceeds 40% of the eligible premium in that year and the aggregate of the annual remuneration in the third appraisal year and the two appraisal years immediately



preceding the third appraisal year exceeds 47.50% of the aggregate of the eligible premium in those three years.

- (d) The services of a Development Officer shall be liable for termination in accordance with Rule 7, if his annual remuneration in the Fourth appraisal year commencing after the date of publication of these rules in the Official Gazette (hereinafter referred to as the "Fourth appraisal year") exceeds 38% of the eligible premium in that year and the aggregate of the annual remuneration in the Fourth appraisal year and the appraisal year immediately preceding the Fourth appraisal year exceeds 38% of the aggregate of the eligible premium in those two years.

**7. Termination of service in certain cases.**—(1) Where a Development Officer has failed to conform to the expense limit and where no opportunity to conform to such limit could be given under the provisions of Rule 6, the Zonal Manager may terminate his services after giving him three months notice or salary in lieu thereof :

Provided that, the Development Officer shall be given an opportunity to show cause against such proposed termination of his service.

(2) An appeal against an order passed under sub-rule (1) shall lie to the Managing Director and the provisions of Rules 41, 42, 43, 44 and 45 of the staff rules shall, so far as may be, apply to any such appeal.

(3) In the case of an appeal under sub-rule (2), the Managing Director shall consider the records of the case and pass orders on merits having regard to the circumstances of the Case.

**8. Deferment of disincentives.**—(1) The disincentives, other than "no increment", shall not be awarded from the relevant appraisal date (hereinafter referred to as "the relevant due date"), but shall be kept in abeyance until after the expiry of the succeeding year, if, in any preceding year a Development Officer, who has completed at least ten years of service, has exceeded the prescribed expense limit attracting disincentives in accordance with the Table of Disincentives :

Provided that, he has not exceeded the prescribed expense limit for a continuous period of not less than ten years immediately preceding such relevant appraisal year.

(1) Where the Development Officer conforms to the prescribed expense limit in the succeeding year, referred to in sub-rule (1), no action shall be taken to award the disincentives which have been kept in abeyance, and if the increment, which would have been otherwise accrued to him on the relevant due date, had been disallowed as a disincentive, such increment shall be released from the relevant due date.

(2) Where the Development Officer exceeds the prescribed expense limit in such succeeding year, the disincentives which have been kept in abeyance shall be awarded from the relevant due date and appropriate recovery of the excess remuneration paid to him



in such succeeding year shall be made from his salary for the following year and the disincentive if any of "no increment" shall become final and he shall also be liable for action in accordance with the Table of Disincentives for his failure to conform to the prescribed expense limit in such succeeding year.

(3) Where the disincentives are not enforced or the increment is released from the relevant due date in accordance with sub-rule (2), the preceding year under sub-rule (1) shall not be regarded as a year in which he has not exceeded the prescribed expense limit for the purpose of computing the continuous service of ten years, in which he has not exceeded the prescribed expense limit.

**9. Reinstatement of reduction in basic pay effected in accordance with the Table of Disincentives as a result of appraisal where the relevant appraisal falls on or after 1st day of April, 1988.**—(1) The reduction effected in the basic pay of a Development Officer as a result of appraisal on the relevant appraisal date falling on or after the 1st day of April, 1988 (hereinafter referred to as "current decrements") may be reinstated in accordance with the provisions of this rule or Rule 10.

(2) Where a Development Officer qualifies for reinstatement in accordance with this rule, the reduction in basic pay which was first effected on or after the 1st day of April, 1988 shall first be reinstated; the reduction in basic pay which was effected thereafter shall be rein next and so on :

Provided that, if a Development Officer fails to qualify for reinstatement within five appraisal years following the appraisal date from which his basic pay was reduced, there shall be no reinstatement of that reduction, and in that case the next reduction, if any, in basic pay shall be regarded as due for reinstatement if he subsequently qualifies for reinstatement :

Provided further that, the reinstatement of reduction in basic pay under this rule and Rule 10 shall be limited to only three occasions throughout the service as a Development Officer.

(3) Subject to the provisions of sub-rule (4), if on any relevant appraisal date falling on or after the 1st day of April, 1988, the appraisal discloses that a Development Officer has not exceeded the expense limit in the preceding year and that the cost ratio in such preceding year and the next two preceding years taken together does not exceed the combined expense limit for those three years (hereinafter referred to as a "block of three years") the eligible current decrement/s may be reinstated with effect from the relevant appraisal date :

Provided that, in any preceding year, a Development Officer does not conform to the expense limit, he may qualify for reinstatement if there arises a block of three years on any subsequent relevant appraisal date :

Provided further that, current decrement/s pertaining to not more than one year shall be reinstated on one relevant appraisal date, even though the future cost may support reinstatement of decrement/s in excess of one year.

*Explanation.*—For the purposes of this rule,—

- (i) "block of three years" means every preceding year in which the Development Officer has not exceeded the expense limit and the next two preceding years;



- (ii) "*eligible current decrement/s*" means the current decrement/s pertaining to one year which if reinstated shall still keep the future cost within ceiling;
- (iii) "*future cost*" means the ratio which the annual remuneration applicable to a Development Officer on the relevant appraisal date (Inclusive of all increments and proposed reinstatement on and from that date) bears to the eligible premium of the preceding year and the future cost shall be deemed to be within ceiling, if such annual remuneration applicable to a Development Officer is not in excess of his expense limit percentage (Inclusive of transitional concessions, if any) of such eligible premium.

(4) No reinstatement shall be allowed if, on reinstatement, the Development Officer shall reach a stage in the scale of pay which he would not have reached on the ground that he had exceeded the expense limit, and in such a case the reinstatement shall be limited to the stage in the scale of pay which he would have normally reached.

**10. Reinstatement of reduction in basic pay effected in accordance with the Table of Disincentives as a result of appraisal where the relevant appraisal falls on or after the 1st day of April, 1988—Alternative method.**—Subject to the provisions of sub-rules (2) and (4) of Rule 9, if a Development Officer does not exceed the expense limit in three successive appraisal years, the current decrement/s pertaining to one year may be reinstated with effect from the relevant appraisal date next following the last such appraisal year.

**11. Provident Fund.**—(1) Notwithstanding anything contained in Rule 8 of the Life Insurance Corporation of India Development Officers (Revision of Terms and Conditions of Service) Rules, 1986, where the current decrements are reinstated to a Development Officer from the relevant appraisal date in accordance with the provisions contained in Rule 9 or 10, the Corporation shall contribute to the Provident Fund established by it (hereinafter referred to as the "Fund") a maximum amount of 10 per cent of the aggregate of the basic pay comprised in such decrements in relation to the period for which those decrements have been reinstated :

Provided that, if during the period or part of the period in which the said decrements were in force, the rate at which the employer's contribution was higher than 10 per cent, the Corporation may contribute at such higher rate on that part of the basic pay pertaining to the relevant period :

Provided further that, the Development Officer shall contribute to the Fund an amount equal to the contributions required of the Corporation as his additional contribution in accordance with the rules of the Fund and in such manner as he may be directed by the Corporation.

(2) The Corporation shall credit its contributions to the Fund as and when and to the extent the Development Officer makes such additional contributions under the second proviso to sub-rule (1).

(3) The contributions made by the Corporation under sub-rule (1) shall not be available for any purpose for which the employer's contributions are not available under the rules of the Fund.



(4) Nothing contained in this rule shall apply to a Development Officer who is contributing to a superannuation fund approved by the Corporation.

**12. Special cases.**—The Managing Director may, on the recommendation of the Zonal Manager, review any case of a Development Officer after the date of reduction in basic pay in pursuance of the Table of Disincentives if he does not qualify for reinstatement under Rule 9 or Rule 10 and grant such relief, having regard to the merits of the case, but not exceeding the relief that would have been admissible to him had he qualified himself under any of the said rules for reinstatement.

**13. Incentives.**—The Incentive Bonus may be allowed to a Development Officer for any preceding year under any Scheme approved by the Corporation from time to time.

**14. Promotion of Development Officers.**—Any Development Officer considered suitable may be promoted as Assistant Branch Manager or Assistant Administrative Officer, in accordance with Rule 7 of the staff rules.

**15. Re-appointment of terminated Development Officer.**—If a Development Officer, whose services are terminated in pursuance of Rule 7 has completed at least seven years of service in Class II on the date of such termination and has not completed 55 years of age, he shall be eligible for re-appointment in the service of the Corporation to do administrative work in Class III either as Assistant or Record Clerk in accordance with such qualification and suitability as may be specified under the Life Insurance Corporation of India (Re-appointment of Terminated Development Officers) Rules, 1990 :

Provided that, notwithstanding the break in service as a consequence of termination, his service in the Corporation shall be deemed to be continuous for the purpose of leave; and also for the purpose of gratuity or provident fund if he has not received or if he has received but repays to the Corporation such amount of gratuity or provident fund as he has received.

**16. Repeal and savings.**—(1) The Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989 are hereby repealed.

(2) Notwithstanding such repeal, the appraisal year which has commenced prior to the date of publication of these rules, the provisions of the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989 shall apply for that appraisal year as if the said rules had not been repealed.

(3) Notwithstanding such repeal, any rules made, anything done or any action taken under the Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 1989 shall be deemed to have been made, done or taken under these rules.

(4) Nothing contained in these rules shall be deemed to affect the right of the Competent Authority to discharge, retire, or determine the service of a Development Officer in accordance with the Life Insurance Corporation of India (Staff) Rules, 1960 (hereinafter referred to as the Staff Rules) or to affect



the right of the disciplinary authority to impose any penalty on him under the Rule 39 of the staff rules on any grounds specified therein or to apply the staff rules to Development Officers in respect of matters not dealt with in these rules.

**17. Interpretation.**—The Chairman may from time to time, issue such instructions as may be necessary to give effect to and carry out the provisions of the rules. Where any doubt or difficulty arises as to the interpretation of these rules, it shall be referred to the Central Government for its decision.

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