G I A F I

P S U GENERAL INSURANCE AGENTS FEDERATION OF INDIA

REF : GIAFI/001/2012-13 Date: 19th Nov 2012

The Chairman & Managing Director
New India Assurance Co. Ltd

Dear Sir

Memorandum routed thru: DGM (R.O.) HYDERABAD

We, the Agents of The New India Assurance Company would like to bring the following to your kind notice and perusal. We also demand favorable action on the same.

1) REGARDING COMMISSION PAYABLE : On 6th November 2012 we sought your confirmation of receipt of the Circular No.G.14017/115/2011/Ins II, dated 24th September, 2012, posted by the Ministry of Finance, Department of Financial Services on their website, which superseded the earlier circular of 18th July 2012 of the same Ministry, which pertained to 'Discounts & Commissions on health insurance polices'. As against the earlier communication the circular of 24th November, 2012 revised the commissions to be effective from 18th July, 2012, as (1) upto 35 years – 15%; (2) 36-45 years – 12% ; (3) above 46 years – 10%. The receipt of the letter seeking confirmation was acknowledged on 7th November 2012 by the DGM Shri V Hari Srinivas with a promise to *'revert back to you shortly'*. After waiting for more than 24 hours, on 8th November 2012 another mail was sent to you Sir, which was actually addressed to the DGM, as to why it was taking so long to confirm the receipt of a circular which was posted on the Ministerial website on 24th of September, 2012. It is extremely regretful that the confirmation and its implementation is yet to be received. But, meanwhile what we do understand is that your subordinate offices have received a communication from you that the commissions may be released effective from 24th September, 2012 as : (1) Upto 35 years – 15%; (2) 36 to 45 years – 12%; (3) 46-60 years – 10%; (4) 61 years and above – 5% (Non-existent in the superseded circular of 24th September, 2012).

When you have not confirmed the receipt of the circular of 24th Sept 2012, how have you issued the communication to your subordinate offices to effect the payment of the commissions from 24th September 2O12(Where did you get the date from if you have not received the circular)? Assuming that you have received the circular of 24th Sept 2012 of the Ministry then, according to Point No. 4 of the circular which indicates that "The above guidelines are mandatory and no discretion is available to the PSU Companies", has been grossly violated on two occasions: (1) By effecting the date of implementation from

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3-4-230/1, Kachiguda Station Road, Near Venkatramana talkies, Hyderabad, Ph: 040-24076898.
Cell No : 9848705761, Email : balaramnadimpalli@gmail.com

24th of September 2012 instead of 18th July 2012 (2) As per the revised percentage the 5% mentioned in the circular of 18th July 2012 was revised to 10% (i.e. only 3 slabs have been mentioned) but guidelines issued by you to your subordinate offices indicates 4 slabs and retains 5%, which is non-existent according to the Ministerial guidelines. We take this opportunity to inform you that the revised circular has not come about without conducting agitations and protests at the Ministerial level which actually caught the attention of the forces concerned and realized that they had committed a great blunder and they wanted to correct the action to some extent, and now, we request you to correct the situation in accordance to the Ministerial guidelines otherwise we will be compelled to approach the Ministry to redress our grievance. (Our representation made to the Ministry of Finance is attached for your knowledge).

2) REGARDING TPA MD INDIA: As already communicated on 24th of Oct 2012 to you through our Sr D M (Organized DO) the problems faced by our clients and we agents in the hands of MD INDIA have gone beyond tolerance limits. We insist that since the TPA is being paid from the premium collected from clients the TPA is expected to reciprocate in a sensible manner. It is understood by the agents that the TPA is owned by a retired top official of your company and hence any amount of complaints against them are being ignored in order to accommodate them, and in return the agents feel that some of the top current officials are thus being kept happy. We demand that the TPA is immediately removed without any grace period to save us from any further embarrassment. What is not understandable is that, whether the TPA is working as per the guidelines of the Company or vice versa. On many occasions we agents have been Witness to your own officials' expression of helplessness in dealing with the TPA. Since , we now find that your officials are not able to reign in the TPA we demand termination of the services of MD INDIA immediately (The letter of 24.10.2012, which has spelt out the problems in detail, and no action has been taken is once again enclosed).

3) REGARDING CLUB MEMBERSHIP: There are a number of agents who are bringing in good premiums every year which entitles them to be considered for respective Club Membership. But, for reasons beyond their information and control they are deprived of qualifying. The main ground is understood to be CLAIMS. The agents are mostly not provided with the statistics of claims, and neither are claims control in their hands, especially from clients who have been loyally renewing their policies since a number of years. It is understood that in LIC, claims is not considered for disqualification for Club Membership. Hence, We demand that the CLAIMS should not be considered as point of disqualification for CLUB MEMBERSHIP.

4) DISCOUNTS ON MOTOR POLICIES : In order to meet stiff competition on MOTOR business, private companies are offering attractive discounts and cornering most of the business. It is our demand that the Company should consider allowing discounts on Policies.

5) AGENTS CORNER : We demand for an Agents corner to be provided by the Company in every DO/BO, with a table, six chairs and a Desk Top Computer. There are some DOs who have provided an Agents Corner, without any facilities.

6) MONTHLY PRODUCT TRAINING : We demand that the Company should provide Product Training to the Agents once every month, which should include Policy Conditions and motivational and marketing skills.

7) RECOGNITION OF TOP PERFORMERS : We demand that all DOs/ BOs should display and share the information of Top Performers of each with their photos every month and reward them reasonably.

WE EXPECT THE COMPANY TO CONSIDER THE CONTENTS OF THIS MEMORANDUM IMPARTIALLY AND INSTRUCT THEIR SUBORDINATE OFFICES ACCORDINGLY.

MEMORANDUM SUBMITTED BY:

	SIGNATURE	NAME	CELL NO.	E-MAIL
1		M. BALARAMA MURTY	9848785761	balaramadurgapathi@gmail
2		M. Venkat Swamy	9246503178	Venkat9365@yah
3		D. VENKATESWARA SASTRY	9440444154	dvsastry59@gm
4		B. VENKATESWARLU	9440052942	vrboinapally@gmail.co
5		K. MALLIKHARJUNA RAO	9246597949	kmrao1 VISHWAMBARA
6		K.V.S. ASHOK	9000224000	ashokkvs5@gmail.co
7		R. SUDHAKAR	9849192263	Rapolu.Sudhakar@yn
8		GR MURTHY	9848148596	gkrismo@y
9		P. Sri Rama Rao	9246154755	Peechara.Srrao@gm
10		M. Vedha Reddy	9440901182	
11		N V S RAJU	9391031673	
12		K. Pavani kumari	9948493637	
13		V. Yadagiri Gowd	9397881661	
14		Ch. Rajya Laxmi	9848511941	divvu_vinnu@ya

दि न्यू इंडिया एश्योरेन्स कं.लि.
The New India Assurance Co. Ltd.
प्राप्त/RECEIVED
19 NO
हैदराबाद क्षेत्रीय कार्यालय
Hyderabad Regional

Received original

Manager (M. ANKAIAH)
19/11/2012