

Seventeenth Loksabha

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Title : Regarding Need to protect the interest of Agents working for the Life Insurance.

SHRI HIBI EDEN (ERNAKULAM): Sir, I would like to draw the attention of the House to a very important matter related to the new regulations imposed by the IRDAI. We all know that the Life Insurance Corporation (LIC) has always been a logo of trust. The goodwill factor of LIC is something which our nation is proud of. The LIC and the other insurance corporations are facing a huge threat with the new IRDAI regulations and guidelines. LIC at the time of inception had an investment of Rs. 5 crore, which turned into Rs. 30 lakh crore in terms of assets. Thirteen lakh agents are working in this sector. Having grown into a pillar of Indian financial system itself, the LIC and the General Insurance Corporation have a unique way of operating, and that has been very successful. I urge the Central Government to withdraw the new regulations and guidelines put forward by the IRDAI because the life and livelihood of lakhs of LIC agents are at stake. The new regulations have demanded the payment of commission whereby there is a 20 per cent cap on first-year premium. Most of the agents are from the rural and under-privileged sections of society. The first-year reduction would drastically affect their livelihood. If the new regulations are in place for helping the private insurance companies of this country, the private insurance and the corporatisation of these companies would destroy the Life Insurance Corporation. LIC has a goodwill factor, which has served the nation. So, I urge the Government to withdraw the new policy.