

Ref: CO/Mktg./ZD/A/43/2023

Date: 19/12/2023

To

**All Zonal Managers, Regional Managers (Marketing),
Sr. Divisional Managers (In charge) of Divisions, and
MDC, ZTCs, STCs, Inspection and Audit Centers**

Re: Instructions for implementation of LIC of India (Agents) Amendment Regulations, 2023 (Reappointment of agents, Gratuity and Term Insurance Benefit payable to agents).

The Life Insurance Corporation of India (Agents) Regulations, 2017 has been amended further with the following regulations, which shall be called Life Insurance Corporation of India (Agents) Amendment Regulations, 2023. These regulations have been notified vide F.No.S-11015/01/2019-Ins-I dated 06.12.2023 and published in the Gazette of India, Extraordinary on 13.12.2023. A copy of the notification is enclosed herewith. The amendments are as under:

(I) Reappointment of Agents(Regulation-7):

The sub-regulation (2) of Regulation 7 of the LIC of India (Agents) Regulations, 2017 states "*The reappointment for all practical purposes shall be considered as a fresh appointment and the agent will not be liable for commission under any business completed under the old agency.*"

LIC of India (Agents) Regulations, 2017 has been amended vide Gazette Notification F.No.S-11015/01/2019-Ins-I published on 13th December, 2023, wherein the sub-regulation (2) has been omitted.

As per the amended regulations, the agent reappointed on or after 02.02.2017 shall be eligible for renewal commission under the old agency. Needless to mention that such reappointed agents should be eligible for renewal commission as per sub-regulation (1) of Regulation 19 of LIC of India (Agents) Regulations, 2017 under the old agency.

(II) Gratuity payable to Agents (Fourth Schedule):

Sub-paragraph (3) of paragraph 2 of Fourth Schedule of the LIC of India (Agents) Regulations, 2017 states:

" Gratuity admissible to an agent shall be at the eligible rate for each qualifying year for the first fifteen qualifying years and at half the eligible rate for the subsequent ten qualifying years, provided the maximum amount of gratuity payable shall not exceed three lakh rupees."

As per amended regulations, the maximum limit of gratuity admissible to the agents has been enhanced from the existing limit of Rs.3,00,000/- to Rs.5,00,000/-.

The revised limit of maximum gratuity would be applicable only on or after 13th December, 2023, in case of those agents who become eligible for gratuity in terms of Paragraph 2.(1)(i) & (ii) of Fourth Schedule of the LIC of India (Agents) Regulations, 2017.

(III) Term Insurance payable to Agents (Fourth Schedule):

As per amended regulations, sub-paragraph (2) of paragraph 3 of the Fourth Schedule of LIC of India (Agents) Regulations, 2017 has been substituted and the existing rates of Term Insurance have been revised as follows:

“The amount payable under sub-paragraph(1) (hereinafter referred to as the amount of term insurance) shall be based on the average annual renewal commission earned by the agent in the three agency years immediately preceding his death (hereinafter referred to as the average commission) and shall be according to the following Table, namely:-

Table

	Average Commission	Amount of Term Insurance
(a)	If the average commission was upto Rs.5,000/-	Rs.25,000
(b)	If the average commission was Rs.5,001 or more, but less than or equal to Rs.10,000	Rs.50,000
(c)	If the average commission was Rs.10,001 or more, but less than or equal to Rs.50,000	Rs.1,00,000
(d)	If the average commission was Rs.50,001 or more	Rs.1,50,000”

As per amended regulations, the amount of Term Insurance has been revised from the existing limit of Rs.3,000/--Rs.10,000/- to Rs.25,000/--Rs.1,50,000/-.

The revised amount of Term insurance would be payable, in the event of the death of an agent, who had satisfied the conditions in terms of Paragraph 3.1(a),(b),(c) and (d) of the Fourth Schedule of the LIC of India (Agents) Regulations, 2017, and whose death occurred on or after 13th December,2023.

Please bring this to the notice of all the offices under your jurisdiction.



Executive Director (Marketing/PD) & CMO

Encl: LIC of India (Agents) Amendment Regulations, 2023 published on 13.12.2023 (Hindi & English)

Note:

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