



Lalit Kumar
Deputy Secretary

Tel. Off. - 2-335 5555

D.O. No. F. 14113/2004
Government of India
Ministry of Finance
Department of Financial Services
Jeevan Vihar Building
Parliament Street

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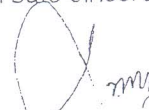
Dear Shri Kumar,

Please refer to your d.o. letter No. 18(56)/EO/05(ACC) dated 8th August, 2007 regarding criteria and process of selection for appointment of the Chief Executives of Public Sector Insurance Companies / IRDA.

It may be stated that the proposal sent by this Office on 21st June, 2007 is a consolidated one containing the revised policy for appointment of Chief Executives in the Public Sector Insurance Companies as well as IRDA (copy enclosed)

With regards,

Yours sincerely,


(Lalit Kumari)

Shri Alok Kumar,
Director (ACC)
Department of Personnel and Training,
New Delhi.

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27/8/07

27/8/07

C-816/2707/2007
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Subject : Criteria and process of Selection for Appointment of Chief Executives of Public Sector Insurance Companies and Chairperson & Members Insurance Regulatory and Development Authority.

Department of Economic Affairs (Insurance Division) is responsible for the appointment of Chairman, Managing Director of Life Insurance Corporation of India, Chairmen-cum-Managing Directors – General Insurance Corporation of India (GIC), Mumbai, Agriculture Insurance Company of India Ltd. (AICL), New Delhi, National Insurance Company Ltd. (NIC), Kolkata, Oriental Insurance Company Ltd.(OIC), Delhi, New India Assurance Company Ltd. (NIAC), Mumbai and United India Insurance Company Ltd. (UIIC), Chennai and Chairperson and Members of Insurance Regulatory and Development Authority (IRDA), Hyderabad.

As directed by the Appointments Committee of the Cabinet, it has been decided to lay down the following procedure for selection to these posts.

Appointing Authority : Placement as Member of the Corporation and appointment as Chairman of LIC is done by the Central Government under Section 4(1) of Life Insurance Corporation (LIC) Act,1956. Managing Directors in LIC are appointed by the Corporation under Section 20 of the LIC Act,1956 and made Members of the Corporation by the Central Government under Section 4(1) of the LIC Act,1956 after obtaining the approval of ACC.

Appointments of Chairman-cum-Managing Director of GIC (Indian Re-insurer), Oriental Insurance Company Ltd., National Insurance Company Ltd., New India Assurance Company Ltd., United India Insurance Company Ltd. and Agriculture Insurance Company of India Ltd. are made by the Central Government under the Memorandum and Articles of Association of the respective Company.

Appointments of the Chairperson and Members of the Insurance Regulatory and Development Authority are made by the Central Government under Sections 4 & 5 of the IRDA Act,1999.

Eligibility :

Posts	Eligibility
Chairman, LIC	Managing Directors, Executive Directors and Zonal Managers (Selection Grade) within the zone of consideration in seniority list of EDs. Zone of consideration shall be as prescribed in DPC guidelines contained in Department of Personnel and Training O.M. No. 22011/2/2002-Estt.(D) dated the 6 th January, 2006 as amended from time to time. Experience : Minimum one year service as MD or 2 years service as ED/ZM(SG).

	<p>Residual Service : Minimum 2 years of residual service on the date of vacancy.</p> <p>Relaxation : Since, MD, LIC is a Board level post and the appointment of MD, LIC is done by the ACC, the selection of Chairman, LIC should preferably be out of MDs. In case, no MD is available with more than 2 years of residual service on the date of vacancy, relaxation upto one year may be provided with the approval of FM.</p>
Managing Director, LIC	<p>Executive Directors and Zonal Managers (Selection Grade), within zone of consideration in seniority list of EDs.</p> <p>Minimum 1 year service as Executive Director or Zonal Manager (Selection Grade) and minimum 2 years of residual service on the date of vacancy.</p>
Chairman-cum-Managing Directors of GIC and non-life Public Sector Insurance Companies and Agriculture Insurance Company of India (AIC).	<p>General Managers of GIC, AIC and non-life Public Sector Insurance Companies within zone of consideration in common seniority list of GIC, AIC and non-life Public Sector Insurance Companies.</p> <p>Minimum 1 year service as General Manager of GIC, AIC and Public Sector Non-life Insurance Company and minimum 2 years of residual service on the date of vacancy.</p>
Chairperson and Members, Insurance Regulatory and Development Authority.	<p>Persons of ability, integrity and standing who have knowledge or experience in life insurance, general insurance, actuarial science, finance, economics, law, accountancy, administration or any other discipline which would in the opinion of Central Government be useful to the Authority. At least, one person each should be a persons having knowledge or experience in life insurance, general insurance or actuarial science respectively. (The proposed qualification is as prescribed in Section 4 of IRDA Act, 1999 and is a statutory requirement).</p> <p><u>Minimum 2 years of residual service on the date of vacancy. But in case the post is not filled up in time due to any reason, then minimum of 2 years of residual service on the last date of submission of application.</u></p>

Relaxation : As it has been proposed that the preference is for selecting the Chairman, LIC from out of the MDs of LIC, the need for relaxation would arise only if none of the MDs is left with 2 years residual service on the date of vacancy. If none of the MDs of LIC has a minimum of two years of residual service on the date of the vacancy, relaxation upto one year may be provided with the approval of FM. Relaxation in case of other categories is not required.

Zone of Consideration : Zone of Consideration shall be as prescribed in DPC Guidelines contained in Department of Personnel and Training O.M. No. 22011/2/2002-Estt.(D) dated the 6th January,2006 as amended from time to time.

In case an officer after availing three attempts fails to get selected, he/she should not be considered again and a fresh eligible candidate in order of seniority should be included in the zone of consideration.

Selection Committee : This Selection Committee for selection to the posts of Chairman, LIC, MD-LIC, CMD-GIC, CMDs of public sector general insurance companies, CMD, Agriculture Insurance Company and Members, IRDA shall consists of Finance Secretary / Secretary (Economic Affairs), Secretary / Special Secretary / Additional Secretary (Financial Sector), Secretary, Department of Personnel and Training, Chairman, IRDA and an expert from the insurance sector.

Search Committee : A Search Committee for Chairperson, IRDA shall comprise of Finance Secretary/Secretary, Department of Economic Affairs, Secretary, Department of Personnel and Training, Secretary/Special Secretary/Additional Secretary (Financial Sector) and two experts one from the Financial Sector and the other from amongst the Directors of Indian Institute of Management.

Panel of Experts : Department of Economic Affairs shall prepare a panel of experts from different fields such as management, insurance and finance etc. to facilitate selection of experts for the Search/Selection Committee. The panel of experts would be got approved in advance by the ACC valid for a period of 3 years. Experts would be co-opted out of this panel according to the kind of specialization (life, non-life, re-insurance or actuarial) required for filling up of a particular post.

Criteria for selection : Selection to the post of chief executives of public sector insurance companies shall be made with due weightage to experience, performance of officer during the service and the interview. For weightage out of 100 points, 80 points shall be assigned for education/professional qualification/experience and ACRs and 20 points will be assigned to the interview.

Selection to the posts of Chairperson and Members, IRDA shall be based upon the criteria defined in Section 4 of IRDA Act,1999.

Vigilance Clearance : No candidate without vigilance clearance from Chief Vigilance Officer of the company shall be considered for interview. Vigilance clearance from Central Vigilance Commission (CVC) shall be necessary for appointment of the candidate on the post.

Panel for Appointment : The Selection Committee on the basis of objective assessment of the officer based on the criteria enumerated above shall recommend names of officers for appointment to these posts.

The validity o the panel for submission of the proposal of ACC shall be limited to one year from the date of recommendation by the Selection Committee.

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Tenure of Executives : The period of appointment to the post of chief executives of LIC, GIC, AIC and other public sector insurance companies shall be 5 years or the date of superannuation, whichever is earlier. The executives will be eligible for a fresh tenure beyond the period of 5 years up to superannuation with the approval of ACC.

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Lateral Transfer of Chief Executives amongst insurance companies : Lateral Transfer of the Chief Executives amongst the insurance companies and relaxation in the procedure for appointment of the Chief Executive shall be done with the approval of ACC.
