

लाइफ इंश्योरेन्स एजेंट्स फेडरेशन ऑफ इण्डिया LIFE INSURANCE AGENTS' FEDERATION OF INDIA

National President :

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Regn. No. 2924 of 2000

Secretary General :

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To

8-10-2025.

Shri. AJAY SETH,

HONORABLE CHAIRMAN,

INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA (IRDAI).

FINANCIAL DISTRICT, NANAKRAMGUDA, GACHIBOWLI. HYDERABAD.

SUB: In Connection with the Proposal to Introduce a Lower Commission Structure in the Insurance Sector. It should be Designed on the lines of the Mutual Fund Distribution System--- Reg.

Respected Sir,

On behalf of the Life Insurance Agents Federation of India (LIAFI- 2924/2000). We wish to place on record our deep concern over your recent remarks suggesting a reduction in distributor Commissions and exploring a system parallel to Mutual Funds.

At the outset we would like to bring to you Sir, Insurance is primary protection product it is not a financial Instrument. It is a long- term trust building and continuous servicing throughout the policy term. The Insurance Agents, goes beyond point sale it extends – premium collections, what ever services need to policy holders, and their family members at the time of policy Claim.

We wish to bring to your kind Consideration the Following points:

We Congratulate you sir, as the IRDAI Chairman, we would like to bring some important points for your persuasion.

- 1. In the Mutual fund market, especially In urban areas, sales are hugely done through digital platforms, and Commission range between 0.5% and 2% of the AUM.*
- 2. However, Insurance works differently. It's a grassroots level business, Agents going to door- to- door providing services and bringing Insurance Policies through their hard work.*

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3. *This is highly- Intensive marketing is what creates Awareness, and Insurance products are not tangible, these are only trust based. The market responds to both selling and servicing.*
4. *Taking LIC to rural areas and ensuring protection for people. Today around 96% of Insurance is collected through Agents, and Agents are backbone of Insurance Industry.*
5. *In contrast mutual funds are mostly sold in urban and semi- urban areas through digital platforms. And their commission structure varies based on AUM. But in the Insurance Sector, LIC Agents play a crucial role in driving Sales and depositing the funds. Thereby supporting the Govt of India. The Agents are Anguish and deep displeasure the way IRDAI is moving. Agents are facing many chaos in marketing even though they remaining to bridge of policy holders and LIC of India.*
6. *On average LIC Agents earn just about 14,400/- rupees for month, due to this Facing many challenges and Expenses in their daily lives. Yet, our Honorable Union Finance Minister was given a statement to the public, "to take the Policies through Lic Agents". The LIC marketing is depending on human touch, and the Life Insurance Agents Federation of India gives appropriate Support to strengthening of the LIC.*
7. *Today Insurance Agents as financial advisors to policy holders and supporters of LIC and the Govt of India play a vital role in the mighty Nation's economy and contribute significantly to INDIA's GDP.*
8. *As the Govt of India aims for universal Insurance coverage by 2047, as Agents, we are fully committed to supporting this mission.*

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9. Before introducing any changes, that effects lively hoods of more than 30 Lakhs of Agents and Policy Holder servicing in the larger interest of the Insurance Sector, the Agents Community, and above all Indian Policy Holders, we humble request the Authority to kindly reconsider this proposal. And to preserve the Agents Community.

10. LIC Agents have adopted this profession, like Doctors, Advocates and Chartered Accountants, and they are providing dedicated services to policy holders. This is one of the way to solve the unemployment, and as well as to growing the Economy of the Nation.

11. Most of the Indians are unable to recognize the values of their own lives, due to ignorance and negligence. So, we as Agents were playing key role to maintain human values of Public, through serving the policies.

Sir, my humble request and plea to kindly reconsider your initiatives and support the agency force, and I bring to your kind notice the one and only force which is more attached to mother LIC.

Thanking you Sir,
Sincerely Yours.

FOR LIFE INSURANCE AGENTS FEDERATION OF INDIA.

Secretary General.

Copy to:

The C.E.O. & Managing Director, LIC of India Mumbai. Kind information and suggest the Regulator, not to bring any changes in LIC Agents Commission.