

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:2867
ANSWERED ON:26.11.2010
JOB SECURITY TO LIC AGENTS
Sampath Shri Anirudhan

Will the Minister of FINANCE be pleased to state:

- (a) whether the Swarup Committee has submitted its report;
- (b) if so, the details thereof alongwith the status of implementation of its recommendations
- (c) whether the Government has taken any steps to ensure the job security to LIC agents:
- (d) if so, the details thereof and if not, the reasons therefor; and
- (e) the other steps taken / being taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a); Yes, Sir.

(b): The committee underscored the importance of an integrated, coordinated national level approach to make people financially literate. The committee inter-alia recommended common minimum standards for all sellers and advisors of financial products, a Self Regulatory Organization (SRO) driven regulatory structure for financial advisors and strengthening dispute redressal mechanism for investor grievances. The committee also recommended that all other financial products except pure life insurance products should go 'no-load' by April 2011. Examination of the recommendations of the report and its implementation is a continuous and dynamic process.

(c): No, Sir.

(d): There is no employer and employee relationship between Life insurance Corporation (LIC) and its agents.

(e): LIC considers agents as an integral part of LIC`s marketing force and makes continuous efforts to make agency profession attractive by giving several benefits viz. Gratuity, Group Medclaim, Term Assurance etc. to eligible agents. They also get the renewal commission on the policies throughout the premium paying term of the policy. There is also provision of hereditary commission to the dependant of deceased agent.