

लाइफ इश्योरेन्स एजेन्ट्स फेडरेशन ऑफ इण्डिया LIFE INSURANCE AGENTS' FEDERATION OF INDIA

National President :

RANVIR SHARMA

Mobile : 09412257429, 07060057429

Secretary General :

B. MARKANDEYULU

Mobile : 9885453688



Regn. No. 2924 of 2000

Chairman :

Organisation, IRDAI, Political - Affairs

N. GAJAPATHI RAO

"Sakuntala", 39-6-78/4,

Sree Nivas Residency, Muralinagar

VISAKHAPATNAM - 530 007,

Mob. : 9848133509

E-mail : liafi2924.2000@gmail.com

LIAFI/C-GOI/102

6th Jan 2024

Sri. Vivek Joshi,
Secretary Financial Services,
3rd Floor, Jeevan Deep Building,
Sansad Marg, NEW DELHI- 110 001

Dear Sir,

Sub: Miss-selling by Agents - News item - Regarding.

At the outset we wish you "Seasons Greetings and Happy Sankranti". We are pained to read news item appeared in a section of News Papers that Agents are miss-selling. It is unfortunate that if any bad happens in the industry, it is attributed to Agents and entire onus is fixed on Agents.

One of the points mentioned is 'Lack of communication'. We would like to bring the following points for your kind information.

1. Agents recruitment procedure and training needs to be overhauled.
2. The insurance companies in quest of New Business are not following standards.
3. The insurance companies are pressurizing Agents to procure New Business linking payment of perquisites.
4. The concept of need based selling is forgotten by insurers. They want Agents to market only the products they develop ignoring the interest of the customers.

Hence we request you to understand the facts and stream line the entire system.

Thanking you,
Sincerely yours,

For Life Insurance Agent's Federation of India

N. Gajapathi Rao
(N. Gajapathi Rao)

(Source: Statista)

Reduce spending on social media
Spend less time on social media

Mis-selling: Govt suggests checks on insurance agents

May Need To Keep Audio-Visual Records Of Sales Pitch

dipak.dash@timesgroup.com

New Delhi: Soon, insurance agents may be required to maintain audio-visual records of their sales pitch, where they must read out a summary of the policy features to prospective buyers.

With multiple cases in consumer forums and thousands of complaints of mis-selling, the consumer affairs department has written to the finance ministry seeking a change in rules that the terms & conditions, or at least the summary, should be clearly explained as it is not properly communicated, resulting in disputes.

In a letter to financial services secretary Vivek Joshi, consumer affairs secretary Rohit Kumar Singh has noted that the genesis of the dispute often lies in lack of proper communication, although consumers often complain that only positive aspects of

PROTECTING CONSUMERS

► Consumers often complain that **only positive aspects of policy are told to them** when insurance is sold

► Genesis of the dispute often lies in **lack of proper communication**, consumer affairs secretary Rohit Kumar Singh has noted in a letter to financial services secretary Vivek Joshi

► Terms and conditions in insurance policies are often in **"ambiguous language"**,

which is not understood by consumers, says Singh

► Consumer affairs department has suggested that **policies must make inclusions and exclusions extremely clear** in terms and conditions

► In many cases, insurance company representatives inform policyholders about exclusions when they apply for claims



the policy are told to them when insurance is sold. A final decision on the issue will, however, have to be taken by the Insurance Regulatory and Development Authority of India (IRDAI), which sets the rules.

Also flagging that terms and conditions in insurance policies are often in "ambigu-

ous language", which are not understood by consumers, Singh has suggested that insurance policies be framed "in the regional languages concerning the rural population of that particular area".

The consumer affairs department has also suggested that the policies

must make the inclusions and exclusions extremely clear in their terms and conditions. In several cases, when policyholders apply for claims, the insurance company representatives inform them about the exclusions then. Such clarity in policy documents will also bring down litigation in the sector, officials said.

Another suggestion by the National Consumer Disputes Redressal Commission president Justice Amreshwar Prata Sahi is regarding the rejection of medical claims by hospitals if a policy holder is not hospitalised for at least 24 hours for surgery or treatment. "As advancements allow for treatments and surgeries to be completed within a few hours, it is imperative that such a clause be re-examined and suitably amended," Singh said in the letter reviewed by TOI.

... 1. ... charges

QAR ANKSAHB A