

**LIFE INSURANCE CORPORATION OF INDIA  
CENTRAL OFFICE, MARKETING DEPARTMENT**

Ref: Mktg/ZD/18/ 2010

Date: 30.04.2010

**Re: Modification in Scheme of Advances to Agents, 2001**

The following modifications in the Scheme of Advances to Agents, 2001 (as amended from time to time) have been approved by the competent authority:

**1. LUMP SUM ADVANCES FOR PURCHASE OF VEHICLES**

**FOUR WHEELERS**

**a. Corporate Club Members: First/Second/Subsequent Advance for purchase of Four wheeler new and Second Hand Car**

The Corporate Club Members shall be eligible for an Interest free car Advance of-

Actual price of the Car  
OR  
Last two Years' Renewal Commission.  
OR  
Rs 20 lacs, whichever is less.

However, the Executive Director (Marketing) may grant maximum advance up to Rs. 30 Lacs in deserving cases. The Repayment Term shall be 72 months. Interest free advance shall be granted maximum on four occasions.

**b. CM's Club Members:**

The Chairman's Club members shall be eligible for an interest free advance for four wheelers as following:

**(i) First Advance for new four wheelers:**

Full purchase price or last two years' Renewal Commission or Rs. 6 lacs whichever is less. Repayment shall be in 72 installments

**(ii) Second/Subsequent Advance for new four wheelers:**

Full purchase price or last two years' Renewal Commission or Rs. 7.5 lacs whichever is less. Repayment shall be in 72 installments.

**(iii) Advance for Second Hand Four wheelers  
First/Second/subsequent**

2/3rd of the purchase price of the car as determined by the garage of repute or the renewal commission paid to the agent in the last year or Rs. 1.50 lacs whichever is less. Repayment shall be in 60 installments.

**c. ZM's Club Members :**

The Zonal Manager's Club members shall be eligible for an interest free advance for four wheelers as following:

**(i) First/Second/subsequent Advance for New Four Wheelers:**

Full purchase price or last two years Renewal Commission  
OR  
Rs. 5 Lacs whichever is less.

Repayment shall be in 72 installments.

**(ii) Advance for Second Hand Four wheelersFirst/Second/subsequent**

2/3rd of the purchase price of the car as determined by the garage of repute  
OR  
Renewal commission paid to the agent in the last year  
OR  
Rs. 1, 00,000 whichever is less.

Repayment shall be in 60 installments.

**d. Vehicle Advance ( With Interest) to Agents other than CM's & ZM's Club Members**

At present agents other than Chairman's and Zonal Manager's Club Member agents are eligible for a Vehicle advance (With interest) provided they have worked for at least five agency years. Further in the financial year immediately preceding the proposed date of lump sum advance, besides having received Renewal commission of at least Rs.75000/-, they should have also earned first year's commission of not less than Rs.60, 000/-. The minimum required Renewal Commission and First Year Commission as mentioned above has been changed to Rs. 1, 25,000 RC and Rs. 1, 00,000/- FYC. The vehicle advance granted to such agents shall be interest bearing with interest at 9% per annum payable half yearly or any other rate as decided by the Corporation from time to time. Quantum of advance shall be same as that for Z.M's Club Member Agents.

**TWO WHEELERS:**

There is no change in the quantum of advance and provisions relating to grant of advance for two wheelers for all club members and non club members except that the advance for Second hand two wheelers for all club members and non club members is discontinued w.e.f. date of this circular.

**Advance for purchase of Fast moving Conveyance for Club member agents if both husband and wife are club member agents.**

If both the husband and wife are club member agents then Zonal Manager I/c may sanction advance to both husband and wife. The following requirements are to be submitted before sanction:

- 1) Recommendations of Sr.Divisional Manager especially certifying that both agencies work independently.
- 2) Declaration from the Club member that vehicle will be exclusively used by him/her for insurance purposes only.

Spouse has to submit his/her valid permanent driving licence or of his/her or driver before the sanction of the advance.

**2. Purchase of Office Equipments:**

Inverters, Servers, LCD Monitors have also been included the list of Office Equipments.

**3. Other Advances (For Miscellaneous purposes)**

**a) Medical treatment for self and members of the family:**

“For domiciliary treatment of self, wife , dependent parents and children advance up to a maximum of 10% of last years renewal commission or Rs.25000 whichever is less can be sanctioned subject to production of vouchers/bills.

**b) Ceremonies akin to Thread Ceremony, Turban /Mundan Ceremony, Navjote, Sunnath**

The maximum quantum of advance has been increased to Rs.25000/-

**c) Festival Advance:**

TYPE OF AGENTS	MAX.AMOUNT (In Rs.)
Corporate Club Members	20000
Chairman's/ZM's/DM's Club Members	13000
Branch Manager's Club members	11000
Other agents who have completed 5 Agency years	7000
Agents who have not completed 5 agency years but have completed at least two agency years	5000

The recovery shall be in 10 equal monthly installments.

**d) Advance for Computer for Chairman's Club members only**

This advance shall be allowed to Corporate Club Members also on the same terms and conditions as is being allowed for CM's Club Members.

**e) ADVANCE FOR TRAINING**

The maximum amount of advance for training has been increased to Rs.7500/-

This circular has immediate effect. The provisions of this circular may be brought to the notice of all concerned. All other provisions and instructions, terms and conditions governing grant of various advances under the Scheme of Advances, 2001, issued from time to time shall remain unaltered.

**Executive Director (Marketing)**