

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**LOK SABHA**  
**UN-STARRED QUESTION NO- 2737**  
ANSWERED ON MONDAY, 17 MARCH, 2025 / PHALGUNA 26, 1946 (SAKA)

**Loss of loyalty and integrity among LIC Agents**

2737. SHRI ISHA KHAN CHOUDHURY:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has any plans to address the potential loss of loyalty and integrity among LIC agents, who have been trained and mentored by Development Officers;
- (b) whether these agents are selling products of private insurers and if so, the measures taken by the Government to safeguard LIC's market position and workforce stability;
- (c) whether private insurers potentially leveraging LIC-trained agents instead of recruiting new agents, if so, the way by which the Government ensure that overall employment opportunities in the insurance sector are not adversely impacted;
- (d) the safeguards implemented by the Government to prevent job insecurity for Development Officers if the proposed amendments dilute agents focus and performance; and
- (e) whether the Government has conducted a detailed assessment of the potential economic and market consequences of weakening LIC's position in the insurance sector and if so, the steps taken/being taken to ensure the stability of this sector and the continued growth of LIC?

**ANSWER**

MINISTER OF STATE IN THE MINISTRY OF FINANCE

(SHRI PANKAJ CHAUDHARY)

- (a) to (e): The appointment of Insurance Agents is governed by Insurance Regulatory and Development Authority of India (Appointment of Insurance Agents) Regulation, 2016. As per these regulations an individual can work as insurance agent for two or more insurers subject to the condition that he/she shall not act as insurance agent for more than one life insurer, one general insurer, one health insurer and one each of the mono-line insurers. Therefore, there is no such provision in present regulation to permit an agent to sell Life Insurance Products of more than one Life Insurance Company.

Development Officers (DOs) are governed by Life Insurance Corporation of India Development Officers (Revision of Certain Terms and Conditions of Service) Rules, 2009, as amended from time to time. LIC has a robust performance appraisal system for DOs and all other category of staff.

The insurance companies engage insurance agents as per their business strategy subject to compliance with the IRDAI regulations.

Performance of LIC is also reviewed at regular intervals by the Government. As on 31.03.2024, LIC was holding a market share of 58.87% on first year premium basis and 69.91% on number of policies basis. LIC is also having encouraging agent strength, which increased by 5% during financial year 2023-24 to 14,14,743.

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