

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5251
ANSWERED ON:26.04.2013
INSURANCE AGENTS COMMISSION
Singh Shri Dhananjay

Will the Minister of FINANCE be pleased to state:

- (a) whether public sector insurance companies have reduced/proposed to reduce agents commission for medical insurance based on the age of the individual insured;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the said move is likely to make it harder for senior citizens to buy health cover; and
- (d) if so, the reaction of the Government thereto along with the measures taken/proposed to be taken by the Government in this regard?

Answer

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

(a) to (b) : The Insurance Regulatory and Development Authority (IRDA) prescribes ceiling of 15% for payment of agents' commission. The exact rate of commission payable in a particular policy is to be decided by the insurer, which shall not exceed the ceiling prescribed by the IRDA. The Public Sector Undertaking insurers, in order to encourage younger population to go for health insurance and to maintain viable combined ratio for the health insurance segment, have revised agents' commission in 2012 as per the details given below:

Age Group	Commission Rate
Below 35 years	15%
Between 35 to 45 years.	12%
Above 45 years	10%

(c) & (d) The move is not likely to have impact on the ability of senior citizen to buy health insurance as any reduction in commission will not amount to increase in premium rate. The actual commission, within the overall ceiling is decided annually by companies.