



A sales incentive plan for the life insurance business across various roles

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1. BACKGROUND

Life Insurance business is an important line of business for the organization. The focus of the organization is to broaden our product portfolio for better client retention and diversify revenue stream. In this backdrop, there are ambitious targets each year to grow the business through new business premium & Renewal premium. This incentives plan will ensure delivery of these targets, and encourage and reward performance, across various roles.

This policy document is applicable from 12th April 2025.

2. PURPOSE

The purpose of this document is to define and detail the following:

- Roles eligible for Life insurance incentives
- Parameters considered and eligibility criteria
- Incentive Guidelines

3. Responsibility:

- The employee must ensure that he has completed his/her insurance certification- Specified Person Certification.
- The employee must ensure that the certification is valid.
- Insurance Team is responsible to calculate and get the incentives processed basis eligibility criteria and incentive plan.
- Inspection and controls team will review and audit the incentive payout file
- Human Resource (payroll) team is responsible for the processing and payout of incentives as per the inputs received.

4. SCOPE

Eligible Roles:

The following **roles** will be paid incentives subject to eligibility criteria:

For Branch Network:

1. Business Development (BD) Relationship Managers (RMs)
2. Equity RMs
3. Wealth RMs
4. Other individual contributors
5. BD Team Leaders
6. Investment Counsellors (ICs)
7. Branch Managers (BMs)

For Sharekhan One team:

1. RMs
2. Team Leaders
3. ICs
4. City Heads

For Business Partner Group team:

1. Regional Franchisee Managers (RFMs)
2. Regional Advisory Managers (RAMs)
3. Service Relationship Managers (SRMs)
4. Group Advisory Managers
5. Group Acquisition Managers

Staff Eligibility

- Employees on probation will be eligible for incentives.
- Employees on notice period will not be paid any incentive (regardless of eligibility or amount outstanding).

Parameters considered and payout conditions:

All life insurance transactions executed/issued during the month (new business premium net of GST) for the current month are to be considered for the purpose of calculation of incentives. Any cancellations; surrenders etc shall be deducted while deriving the net premium. Any executed transactions missed during the month from reporting in database would be accommodated in the subsequent month on the basis of information received.

Insurance Data/Deals:

Insurance Products team in Investment solution & Distribution team will be responsible for all deals reports on insurance reported by the organisation.

Transaction Reporting & DPMS Mapping:

Business credit will be given as per DPMS mapping. Additionally, employee code and Specified Person code will be captured in all deals reported.

Incentive Guidelines:

Life Insurance incentive should be calculated on the achievement of following parameters:

- **New business premium:** This is Gross collection of premium (net of GST or any other taxes) collected from customers. Kindly note that all incentives should be paid on the issued premium and not on business logged in but not issued.
- **Weighted Premium:** The revenue earned on a product differs based on the product type, premium paying term etc. The incentive policy needs to be based on weighted premium which is adjusted for weightages across various product types. The current weightage as per product category are as detailed below:

Product category	Weightage
Term/Par/Non par/Pension (regular premium paying) for PPT >=10 Years	100%
Term/Par/Non par/Pension (regular premium paying) for PPT 5- 6 years	50%
Term/Par/Non par/Pension (regular premium paying) for PPT 7- 9 years	75%
Single Premium	10%
ULIP	20%

The Insurance product team shall be responsible to assign weightages for new products introduced basis the revenue earned from the product. The equalization for a product can be different from the equalization mentioned above, the Insurance Team shall be responsible for sharing the product wise weightages from time to time.

- **Net Weighted Premium:** Since policy cancellations/surrenders leads to clawback of commissions the new business premiums shall be adjusted for any policy cancellations. Life insurance sales incentive will be paid on Net weighted premium.
- The incentives will be paid out on Quarterly basis.
- 50% of the incentive shall be paid in quarterly cycle and the remaining 50% of the incentive shall be paid on rolling basis quarterly (15%+15%+20%); provided the employment status of the eligible employee is active.
- Kindly note **that NO incentive should be paid out on renewal premium.**
- Incentives shall be calculated, audited, and paid on a quarterly basis after the completion of 1 month from the quarter end. (Example: CQ2 2025 incentive will be audited by July end and paid along with August salary) . Subsequent quarterly incentives will be paid along with the respective quarter-end salaries.
- In case of mis selling; any breach of code of conduct, non-compliance to mandatory trainings; incentive will not be paid and shall be forfeited.
- In case of resignations or termination of the employee, the eligible quarterly incentive amount, and the total 50% incentive hold amount will not be paid and will be forfeited.
- In case of change in role of the employee, the incentive will be paid till the date of role change. The employee will be eligible for incentive for new role from date of change. For example; The employee was a RM for the period April- Sept, and promoted to Team Leader effective from 1st Oct. In this case he shall be eligible for RM incentives for the business issued till 30th Sept and will move to TL incentive Plan effective 1st Oct.
- The incentive shall be payable only to the RM who sourced the business. In case the RM resigns and his book is mapped to somebody else, that RM shall not be receiving any incentive on the insurance policy sourced by the earlier RM. This is applicable for individual contributor role.
- The sales incentive for a particular policy shall be payable only to a single RM. The incentive cannot be claimed by multiple employees for the same sale. In the event of any discrepancies or disputes regarding which RM is entitled to the incentive, the Zonal Head will make the final determination regarding the recipient of the incentive.
- In case of change in client mapping, the sales incentive will be paid basis the client mapping applicable at the time of policy login.
- Any individual contributor other than wealth RM/ BD RM can source life insurance business from the clients that are not mapped or are non Sharekhan clients.
- The equity RM can source business from clients that are not mapped to Wealth RM/BD RM.
- In case an employee resigns and the policy sourced by him is cancelled /surrendered, the incentives paid for that policy shall be adjusted from Final settlement.
- If there is an Insurance Sales Contest, No incentives shall be paid for the policies sourced during that contest period.
- In case of a dispute with respect to payout calculation or any other aspect pertaining to this policy, the employee can escalate to their respective Group Head or Zonal head within the quarter of incentive payout. Management decision will be final and binding.
- Please note, incentive plan will be reviewed regularly, starting end of June.
- Management reserves the right to modify the policy from time to time.

Incentive Structure:

Branch Network incentives

Role	Incentive % of net weighted premium
RM ¹ /any individual contributor	5.00%
BD Team Leader	0.50%
IC	0.50%
BM ²	1.00%

¹Equity RMs will be eligible for incentives sourced from the customers who are not mapped to the BD RMs and Wealth RMs.

²BM eligibility: Rs.5 lakh WRP in a quarter and three life insurance policies

Sharekhan One team incentives

Role	Incentive % of net weighted premium
RM	5.00%
Team Leader	0.50%
IC	0.50%
City Head ³	1.00%

³City Head eligibility: Rs.5 lakh WRP in a quarter and three life insurance policies

Business Partner Group team incentives

Role	Incentive % of net weighted premium
RFM RAM SRM	1.50%
Group Advisory Manager ⁴ Group Acquisition Manager ⁴	0.50%

⁴Group Advisory Manager and Group Acquisition Manager: Rs.5 lakh WRP in a quarter and three life insurance policies