
LIC of India, Central Office- Marketing Department

Process for allotment of lapsed orphan policies

Allotment of lapsed orphan policies will be done by an 'Allotment Committee' at Branch level as per the relevant guidelines approved by the Board.

'Allotment Committee' for the purpose of these guidelines will be a three member committee consisting of Officer-In-Charge of the Branch and two other confirmed Class I officers of the branch.

General Guidelines for allotment of lapsed orphan policies:

- (1) The basis of selecting the agent for allotment of lapsed orphan policies should be the ability and competence of the agent to service the policies allotted to him. For the purpose of allotment, Orphan policies are categorized in following categories:

Policies procured by:

- (a) Agents under Development Officers
- (b) Supervised agents under CLIA
- (c) Direct Agents
- (d) Direct Marketing channel

- (I) Allotment of lapsed orphan policy effected by abovementioned Category (a) & (b):

List of allottable lapsed orphan policies will be sorted DO/CLIA wise and made available in writing to the concerned Development officers or CLIAs through e-mail. Development officer/ CLIA has to suggest the name of 'Allottee Agent' in writing to the Sales deptt. of branch office within 15 days. Allotment Committee will consider his suggestions and finally decide as per guidelines and merit of the agent to whom the policy is to be allotted. In case Development Officer/ CLIA is unable to suggest any agent according to the criteria described in these rules, policy will be treated at par with policy effected by Direct Agent (Category c) and allotted as per the rules explained below.

- (II) Allotment of lapsed orphan policy effected by Direct Agent & Direct Marketing:

'Allotment Committee' will decide on the agent to whom such policies are to be allotted and care should be taken in choosing the allottee agent to minimize the

possibility of orphan policy getting orphaned again. Preference will be given in order of Direct Agents, Club member agents having Premium points, MDRT agents, other high performing agents. Area of operation of 'Allottee Agent' should also be considered while allotting the orphan policy.

- (2) Suggestions by Development officers/ CLIA regarding the name of allottee agents for the lapsed orphan policies originally effected by the agent of his organization, will normally be considered by the Allotment committee subject to committee also considering the agent to be suitable for this purpose.
- (3) Allottee Agents must contact the orphan policy holder within a month after allotment and submit the details thereof to the designated person in the Branch office, failing which he should not be considered eligible for the next round of allotment.
- (4) Where the lapsed orphan policy allotted is not revived within 3 months from the date of such allotment, Branch In-Charge shall have the discretion to undo the allotment by issuing a formal notice to the 'Allottee Agent' and re-allot the policy to other agent as per the norms prescribed above for the policy effected by Direct Agents.
- (5) Allottee agents are eligible for remuneration as per the relevant guidelines; Provided, the agent had provided policy related service to the policyholder and pursued him to revive his policy and keep it in force. A certification from policyholder in this regard will be mandatory for start of the payment of commission to such 'Allottee agent'.

Process of allotment of lapsed orphan policies:

- (i) Branch will generate the list of lapsed orphan policies and agents eligible for allotment as per the rules, at the start of each month.
- (ii) Such lists will be made available to concerned Development officer/ CLIA as the case may be asking them to recommend within fifteen days, the name of eligible agents under their organization who can render service to such customers and revive the policy.
- (iii) Allotment committee will meet after fifteen days of printing and providing the above list to decide on the suggestions of the Development officers/ CLIAs. Simultaneously committee will allot the lapsed orphan policies effected by Direct agents/ Direct Marketing channel. The committee will also take care of re-allotment and the cases where Development officer/ CLIA has not responded with suggestions of names within stipulated time.
- (iv) The 'Allottee Agent' shall be provided with the list of such allotted policies along with the addresses for policy servicing purpose. Branch shall also take an undertaking from the allottee agents regarding their willingness for the proposed allotment and consent for rendering the required policy services.

- (v) After obtaining the consent from the 'Allottee Agent', Branch will notify the particulars of the 'Allottee Agent' to the concerned policy holder and consider their objections, if any.
- (vi) A menu regarding the programme for generating the list of orphan policies and other required jobs would be provided by Central office-IT/SD.
- (vii) 'Allottee Agent' has to provide all the policy related service while reviving the policy and thereafter and get the confirmation from the policyholder as per stipulated format.
- (viii) Statement regarding allotted lapsed orphan policies and its consequent revival etc. will be sent every month by the Divisions on a stipulated format to CO-CRM through respective Zonal offices.
- (ix) An official in the branch may be designated by the Branch in-charge to accept the name of suggested agents from Development officers/ CLIAs and monitoring the activities of Allottee agents.
- (x) Executive Director (Marketing) reserves the right to make any modification in this process.