

THE LIFE INSURANCE CORPORATION (AMENDMENT)

ACT, 1957

No. 17 OF 1957

[6th June, 1957]

An Act to amend the Life Insurance Corporation Act, 1956.

BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Life Insurance Corporation (Amendment) Act, 1957.

Amendment of section 11.

~~2. In section 11 of the Life Insurance Corporation Act, 1956<sup>31</sup> of 1956, (hereinafter referred to as the principal Act), for sub-section (2), the following sub-section shall be substituted, namely:—~~

~~“(2) Where the Central Government is satisfied that for the purpose of securing uniformity in the scales of remuneration and the other terms and conditions of service applicable to employees of insurers whose controlled business has been transferred to, and vested in, the Corporation, it is necessary so to do, or that, in the interests of the Corporation and its policy-holders, a reduction in the remuneration payable, or a revision of the other terms and conditions of service applicable, to employees or any class of them is called for, the Central Government may, notwithstanding anything contained in sub-section (1), or in the Industrial Disputes Act, 1947,<sup>14</sup> of 1947, or in any other law for the time being in force, or in any award, settlement or agreement for the time being in force, alter (whether by way of reduction or otherwise) the remuneration and the other terms and conditions of service to such extent and in such manner as it thinks fit; and if the alteration is not acceptable to any employee, the Corporation may terminate his employment by giving him compensation equivalent to three months remuneration unless the contract of service with such employee provides for a shorter notice of termination.~~

~~4. Omitted by Act 58 of 1960, s. 2 & Sch. I (w.e.f. 26.12.60)~~

~~Explanation.—The compensation payable to an employee under this sub-section shall be in addition to, and shall not affect, any pension, gratuity, provident fund money or any other benefit to which the employee may be entitled under his contract of service.~~

3. In section 43 of the principal Act, after sub-section (2), the following sub-section shall be inserted, namely:— Amendment of section 43.

“(2A) Section 42 of the Insurance Act shall have effect in relation to the issue to any individual of a licence to act as an agent for the purpose of soliciting or procuring life insurance business for the Corporation as if the reference to an officer authorised by the Controller in this behalf in sub-section (1) thereof included a reference to an officer of the Corporation authorised by the Controller in this behalf.”

4. For section 45 of the principal Act, the following section shall be substituted, namely:— Substitution of new section for section 45.

“45. Notwithstanding anything contained in clause (c) of section 44, the Central Government may, by notification in the Official Gazette, direct that on and with effect from such date as may be specified in the notification the assets and liabilities appertaining to the controlled business of a composite insurer in respect of the management of whose affairs an Administrator has been appointed under section 52A of the Insurance Act shall be transferred to and vested in the Corporation, and on the issue of such a notification the provisions of this Act shall, so far as may be, apply in relation to such insurer and to the transfer and vesting of the assets and liabilities of his controlled business in the Corporation as they apply in relation to all other insurers and to the transfer and vesting of the assets and liabilities of their controlled business in the Corporation, subject to the modification that references in this Act to the appointed day shall be construed as references to the day specified in the notification.” Special provisions regarding transfer of controlled business of certain composite insurers.

~~5. In section 49 of the principal Act, after clause (b) of sub-section (2), the following clause shall be, and shall be deemed always to have been, inserted, namely:— Amendment of section 49.~~

“(bb) the terms and conditions of service of persons who have become employees of the Corporation under sub-section (1) of section 11;”

*4 omitted by Act 58 of 1960, s. 2 & Sel. I (by 26.12.60)*

Validation of orders passed before commencement of Act altering remuneration, etc.

6. Any order altering the remuneration and the other terms and conditions of service of the employees referred to in sub-section (2) of section 11 of the principal Act made or purporting to have been made under that sub-section before the commencement of this Act by the Central Government for any of the purposes specified in that sub-section as amended by this Act, shall, notwithstanding anything contained in any judgment, decree or order of any court, be deemed to have been made under that sub-section as amended by this Act as if this Act were in force on the date on and from which the order was intended to take effect, and the order shall continue in force and have effect accordingly, unless and until superseded by anything done or action taken under the principal Act.

*Now*  
Repeal:

~~7. The Life Insurance Corporation (Amendment) Ordinance, 1957, is hereby repealed.~~

3 of 1957.

*Up Omitted by Act 58 of 1960, s. 2 & Sch. I (wef 28.12.60)*