

Twice Tax  
LIC Policy

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Dear Shri Chidambaram Ji

I am to draw your attention towards the amendments to agents' regulations-1972 Which has not only resulted in termination of lakhs of agents but also LIC has lost its business.

In this context I would like to draw your attention towards the administrative Instruction dated 09.07.2009 of the Central Govt. to amend rules 9 and 19 (4) of the Agents' regulations 1972. Under the said amendment it is mandatory for an agent to give minimum 1 year premium income of Rs 1 lakh to continue the Agency.

The impact to the amendment could be verified from the declining amount of the yearly premium i.e. Rs 81,514 crores, while in the previous year it was Rs 86,445. Since implement of the rule 12,23,049 numbers of agents have been terminated due to their inability to fulfil the target.

The overall loss is publicity. The terminated agents would have met and discussed an average 10 prospective people which cannot be done due to termination of these huge numbers of agents. In this competitive world, where numbers of private players have come up taking such decision may bring devastating results to LIC and therefore the decision should be reviewed to save the agents and LIC too.

I therefore request you to kindly look into the matter and issue necessary Instructions to amend the clause (9) and 19 (4) of the Agents' Regulations 1972.

With regards,

Yours sincerely,

(BASUDEB ACHARIA)

Shri P. Chidambaram  
Hon'ble Minister of Finance  
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