

**GENERAL INSURANCE
(TERMINATION,
SUPERANNUATION AND
RETIREMENT OF OFFICERS
AND DEVELOPMENT STAFF)
SCHEME, 1976**



General Insurance Corporation of India

(Amended upto 4th May, 2005)

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New Delhi, the 21st September, 1976

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AND RETIREMENT OF OFFICERS AND DEVELOPMENT STAFF)
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**GENERAL INSURANCE (TERMINATION, SUPERANNUATION AND RETIREMENT
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[¹] S.O. 627 (E) - In exercise of the powers conferred by clause (g) of sub-section (1) of section 16 of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the Central Government hereby frames the following Scheme to regulate the termination, superannuation and retirement of Officers and Development Staff of the General Insurance Corporation and of its Companies, namely :-

[¹] **1. Short title and commencement -**

(1) This Scheme may be called the General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976.

[²] (2) It shall come into force on the date of its publication in the Official Gazette.

2. Application -

The provisions herein contained shall apply to all Officers and Development Staff.

[¹] The principal Scheme has been amended as under :

Amendment Scheme (S.O. No.)	Date of commencement of Amendment Scheme
S.O. 1050 dt. 29.03.1978	29.03.1978
S.O. 313(E) dt. 12.05.1980	12.05.1980
S.O. 430(E) dt. 17.06.1980	12.05.1980
S.O. 496(E) dt. 04.07.1980	04.07.1980
S.O. 1161(E) dt. 09.12.1988	05.05.1988
S.O. 592(E) dt. 27.07.1990	27.07.1990
S.O. 753 (E) dt. 04.10.1990	04.10.1990
S.O. 908(E) dt. 23.12.1991	23.12.1991
S.O. 760 (E) dt. 01.11.1996	01.11.1993
S.O. 466 (E) dt. 27.05.1998	27.05.1998
S.O.780(E) dt. 14.08.2001	01.01.1996
S.O.635(E) dt. 04.05.2005	01.02.2005

[²] The Scheme was published in the official Gazette dated 21st September, 1976.

3. Definitions. -

In this Scheme, unless the context otherwise requires -

- (a) "**Act**" means the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972);

[¹] Explanation : While the principal scheme of 1976 was framed in terms of section 16(1)(g) of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), the subsequent amendments from 1988 onwards were made in terms of the powers vested in the Central Government under newly inserted section 17A of the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), by Amendment Act, 1985.

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- (b) **"Board"** means the Board of Directors of the Corporation or of the Company and includes, in relation to the exercise of powers of such Board, any committee of the Board to which, or any Officer of the Corporation or Company to whom, the Board has delegated any of its powers;
- (c) **"Chairman"** means -
- ^[4] (i) in relation to the Corporation, the Chairman-cum-Managing Director;
- (ii) in relation to the Company, the Chairman-cum-Managing Director;
- (d) **"Company"** means the National Insurance Company Limited, the New India Assurance Company Limited, the Oriental Fire and General Insurance Company Limited or the United India Fire and General Insurance Company Limited;
- (e) **"Corporation"** means the General Insurance Corporation of India formed under Section 9 of the Act;
- (f) **"Development Staff"** means persons of the Development Staff as defined in clause (9) of paragraph 3 of the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Development Staff) Scheme, 1976;
- (g) **"Officer"** means an Officer as defined in clause (1) of paragraph 3 of the General Insurance (Rationalisation of Pay Scales and Other Condition of Service of Officers) Scheme, 1975 and working in the Corporation or the Company;
- (h) **"Service"** means the service under the Corporation or the Company, as the case may be;
- (i) **"transferred Development Staff"** means persons in the service of an Indian Insurance Company before the 1st day of January, 1973 and employed for the purpose of procuring general insurance business and categorised or designated as "Development Superintendent" or "Inspector Grade I" or "Inspector Grade II" or as "Field Worker" under the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Development Staff) Scheme, 1976 ^[3] and includes an employee as defined in clause (c) of paragraph 3 of the General Insurance (Rationalisation and Revision of pay scales and other conditions of service of supervisory, clerical and subordinate staff) Scheme, 1974, who joined the service of the Corporation or of any Indian Insurance Company before the 1st day of January 1973 and was subsequently appointed as a person of Development Staff.

[3] the semicolon omitted and sentence added "and includes an employee appointed as a person of Development Staff" by Notification S.O.313(E) dated 12.05.1980, effective from 12.05.1980.

[4] In paragraph 3, in sub-paragraph (c), for item (i), the word "Chairman" substituted with the words "Chairman-cum-Managing Director" vide S.O. 635(E) dated 4.5.2005 w.e.f. 01.02.2005

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- (j) **"transferred Officer"** means an Officer who was deemed to have become an Officer of the Corporation or of an Indian Insurance Company before the 1st day of January, 1973, or any employee, as defined in paragraph 3 (c) of the General Insurance (Rationalisation and Revision of Pay Scales and Other Conditions of Service of Supervisory, Clerical and Subordinate Staff) Scheme, 1974 who joined the service of the Corporation or of any Indian Insurance Company before the 1st day of January, 1973 and is promoted subsequently as an Officer.

4. Superannuation and Retirement -

(1) A transferred Officer or a person of the transferred Development Staff shall retire on ^[5] the afternoon of the last day of the month in which he attains the age of 60 years.

(2) An Officer or a person of the Development Staff appointed on or after the 1st day of January, 1973, shall ^[9] also retire on ^[6] (*the afternoon of the last day of the month in which he attains*) attaining the age of 60 years.

Explanation: ^[7] Omitted.

(3) Notwithstanding anything contained in sub-paragraph (1) or sub-paragraph (2):-

- (a) the Central Government, in respect of an Officer referred to in the First Schedule appended to the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Officers) Scheme, 1975;
- (b) the Board of the Corporation in respect of the General Manager or Assistant General Manager referred to in the Second Schedule ^[8] appended to the Scheme referred to in clause (a).
- (c) the Board of a Company, in respect of an Officer other than an Officer referred to in clause (a) or clause (b) or in respect of a person of the Development Staff

may, after giving the Officer or person concerned three months' notice or salary in lieu thereof, determine the service of such Officer or person -

- (i) if he is a transferred officer or a person of the transferred Development Staff, after attaining the age of 55 years; or
- (ii) if he is appointed on or after the 1st day of January, 1973, after attaining the age of 50 years.

[5] Substituted for the words "attaining the age of 60 years" by Notification S.O. 1050 dated 29.03.1978, effective from 29.03.1978.

[6] Substituted for the words "attaining the age of 58 years" by Notification S.O.1050 dated 29.03.1978, effective from 29.03.1978.

[7] Explanation to sub-paragraph (2) omitted by Notification S.O. 313(E) dated 12.05.1980, effective from 12.05.1980.

[8] the word "appended" has been printed as "appointed" in the official gazette.

[9] Substituted for the words "shall retire on attaining the age of 58 years" by Notification S.O.466(E) dated 27.5.1998 effective from 27.5.1998.

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(4) Nothing contained in the forgoing sub-paragraph shall affect the right of the appointing authority -

- (a) to retire, remove or dismiss an Officer or a person of the Development Staff in accordance with the provisions of the Conduct, Discipline and Appeal Rules framed by the Corporation or the Company, as the case may be, in respect of its employees;
- (b) to terminate the Service of a person of Development Staff in accordance with the provisions of sub-paragraph (3) of paragraph 5 or paragraph 11 of the General Insurance (Rationalisation of Pay Scales and Other Conditions of Service of Development Staff) Scheme, 1976;
- (c) to retire an Officer or a person of the Development Staff without notice or pay in lieu thereof on his being certified by a medical examiner, to be nominated for the purpose by the appointing authority, as being incapacitated for further continuous service either due to continued illness or accident :

Provided that if an Officer or a person of the Development Staff has earned leave to his credit and he avails of such earned leave from the date such decision to retire him under this sub-paragraph is communicated to him, he will be permitted to avail of the full earned leave to his credit, in which event his retirement shall take effect from the date of expiry of such leave.

- ^[10] (d) in respect of the ^[12] **Chairman-cum-Managing Director** of the Corporation and the Chairman-cum-Managing Director of a Subsidiary Company, the appellate authority and the reviewing authority shall be the Central Government.

^[11] (4A) Notwithstanding anything contained in the foregoing sub-paragraphs, an Officer or a person of the Development staff may be permitted, subject to vigilance clearance, to seek voluntary retirement, -

- (a) on completion of 55 years of age or at any time thereafter on giving ninety days notice in writing to the appointing authority of his intention to retire; or

Provided that on a written request from an officer or a person of the Development Staff, such notice may be waived in full or in part by the appointing authority; or

- (b) in accordance with the provisions contained in paragraph 30 of the General Insurance (Employees') Pension Scheme, 1995, made under section 17A of the General Insurance Business (Nationalisation) Act, 1972, (57 of 1972) and published under notification of the Government of India, in the Ministry of Finance (Department of Economic Affairs) Insurance Division number S.O. 585 (E) dated 28th June, 1995.

[10] Sub-paragraph (d) inserted to paragraph 4 after proviso to sub-paragraph (4) by Notification S.O. 496(E) dated 04.07.1980, effective from 04.07.1980.

[11] New sub-paragraph (4A) substituted by Notification S.O. 760(E) dated 01.11.1996 effective from 01.11.1993.

[12] The term 'Chairman and the Managing Director of the Corporation' substituted by the term 'Chairman-cum-Managing Director of the Corporation' vide S.O. 635(E) dated 4.5.2005 w.e.f. 01.02.2005

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[13] (5)(a) Where an Officer or a person of the Development Staff has earned leave to his credit according to the rules framed by the Corporation or the Company but has not availed of the same till the date of retirement, he may be paid cash equivalent of leave salary in respect of the period of earned leave at his credit as on the date of retirement, subject to the maximum of 240 days.

[17] Provided that with effect from 1st day of January, 1996, [18] **Chairman-cum-Managing Director of the Corporation** or Chairman-cum-Managing Director of a Company shall be entitled to accumulation and encashment of earned leave as applicable to Central Government servants under Central Civil Services (Leave Rules) 1972.

Provided further that the above proviso shall not apply in case of

- (i) [18] **Chairman-cum-Managing Director of the Corporation** or Chairman-cum-Managing Director of a Company who is governed by the General Insurance (Employees') Pension Scheme, 1995 and has retired on or after 1.1.1996 but before the date of publication of this scheme in the Official Gazette or the family in the event of death of such [18] **Chairman-cum-Managing Director of the Corporation** or Chairman-cum-Managing Director of a Company, who exercise an option not to be governed by the provisions of paragraph 54B of the General Insurance (Employees') Pension Scheme, 1995, within 90 days of the publication of the General Insurance (Employees') Pension (Amendment) Scheme, 2001, in the Official gazettee;
- (ii) [18] **Chairman-cum-Managing Director of the Corporation** or Chairman-cum-Managing Director of a Company who is not governed by the General Insurance (Employees') Pension Scheme, 1995.

Provided that this paragraph shall not apply to an Officer or a person of the Development Staff referred to in sub-paragraph (4) of this paragraph and those referred to in paragraph 5 below.

Note 1 : The cash equivalent of leave salary, shall be paid in one lump sum as [14] one time settlement :

Note 2 : Leave salary for [15] purposes of this paragraph shall be equal to the salary for such leave standing to his credit calculated at the rate at which he drew salary immediately preceding the date of his retirement but excluding City Compensatory Allowance, House Rent Allowance and functional allowance :

Note 3 : The authority to grant cash equivalent of leave shall be an Officer competent [16] to grant earned leave to the person concerned.

[13] Sub-paragraph(5) inserted by Notification S.O. 313 (E) dt. 12.05.1980 and subsequently amended by S.O. 753 (E) dt.4.10.1990 w.e.f. 4.10.1990

[14] To read as "as one time" instead of "as a time" corrected by Notification S.O. 430(E) dt. 17.06.1980, effective from 12.05.1980.

[15] To read as "purposes" instead of "purpose" corrected by Notification S.O. 430(E) dt. 17.06.1980, effective from 12.05.1980.

[16] To read as "competent to grant earned leave" instead of "competent earned leave" corrected by Notification S.O. 430(E) dt. 17.06.1980, effective from 12.05.1980.

[17] inserted by S.O. No.780(E) dated 14th August, 2001 effective from 1.1.1996

[18] The term 'Chairman-cum-Managing Director' inserted vide S.O. 635(E) dated 4.5.2005 w.e.f. 01.02.2005

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(b) Where an Officer or a person of the Development Staff who had proceeded on leave preparatory to retirement before the commencement of this Scheme and was allowed to return to duty subsequently, he may be paid cash equivalent of leave salary as admissible in terms of clause (a) of this sub-paragraph.

(c) An Officer or a person of the Development Staff may avail of leave preparatory to retirement in part of the earned leave to his credit in which case the cash equivalent of leave salary shall be allowed in respect of unavailed part of earned leave due to him as on the date of retirement in terms of clause (a) of this sub-paragraph.

5. Determination of Service -

(1) An Officer or a person of the development Staff other than one on probation, shall not leave or discontinue his Service without first giving notice in writing to the appointing authority of his intention to leave or discontinue the Service and the period of notice required to be given shall be three months :

Provided that such notice may be waived in part or in full by the appointing authority at its discretion.

Explanation I - In this Scheme, month shall be reckoned according to the English Calendar and shall commence from the day following that on which the notice is received by the Corporation or the Company, as the case may be.

Explanation II - A notice given by an Officer or a person of the Development Staff under this paragraph shall be deemed to be proper only if he remains on duty during the period of notice and such Officer or person shall not be entitled to set off any leave earned against the period of such notice.

(2) In case of breach by an Officer or a person of the Development Staff of the provisions of sub-paragraph (1), he shall be liable to pay to the Corporation or the Company concerned, as the case may be, as compensation a sum equal to his salary for the period of notice required of him which sum may be deducted from any monies due to him.

-- s/d --

**(Ajit M. Sharan)
Joint Secretary (Insurance)**

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EXPLANATORY MEMORANDUM (for Amendment Scheme, 2005 :-

Consequent upon amendment to Articles of Association of General Insurance Corporation of India and appointment of Chairman-cum-Managing Director in place of Chairman, General Insurance (Termination, Superannuation and Retirement of Officers and Development Staff) Scheme, 1976 is amended accordingly with effect from 1st February, 2005. It is certified that no one is being adversely affected by giving retrospective effect to this Scheme.

Note - The Principal Scheme was published vide Notification No. S.O. 627(E) dated 21.9.1976.

Subsequently amended by Notification No.

S.O. 1050 dated 29.3.1978,
S.O. 313(E) dated 12.5.1980,
S.O.430 (E) dated 17.6.1980,
S.O.496 (E) dated 4.7.1980,
S.O.1161 (E) dated 9.12.1988,
S.O.592 (E) dated 27.7.1990,
S.O. 753 (E) dated 4.10.1990,
S.O.908 (E) dated 23.12.1991,
S.O.760 (E) dated 1.11.1996,
S.O. 466 (E) dated 27.05.1998,
S.O.780(E) dated 14.08.2001,
S.O.635(E) dated 4.05.2005