

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:790  
ANSWERED ON:24.07.2015  
LIC Agents Commission  
Anwar Shri Tariq

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Insurance Regulatory and Development Authority(IRDA) has taken any decision to implement the code of conduct in which insurance agent will have to disclose information on commission they receive if buyers ask it; and
- (b) if so, the details thereof along with the reasons for bringing insurance policy agents under the ambit of the said code of conduct?

**Answer**

Minister of State in the Ministry of Finance  
(Shri Jayant Sinha)

(a) and (b) : The Insurance Regulatory and Development Authority of India (IRDAI) has informed that as per Sec 42(3)(h) of Insurance Act, 1938 amended vide Insurance Laws (Amendment) Act, 2015, an agent who has violated the code of conduct as may be specified by the regulations will be disqualified to act as an Agent. Therefore, the Authority has notified Guidelines on Appointment of Insurance Agents, 2015 vide IRDA/AGTS/CIR/GLD/046/03/2015 dated 16th March 2015. In terms of the said guidelines, a code of conduct for agents has been prescribed with a view to ensure that the agents act fairly in the process of insurance solicitation and strictly adhere to the terms and conditions to which their appointment is subjected to. As per Clause VIII.1) a) v) of Guidelines on Appointment of Insurance Agents, 2015 the insurance agent has to disclose the scales of commission in respect of insurance products offered for sale, if asked by the prospect.

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