

Public (1898) Department.

ORDINARY PRINTED.

G.O., No. 742

Dated 7-6-98

RECEIVED.

[Despatch Abstract.]

Acceptance of Commission by post sent to  
Declining, with remarks,  
to sanction the ——— for securing business  
for Life Assurance Companies.

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# BACK PAPERS.

| G.O. | No. | Department. | Date. | G.O. | No. | Department. | Date. |
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# FURTHER PAPERS.

| G.O. | No. | Department. | Date. | G.O. | No. | Department. | Date. |
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Government {1898} of Madras.  
PUBLIC.

Recd.

Regd.

} 1898.

Enclosures

Spare copies

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G.O., No. 742, 7th June 1898.

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JUNE.

Acceptance of Commission by Government Servants.

Declining, with remarks, to sanction the — for securing business for Life Assurance Companies.

No. 742, PUBLIC, 7TH JUNE 1898.

GOVERNMENT OF MADRAS.

PUBLIC DEPARTMENT.

Read—the following paper:—

From A. L. HANNAY, Esq., Registrar of the High Court of Judicature, Madras, to the Chief Secretary to Government, dated 18th April 1898, Ref. on Cur. No. 841.

With reference to a letter from the Acting District Judge of Kurnool, No. 29, dated 25th March 1898, enquiring whether a Government servant can receive remuneration from the Oriental Government Security Life Assurance Company in the shape of a percentage for getting other persons insured in that company, I am directed to state that the Honourable the Judges consider that the benefit of encouraging assurances generally and especially among Government servants is so great that they have decided to refer the papers to Government.

2. I am accordingly directed to forward a copy of the District Judge's letter, together with its enclosures, and to request that you will be so good as to obtain the orders of His Excellency the Governor in Council as to whether Government servants may receive the honoraria offered by the company in its printed circular.

ENCLOSURE.

From H. O. D. HARDING, Esq., Acting District Judge, Kurnool, to the Registrar of the High Court of Judicature, Madras, dated 25th March 1898, No. 29.

With reference to Rule 81 of "the Rules regulating the Personal Conduct of Government Servants," I have the honour to request that you will be so good as to obtain the opinion of the High Court whether a Government servant can receive remuneration from the Oriental Government Security Life Assurance Company in the shape of a percentage for getting other persons insured in that company. A clerk of the Nandyal munsif was insured in that company and has been offered such a percentage. I do not see that it would be objectionable in any way unless an official became so interested in getting all his friends to insure that he neglected his legitimate work. Such a condition of things seems hardly likely to arise. However the question is one for an authoritative ruling.

ORDER—No. 742, Public, dated 7th June 1898.

His Excellency the Governor in Council, while recognizing the desirability of encouraging life assurance, considers that to permit Government servants to accept commission for securing business for assurance companies would expose them to temptation to misuse their official influence for this purpose. He therefore regrets that he cannot sanction the acceptance of fees in such cases.

(True Extract.)

A. T. ARUNDEL,  
Chief Secretary.

To the Honourable the Chief Justice of the High Court (with C.L.)  
Copy to all Departments of the Secretariat.

End. W. D'Mon.

Public  
Judicial (1898) Department.

CURRENT No. 1145

CHIEF SECRETARY  
22 APR. 1898  
GOVERNMENT OF MADRAS

From

The Registrar,

High Court of Judicature,

MADRAS.

No.

Dated 18th April 1898.

Received 22<sup>nd</sup> do

Registered 22<sup>nd</sup> do

Enclosures

Spare copies

SUBJECT.

submitting for orders of Government the question referred by the Acting District Judge of Kurnool, as to whether a Government servant can receive remuneration from the Oriental Government Security Life Assurance company for getting other persons insured in that company.

Order

Enclosure

Transferred to the Public Dept.

Ardu - 11

H. O. D. Harding

At.

22/4/98

Recd 25.4.98

Regd 26.4.98

Enclos. 6

To the Public Dept.

Pl. for order of Govt. clerk

# BACK PAPERS.

| G.O.           | No.  | Department. | Date.    |
|----------------|------|-------------|----------|
| (p.c.)         | 320  | Rev.        | 12-2-83  |
| "              | 208  | "           | 2-3-83   |
| (Locket/Miss)  | 1887 | Pub.        | 25-9-83  |
| (Price & Post) | 2333 | "           | 10-12-83 |

# FURTHER PAPERS.

| G.O. | No. | Department. | Date. |
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[G. 25 A]  
800-8-12-07.

C. 26. 5. 78. C 2. 5. 97  
At 17. 5. 97

Public DEPARTMENT.

C. No 1445

SUBJECT.

Government Servants & Life Assurance  
Companies.

# FOR ORDERS.

In this current the High Court enquires whether a Govt. Servant can with propriety receive commission from a Life Assurance Company on business influenced by him.

2. It would appear that some time ago a clerk of the Dt. Munsif's Court at Nandyal in Kurnool insured his life in the Oriental Govt. Security Life Assurance Co., Bombay, and <sup>induced two</sup> ~~at a couple~~ of his friends <sup>to do the same</sup> ~~also to insure~~. The Company thereupon asked him to secure more business for it from among his friends & connections & promised to allow him honoraria for the help that he might thus render it. The clerk, however, wrote to the Company expressing his doubts as to whether he ~~could~~ could as a Govt. servant accept the commission offered him, and in reply was told that numerous Govt. servants work for the Company, that they are not its accredited agents but only friends who

who are allowed honoraria for helping it. The clerk thereupon referred the matter to the Dt. Munsif, who in forwarding the papers to the Dt. Judge thought that the view taken by the Company was correct & requested that the orders of the High Court might be taken in the matter. The Dt. Judge in forwarding the Dt. Munsif's letter to the H.C. thinks that the acceptance of the remuneration in question is unobjectionable and that it is hardly likely that a Govt. Servant working for Assurance Companies would neglect his legitimate work. The High Court seems to favour this view and considers that the benefit of encouraging life assurance among Govt. servants is very great.

3. Rule 81 of the "Rules regulating the Personal Conduct of Govt. servants" lays down that no officer in the Govt. service shall accept any remuneration from any other Govt., body, or individual, unless authorized to do so by any existing rule or order of Govt. In G.O.No.2533, Public, d/ 10th Dec. 1883, the Govt. declined to entertain an application from the Chief Mufassal Agent of the Oriental Life Assurance Company requesting that Govt. servants, especially gazetted officers, may be permitted to represent that body as agents. The order appears to have been passed with reference to para 4 of despatch from the Secy. of State No.73 Public, dated 19th July 1883 the publication of which in the Fort St. Gazette was directed in G.O.No.1857 Pub.d/ 25th Septr. 1883. The despatch prohibited the connection

of

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of Govt. servants with trading companies. The prohibition however was made to affect only gazetted officers. In regard to clerks & ministerial officers the Secy. of State concurred with the Govt. of India in considering that "Govt. need not ordinarily concern itself with their avocations out of office hours so long as these do not involve them in pecuniary difficulties [disreputable associations]" In view of these orders and of the opinion expressed by the High Court it is for consideration whether Govt. should object to clerks & ministerial officers accepting the honoraria that Life Assurance Cos. offer for business <sup>influenced</sup> by them.

*This is intended to prevent Govt. servants from employing subordinates to effect purchases for them.*

*Submitted that rule 78 of the Public Servants' Manual clearly represents transaction by any Govt. servant, of the kind recommended by the High Court. Assurance Companies, other business firms have unlimited opportunities of advertising & pushing their business otherwise than by using Govt. servants as tools.*

*In addition to the objection to permitting Govt. servants to receive remuneration, it is submitted that the practice of acting as paid agents of*

Insurance Co. is to be  
 discouraged on the ground  
 that the fact that the  
~~fees~~ are paid for is  
 a direct incentive to use  
 official influence or position  
 in order to induce subordinates  
 to insure the particular  
 Company for which the  
 canvasser is working.  
 Submitted therefore that  
 the H.C. might find that  
 no Govt. servant should  
 accept remuneration for  
 in such a case.

AK  
 23/5/98

Of course  
 it is.

A Tahseer Subordinate or influential  
 clerk in a collector's office could  
 probably drive a lot of subordinates  
 Tahseer & village servants to  
 take out policies  
 recommended  
 The practice is open to very  
 serious objection.

AK 25.5.98

It is no doubt a good thing  
 to encourage life insurance, but  
 I think Govt. servants had better  
 not accept commissions for securing  
 business of the kind. There are  
 obvious & serious objections to  
 the practice, as pointed out above,  
 and it will therefore be best not to  
 sanction it.

Shaw the Hon. Mr. Justice  
 BS  
 27/5/98

I quite agree with the Hon. Mr. Justice  
 BS  
 27/5/98

C.No.1445 (print letters of  
 Mr. Harding and the High Court)

ORDER No 742, 87<sup>th</sup> June 1908  
 P.A.

I.E. the Governor in Council  
 while recognizing the desirability of  
 encouraging life assurance, considers  
 that to permit Govt. servants to accept  
 commission for securing business for  
 Assurance Companies would ~~expose~~ <sup>expose</sup> them  
~~open~~ to the temptation to ~~mis~~ <sup>mis</sup>use their  
 official influence for this purpose.  
 He therefore regrets that he cannot  
 sanction the acceptance of fees in  
 such cases.

/From orders/

To  
 The Hon: the Chief Justice  
 of the High Court with C.L.

Chettywell Dept. 4  
 Sect.

AK  
 6/6/98

AK 7.6.98

desp 24-6-98

Returned for signature.

Despatched in print.

READ AGAIN G O, No.  
189

DATED

CURRENT No.

1445 with encs - a

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

PAPERS NOTIFIED UP, BRING MEANT FOR DESPATCH  
IN ORIGINAL.

N.B. -

- Print in full.
- B = Not to be printed.
- P = Print abstract only.
- Q = Print heading only.

2/10/95

25/8/84