

***hRegarding problems faced by agents of Life/Health Insurance Companies**

SHRI CHAMALA KIRAN KUMAR REDDY (BHONGIR): Hon. Chairperson, thank you for giving me this opportunity. This is regarding the ongoing protests by Life Insurance Corporation agents across the country. These agents, who form the backbone of India's insurance sector, are facing severe financial distress due to recent policy changes imposed by LIC and regulatory authorities.

Firstly, the decision to reduce the first-year commission for agents from 35 per cent to 28 per cent has significantly impacted their earnings. The introduction of a clawback clause, where agents must return a portion of their commission if a policyholder surrenders the policy within five years, has placed them in a difficult financial position. Agents already struggle with fluctuating incomes, and this new rule has increased their burden, making their profession unsustainable. Moreover, the 18 per cent GST on life and health insurance policies is discouraging the policyholders from purchasing much-needed financial security. The high taxation on essential services such as insurance runs contrary to the Government's goal of expanding financial inclusion and increasing insurance penetration in India.

I urge the Ministry of Finance to reconsider the commission cuts, and consider modifying the clawback clause to ensure that the agents are not penalized for policy surrenders beyond their control.

Thank you, Madam.