

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA
UNSTARRED QUESTION NO. 3628
ANSWERED ON – 8.8.2022

COMMISSION TO INSURANCE AGENTS

3628. SHRI HIBI EDEN:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has analysed or speculated the impact of Insurance Regulatory and Development Authority of India (IRDAI) proposal in which a provision has been made to print the commission on the policy document or certificate and if so, the details thereof including the current status;
- (b) whether the Government is aware of the difficulties faced by individual agents of public general insurance due to cut and pay system of some private insurers who offer third party premiums below the tariff but printing the tariff rates in policy and if so, the details thereof;
- (c) whether the Government has any data of individual general insurance agents in the country and if so, the details thereof including number of individual general insurance agents during the last three years, State/UT-wise; and
- (d) whether the Government has any plans to increase payouts given to agents considering the increase in cost of living and if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(DR. BHAGWAT KARAD)

(a): Insurance Regulatory and Development Authority of India (IRDAI), vide press release dated 15.7.2022 has clarified that they have not taken any decision with regard to disclosure of commission on the policy document.

(b): IRDAI has informed that they have not received any complaint raising the issue of difficulties faced by individual agents of public general insurance due to cut and pay system of some private insurers who offer third party premiums below the tariff but printing the tariff rates in policy.

(c): Total number of general insurance agents for the last 3 financial years is as follows:

(in lakhs)

Financial Year	Number of agents with General Insurance Companies, (including Stand-alone Health Insurers)
2018-19	9.91
2019-20	11.96
2020-21	14.22

Source: IRDAI

IRDAI has further stated that State/ Union Territory-wise data for general insurance agents are not maintained by them.

(d): The Government has no role in determining the commissions to insurance agents. Commissions are paid to them by insurers as per IRDAI (Payment of Commission or Remuneration or Reward to Insurance Agents and Insurance Intermediaries), Regulations, 2016.
