

PART - THREE

CHAPTER IX

ORGANISATIONAL STRUCTURE

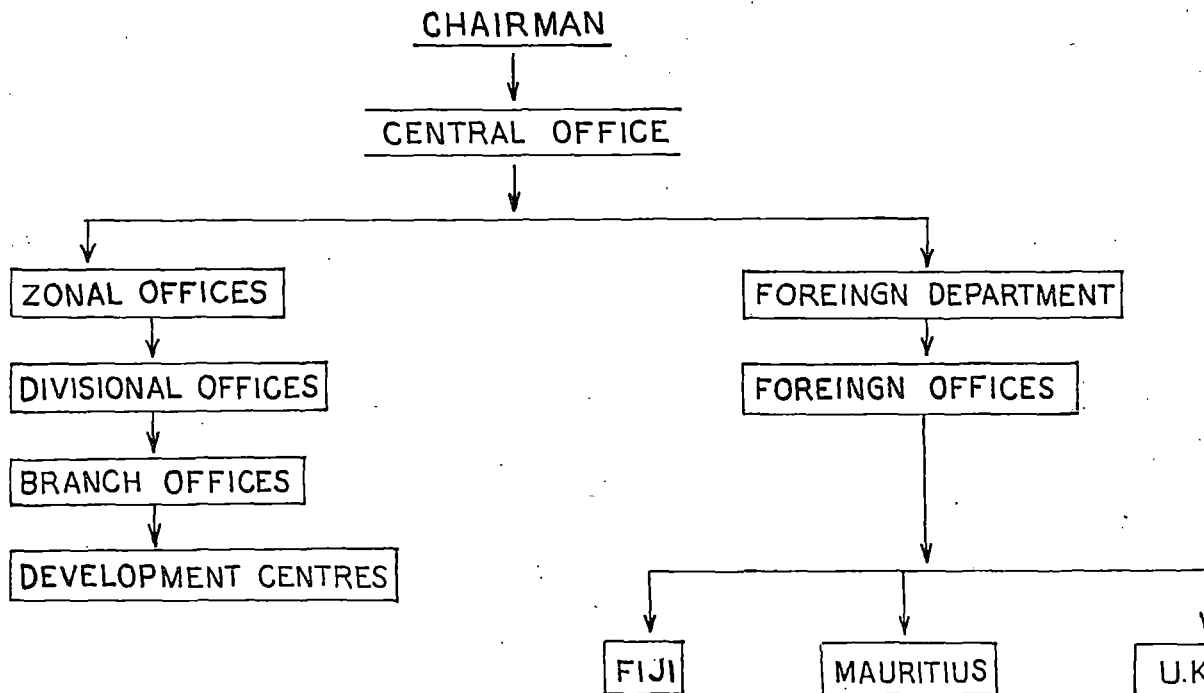
CHAPTER - IXORGANISATIONAL STRUCTURE

The administrative set up of the Corporation consists of five tiers. At the top stands the Central Office situated in Bombay. The five Zonal Offices (Northern, Southern, Central, Eastern and Western) cover within themselves the entire geographical distribution of the country. Each zone has under it Divisional Offices, Branch Offices and Sub-offices (Chart IX.1).

The organisation of the Corporation is on the pattern broadly indicated in the Life Insurance Corporation Act, 1956. Divisional Offices, 43 in number and with defined territorial jurisdiction for the development of new business in the respective areas are responsible for complete servicing of new insurance policies from the time of acceptance of proposals to settlement of claims. Coordination and general supervision vest in the five zonal offices, and the Central Office, the latter being responsible for the formation of broad policies and procedures. Investment of funds is the sole responsibility of the Central Office.

The Chairman is the Chief Executive of the Corporation. The affairs of the Corporation is managed by the 15 members constituting the Corporation. The work of the Corporation is conducted through various committees such as Executive Committee, Investment Committee, Services and Budget Committee. In addition,

ORGANISATIONAL SET UP OF LIC



(Chart - IX.1 .)

for each zone. Advisory Boards and Employees and Agents' Relations Committee have been constituted and they function in an advisory capacity. Policyholder's Councils have also been constituted in each of the Divisional Offices. The other authorities mentioned in the Act and the Regulations are the Managing Directors, Executive Directors and Zonal Managers.

Functions of Central Office

The Central Office of the Corporation is a policy making and Coordinating body and its direct executive responsibility is only in the very limited field. Mainly it co-ordinates the activities of the various zones and confines itself to giving broad policy direction and decisions on inter-zonal matters. Investment policy and investing of funds, in accordance with it, are the sole responsibility of Central Office. In addition to formulation of underwriting of proposals for large amounts and for sub-standard lives, beyond the authorities delegated to Divisional Offices. Submission of Returns etc in accordance with statutory requirements is the sole authority of the Central Office. Standardisation of procedure and forms, drawing up of prospects, premium rates, policy, conditions and making arrangements with regards to re-insurance are also looked after by the Central Office. It has also been the responsibility of the Central Office to conduct national publicity campaign on a wide scale. Inspection of the various offices of the Corpora-

tion as also the financial internal audit of the branch, divisional and zonal offices have been the responsibility of the Central Office. A Research and Statistics Bureau has been set up, for research on specific lines. In general, the policy decisions are made by the Chairman, the Executive Committee and the various other committees constituted for different purposes. The Central Office is divided into an impressive array of Departments like Development Department, Integration Department, Organisation and Method Department, Inspection Department, Investment Department, Publicity Department, General Insurance Department, and so on.

Chairman

There have been fourteen Chairmen since its establishment in the year 1957 (Table IX.1). A perusal of the list shows that half of the persons holding the high office were drawn from the Government services and had no previous experience and training in insurance industry. The first seven Chairmen of the LIC were from the Civil Services. The Committee of Enquiry into the expenses of the LIC (Morarka Committee) observed that "the main consideration should be his competence and experience, and we believe that this highest position in the Corporation should, therefore, be open to all those who have grown into requisite stature and competence within the field of the organisation itself."

TABLE IX.1

Chairman of the L.I.C. of India

Sl.No.	Name	Period
1.	Shri H. M. Patel	1.9. 1956 to 5.6.1957
2.	Shri G. R. Khosla	6.6. 1957 to 10.4. 1958
3.	Shri P. A. Gopalakrishnan	10. 4.1958 to 28.2.1962
4.	Shri B. K. Kaul	1.3. 1962 to 28.2. 1965
5.	Shri B. D. Pande	2.3. 1965 to 5. 1. 1967
6.	Shri M. R. Bhide	12. 1. 1967 to 31. 8. 1970
7.	* T.A. Fai	1. 9. 1970 to 26. 3. 1972
8.	* K. R. Puri	27. 3. 1972 to 19.8. 1975
9.	* R. B. Pradhan	20. 8. 1975 to 25. 9. 1977
10.	* S. Rangarajan	26. 9. 1977 to 11. 11.1978
11.	* J. Matthan	12. 11. 1978 to 24. 7. 1980
12.	* J. R. Joshi	25. 7. 1980 to 16. 9. 1982
13.	* A. S. Gupta	17. 9. 1982 to 8. 9. 1985 (Chairman-in-Charge)
14.	* A. S. Gupta	9. 9. 1985 to
15.	* R. Narayanan	upto date.

Sources: (i) Report of the Committee of Enquiry into the Expenses of the Life Insurance Corporation of India, 1969, part I.

(ii) LIC's Annual Reports and Accounts.

Most of the LIC's Chairmen, thereafter, have been selected from amongst the Senior Executives of the Corporation. This may be a matter of coincidence of implicit acceptance.

Tenure of Chairman

The duration of the office for the last three decades has been shown in Table IX.2. It is evident from the above that only 3 out of 13 Chairmen remained in the office for more than 3 years and the remaining for a shorter period. As many as seven of the Chairmen remained in the office for less than two years. (Two of them held office for less than one year). The other three held office for more than two years but less than three years. Such short durations and frequent changes have not been conducive to the effective functioning and progress of the Corporation. The Chairmen should have a reasonably long tenure to enable him to settle down and show the results. The tenure of the most of the Chairmen has been too short to make a long-term perspective planning and compare the performance with own pre-determined standards. A representative of the Finance Ministry evidenced that a three years' term would be adequate, while to a Chairman of the LIC, the tenure of five years' appeared the minimum. The Morarka Committee also inclined to support the Chairman. It recommended that "while appointing a person as a Chairman of the Corporation, the Govt. should satisfy itself that the person would serve as the Chairman of the Corporation for a minimum five years."¹

1 Report of the Morarka Committee, p. 370.

Though this recommendation made in the year 1969, was not accepted by the Govt., the frequency of change has reduced in the Post-Morarka Committee period. It is to be noted here that one of the seniormost Member of the LIC acted as Chairman-in-Charge for almost three years and in the third year only he was appointed as full-fledged Chairman of the Corporation. Taking 30 years period of Corporation's functioning, on average, 9 Chairman has remained in the office for 28 months only.

Duration of Chairman in the office has been shown in the following table:

Table IX.2

Duration	No. of Chairmen
Below 12 months	2
More than 12 months but less than 18 months	2
More than 18 months but less than 24 months	3
More than 24 months but less than 30 months	2
More than 30 months but less than 36 months	1
36 months and above	5

Source: (i) Report of the Committee of Enquiry into the Expenses of the LIC, 1969, part I.

(ii) LIC's Annual Reports and Accounts.

MEMBERS OF THE CORPORATION

According to section 4 of the Life Insurance Corporation Act, 1956, the Corporation shall consist of not more than 15 members and these members shall be responsible for efficient functioning of the Corporation. The tenure of the Members of the Corporation who acted as Members during the period under review is given in Table IX.3.

Table IX.3

Statement showing the Tenure of the Members of the LIC(1976-86)

Period of Tenure	No. of Members
Upto 6 months	1
Between 6 and 12 months	1
Between 12 and 18 months	7
Between 18 and 24 months	19
Between 24 and 30 months	5
Between 30 and 36 months	3
Between 36 and 42 months	2
Between 42 and 48 months	3
Between 48 and above months	4

It is evident from the table that about 50 percent of the members appointed during the review period remained in the office between 18 to 24 months. 25 percent of the members remained in the office for a period of less than 18 months. Only 6 percent of the members enjoyed a tenure of 3 years. This tenure pattern of the membership is no where near Morarka Committee's recommended tenure of five years¹.

1. Report of the Morarka Committee (1969), Sl.No.147, para 18, 10.7., p. 415.

The enormous expansion of LIC's operations caused some structural strains and a review of the entire organisational set up became inevitable to ensure that the Corporation's services to the policyholders did not lag behind and interdepartmental co-ordination at various levels continued to be effective. These problems of organisational structure was examined by the Era Geshiyan Committee at full length and recommended that "the LIC should pursue its policy of decentralisation of servicing functions to Branch Offices and ensure full coverage of all mofussil and city Branch Offices with a time bound programme"¹. The Committee further recommended that "The Committee is of the view that for budgetary control to be really effective, it should start at the Branch level. The committee, therefore, recommends that the LIC should urgently consider making the Branch Office an Accounting unit so that formulation of financial budget at branch level is facilitated"².

The committee also expressed its opinion in favour of installation of microprocessor based machines in larger branches and also at Divisional Offices.

The above mentioned recommendations of the Era Geshiyan Committee were accepted by the Corporation and it started their implementation right from the year 1981.

1. Era Geshiyan Committee, Summary of conclusions para 16.

2. Ibid, para 89.

Process of Reorganisation and its Outcome

"The management of an organisation that grow rapidly in size take special measures in preventing it from drifting. Studies in developing countries confirm the findings in the industrialised countries that more formal system of management and greater emphasis on management processes such as goal format setting, planning, control etc. are necessary as organisation grow in size"¹.

The management of the organisations that becomes large, in most cases are aware of these problems and reorganise the structure of management from time to time as per the demand of situation.

According to Prof. Ishwar Dayal* "the changes were brought about in branches, at the supervisory office such as the divisional and local head office, at the Zonal and Central offices. These changes included the decentralisation of work at all offices, the new definition and specific areas of work, the new control and supervision method, the new relationships & that the new roles required and intensive multi-level training for performing the emerging roles.

The LIC had undertaken a comprehensive programme of reorganisation in 1980-81. The LIC management identified the areas of concentration in the short run and those in the future programmes of the work. The areas identified by the policy making body of the Corporation in consultation with

1. Dayal, Ishwar, "Change in Organisational Culture", Economic Times, Calcutta, September 1, 1986, p. 14.

* Prof. Dayal was directly involved in the reorganisation programmes of the LIC management.

some outside management experts may briefly be stated as follows: ¹.

- i) Redefinition of the role of branch offices and their measures of effectiveness;
- ii) providing single window servicing to policy-holders which required redefinition of the concept of consumer service;
- iii) To provide insurance coverage to people in India who are traditionally ignored in several affluent countries by insurance companies;
- iv) To revitalise the control systems to provide data to the higher levels of management to know how well the subordinate offices were working. In this respect two conditions had to be fulfilled (a) management information system (MIS) that could provide data on key areas of operations, and quality of decision making and (b) creating conditions for controls to operate effectively, e.g., the superior and subordinate offices should be clear on what is expected of the subordinate office; and
- v) Changes in the role of controlling offices of the Divisional, the Zonal and the Central Offices. Each of these offices, had besides supervisory functions a distinct contribution to make. Better data control by improving the machine support. Accuracy and efficiency of data storage, processing and retrieval is essential for improved policy-holders servicing by service units. Employees satisfaction by direct

contact with customers, greater degree of responsibility, job redesign and consultative practices in the offices.

According to new pattern of management under reorganised conditions the role of each offices and each position were defined and understood by the incumbents. The programme required training of branch managers and heads of department in divisional offices whose job content changed in significant ways. The branch managers became responsible for total results and not sales alone. The content of divisional offices became supervisory analytical providing support to branches to improve quality of their decision making. LIC had to undertake crash programmes of training of managers and clerical staff and programmes of training of the trainees to maintain the quality of training. An idea of this crash training programmes can be had from the number of employees of the Corporation at different levels trained especially after introduction of reorganisation in LIC management since 1980-81. The number of different categories of employees sent to training since 1980-81 is given in table IX.4.

The degree of emphasis laid down by the Corporation on crash training programmes and other reorganisational measures taken by the Corporation is indicative of its total commitment towards realisation of goals expected from this monolith public sector undertaking. In 1985-86 alone Officer's Training College, Borivli undertook 18 training sessions for class I officers and in all 550 officers belonging to different cadres attended the Training courses. The Zonal Training

TABLE IX.4

Statement Showing the Staff of LIC Sent for Training Under
Crash Training Programmes for Reorganisation of Management Structure.

Category of Employees	1980-81 (Nos.)	1981-82 (Nos.)	1982-83 (Nos.)	1983-84 (Nos.)	1984-85 (Nos.)	1985-86 (Nos.)
Class I Officers	439	241	694	424	736	922
Class I Officers sent Abroad	9	2	9	7	14	5
Junior Officers	129	190	236	270	332	1058
Class II & III Employees	-	-	-	153	580	1112
Total =	<u>577</u>	<u>433</u>	<u>939</u>	<u>854</u>	<u>1662</u>	<u>3,097</u>

Notes: The training programmes included given at following centres:-

- (i) Different Management Institution in India
- (ii) National Insurance Academy, Bombay
- (iii) Zonal Training Centres which were started at 5 different zonal centres and started functioning from October/November, 1983
- (iv) Training and seminars organised at international level.

Source: Compiled from Annual Reports of the LIC from 1980-81 to 1985-86.

Centres conducted 122 sessions in which 922 class I officers, 760 Development officers, 1094 class II employees and 33 selected agents were given reorientation programmes.

During this year 298 class I officers were deputed to attend various training courses/seminars conducted by 44 management training institutions. In addition, 5 class I officers attended training courses/seminars organised in foreign countries¹. The operational data, in post decentralisation era, show steady improvement in all directions. The following information may be considered by the way of illustration.

	Before Reorganisation	After reorganisation.
Average time for loan	12 days	3 days
Average time for issue of policy	35 days	10 days
Outstanding claims	13%	5%

Source: Economic Times, Sept., 1, 1986, p. 15.

Changing the culture of an organisation of the size and complexity of LIC is however, not an easy phenomenon or nor a speedy one because the change has to be pervasive and contiguous and include all aspects of making from the top levels of the hierarchy to the lowest. The sustained improvement will depend upon continued attention by the top and the senior managers. In public undertakings where decisions

1. LIC's Twenty Ninth Annual Report, 1985-86, p. 33.

on top executive appointments are taken without adequate study of what the particular job requires, the continuity and thrust in certain programmes ~~there~~ is always doubtful. However, it may be expected that the decision makers would give the seriousness that the leadership decision deserves. During the period of this programme LIC has had three Chairmen and several changes at the top and senior levels of management.

Single VS Multiple Corporations

The discussion on organisational set up of the LIC will remain incomplete if we do not consider the question of single VS Multiple Corporations. The matter has been taken up by each committee or Commission established to review the working of the LIC, mention may be made of Administrative Reforms Commission (1968)¹ and the Committee to review the working of the LIC (1980)². While the former opposed the split up, the latter favoured it. Acting upon the recommendations of Mrs Seehayan Committee, the Govt. brought a Bill in the 7th.Lok Sabha to break up the LIC into 5 independent Corporations. This Bill generated a wide-spread and eloquent protests from within and outside of the insurance community which forced the government to refer the Bill to Joint select committee of Parliament. The 7th.Lok Sabha has subsequently dissolved and the present government has not

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1. Report of the working group on Life Insurance Administration, Reforms Commission, (Chairman T.Vishwanathan), Vol.I, October, 1968, pp. 99-105.
 2. Report of the Committee to Review the Working of LIC (Chairman: Mrs Seehayan) Sept., 1980, pp. 124-128.

shown any intention to further proceed with the splitting up of the LIC, & it seems that the status quo will not be disturbed.

If this is indeed be the case, it represents a healthy attitude and warrants for appreciation. For while it is widely acknowledged that the LIC's working needs improvement, it has never been convincingly demonstrated that the break-up of the Corporation would yield even half-way better results. The proposed ~~any~~ split-up might have brought competition among the different zonal Corporations but would have deprived the insurance community of the advantage of homogeneity and coherent decision - making for which the LIC was established. The argument that LIC has become unwieldy on account of its size and unitary character necessitating the break-up is certainly not reflected in facts and numbers. A look at public sector banks like State Bank of India or Central Bank of India will clearly show that these Banks have many times, more branches but still works quite satisfactorily. It is, therefore, better to maintain the existing organisational set up of the LIC. But at the same time the need to delegate more powers specially to the Divisional and the Branch Offices deserves special attention.

AGENCY FORCE OF LIC

Building an effective agency sales organisation in the life insurance business is the whole process of developing a stable sales force. Continuous recruitment is as necessary as the continuous supply of life sustaining blood to the human body. The sales force adequately recruited, carefully selected,

thoroughly trained, properly supervised and appropriately motivated is the keystone to success in the building up of an effective agency sales organisation.

The LIC is not unaware of the important functions discharged by the agents and therefore, it is taking a number of steps in this direction. Instead of making life insurance agency a part time business it is insisting that agents function more or less on full time basis. It has, therefore, systematically tried to weed away dead wood in the agency forces. As shown in Table IX.5, it is terminating non-functioning or poor functioning agents and replaces them by fresh blood. It is significant to note that never more than 77% of the agents were able to continue for at least one year in the agency business. Discontinuance of at least 23% of agents within one year is unfortunate as it represents wastage of time and missed opportunity from the view point of LIC this is vital to keep agency force functioning and efficient.

Ull 1979-80 there was a continuous fall in the number of agents on roll as LIC was trying to reduce the burden of dead wood. That the LIC has succeeded in its task is evident from average number of agents per branch. From high figure of 235.44 during 1975-76 it has come down to nearly half (144.15) during 1985-86. This trend can also be noticed from a continuous rise in average business which has shot up from Rs. 1.46 lakhs per agent during 1975-76 to Rs. 4.09 lakhs during 1985-86 Table IX.6.

This continuous exercise of terminating existing agents and recruiting new one has been considered differently by Life Insurance Agents Federation of India (LIAFI).

TABLE IX.5

Statement Showing Turnover of Agents of LIC

Year as on 1st. April	Agents on Roll on April	No. of Agents Appointed during the year	No. of Agents Terminated during the year.	Agents on Roll (On March 31)	% of Agents who conti- nued for at least one year.
1975-76	1,55,153	37,360	50,465	1,42,048	73.70
1976-77	1,42,048	31,478	44,533	1,28,993	75.60
1977-78	1,28,993	30,650	42,437	1,17,206	73.85
1978-79	1,17,206	32,983	31,112	1,19,077	70.73
1979-80	1,19,077	28,072	25,892	1,21,257	76.85
1980-81	1,21,257	32,958	29,623	1,24,589	73.55
1981-82	1,24,589	37,381	27,238	1,34,742	72.18
1982-83	1,34,742	42,803	31,072	1,46,473	70.78
1983-84	1,46,473	50,186	34,181	1,62,478	69.11
1984-85	1,62,478	-	-	-	-

Source: LIAYI NEWS LISTEN, VOL. XVI, NO.1,
APRIL, 1986, P.13.

TABLE IX.6**AGENCY FORCE AND AVERAGE BUSINESS**

Year	No. of Agents on Roll (in thousands)	Active Agents No. % of Agents on Roll.	Average No of Agents per Branch	Average Business per Active Agent (Rs. in thousands)
(1)	(2)	(3)	(4)	(5)
1975-76	155	92.90	235.44	146
1976-77	142	92.25	212.33	160
1977-78	129	91.47	190.92	170
1978-79	117	92.31	167.20	191
1979-80	119	92.44	161.49	248
1980-81	121	92.56	146.60	257
1981-82	125	92.80	140.15	300
1982-83	135	91.11	140.65	323
1983-84	146	91.10	143.18	330
1984-85	162	91.36	146.77	364
1985-86	189	91.53	144.15	409

Source: LIC's Annual Reports and Accounts.

According to them it is a chronic affair and they know from experience that LIC Management is keen to continue this process of large turnover of agents with a definite motive behind the same. The management does not like to professionalise the Agency Force and does not want that agents should become stable. More than that, the management wants that most of the agents should remain under qualified, so that, the management need not have to pay the bonus commission on the first year premium to a large section of Life Insurance Agents to show a reduced management expense ratio to the public in general and Parliament in particular¹.

Qualified Agents

The total agency force of the Corporation has broadly been classified into two categories viz., qualified agents and unqualified agents. This classification has an important impact on the commission payable to the agents on the business procured by them. The agents who procure a minimum new business, as stipulated under Agents Rules are qualified agents and those who fail to procure this minimum new business are termed as unqualified agents. "Only qualified agents are entitled to get a bonus commission @ 40% over basic Commission"².

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1. Purakayastha, A.K., LIAFI, News Letter, Vol. XVI, No. 1, p. 11.
 2. Ibid, p. 10.

Number of qualified agents and their percentage to total number of agents for the years 1975-76 to 1984-85 is given in Table IX.7. It is observed that only about 55.30 percent of the total agents are qualified to receive the full rate of agency commission (Basic + Bonus) on the First Year's premiums. The First Year's premium is increasing every year but percentage of First Year's premiums paid to the agents is on continuous decline. The savings thus made reflects as "Improved economy" in the LIC's Management expenses on Commission Account. First Year's premium and agency Commission on Individual Business in India is given in Table IX.8.

It is observed that the total of all Commissions paid to agents is much less than 60% of First Year's premium. Normally, an agent should earn, within a period of 5 years, 60% of First Year's premium as per the provision made in the construction of premium Rates which is also sanctioned under Insurance Act, 1938. It is evident from the above Table that average rate of agency commission paid to agents is going down year after year, while the quantum of premium income going up year after year.

The LIC is aware of this problem of professionalisation. To ensure that the agents become a useful link between the policyholders and the office and services are taken virtually to the door step of the policyholders it has encouraged professionalism through training programmes.

TABLE IX.7

Statement Showing The Number of Qualified Agents of LIC

Year	No. of qualified Agents.	Percentage of qualified Agents to Total Agents on Roll.
(1)	(2)	(3)
1975-76	90,124	58.09
1976-77	72,036	50.71
1977-78	65,089	50.46
1978-79	62,445	53.11
1979-80	71,211	59.80
1980-81	66,968	55.23
1981-82	70,798	56.83
1982-83	76,263	56.60
1983-84	80,997	55.27
1984-85	91,907	56.97

Source:

LIADI News Letter, Vol.XVI,
No. 1, April, 1986, p. 14.

TABLE IX.8

First Year's Premium and Agency Commission on Individual Business
in India (Management Expenses)

Year end 31st. March	Individual First Year's Premium (Rs. crores)	First Year's Total commi- ssion (Rs. crores)	First Year's commission as % of F.Y. P. (%)	Total Renewal commission (Rs. crores)	Total commission (Rs. crores)	Total commi- ssion percen- tage of F.Y.P. (%)
1976	94.16	29.52	31.35	22.54	52.06	55.29
1977	98.49	31.07	31.53	24.53	55.64	56.40
1978	97.16	29.16	30.02	25.54	54.70	56.31
1979	103.04	32.04	30.99	29.16	61.20	59.18
1980	130.04	38.52	29.62	32.06	70.58	54.28
1981	142.19	40.23	28.30	35.56	75.79	53.30
1982	157.62	41.24	26.17	42.41	83.65	53.07
1983	180.26	47.02	26.09	48.18	95.20	52.81
1984	189.98	47.91	25.22	50.86	99.77	51.99
1985	224.01	54.97	24.54	60.30	115.35	51.49

Source: LIANT News Letter, Vol. XVI, No. 1, April, 1986, p. 15

It is recruiting agents under Career Agents Scheme in urban areas and giving them specialised training. During 1985-86 as many as 1,795 new trainees were recruited and the total number of trainees as at 31st. March, 1986 was 2,010. Similarly, it has initiated Rural Career Agents Scheme and recruited 2,219 new trainees bringing their number on roll to 4,063 as on 31st. January, 1986. Training of entire agency force is a gigantic task and would require years to achieve the goal. The LIC has, however, made a modest beginning in this regard.

The LIC is also trying to motivate agency force by highlighting their performance and awarding them title of "millionaire Agent" (Crorepathi). Based on the performance during the year 1985 nine agents qualified and participated in the prestigious "Million Dollar Round Table Conference" at Illinois, U.S.A. Besides, it has introduced various agents membership to clubs- Chairman's Club, Zonal Manager's Club, Divisional Manager's Club and Branch Manager's Club.

The LIC has not yet been able to solve the issue of 'Benami Agents'. It is alleged by LIAFI that it has been insisting to control the number of Benami agents for a long time but the proposal has been unacceptable to the management not because it is impracticable but because it will uncover and undo many corrupt practices - which the management does not want¹.

According to LIAFI the question of 'Benami' or dummy agents becomes more evident if we take into consideration total number of agents of Delhi Division of the LIC which

1. LIAFI NEWS LETTER, April, 1986, para 12, p. 9.

is a City based Division of the Corporation. "This division had 6560 agents on its roll in the year 1984-85 of which, 3048 or 46.46 percent were women agents. LIC's All India average of women agent was 21.29 percent in that year. If an investigation is made, it will be found that behind most of the individual woman agents there are influential persons who ring up to get the business"¹.

Commenting upon the question of dummy agents, Mr. A.S.Gupta, the then Chairman of LIC said "The dummy agents do exist. There is a concept of centre of influence where an influential person may get the business by ringing up the party and the formalities are completed by someone else. He is the real agents even if the paper work is not done by him We are not in favour of dummy agents and do scrutinize and keep a check. But our chief concern is business"².

As allegations of Benami agency cast on a person on those placed in higher echelons of the society, high placed officials of the LIC also fall in the ambit of, if nothing else, mud slinging. The management should, therefore, sort out this problem with the agency force across the table. The need to remove Benami agency force can hardly be over emphasised.

1. Ibid.

2. Outlooker, April 1-15, 1982, p. 45.