

# CAREER AS LIC AGENT

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**LIC of India**

**We groom Ordinary People to  
earn Extraordinary Wealth  
and make them  
STAND OUT FROM THE CROWD**

# Introduction

- LIC agent is the person who provides advice on Life Insurance Planning to people to protect their family from unexpected events of death, disability and retirement of the bread winner. It is a noble profession indeed.
- LIC agent also contributes to economic development of the country. As the money collected towards life insurance premium goes towards Nation Building Activities e.g: Roads, Railways, Ports, Bridges, Water supply, Electricity, Housing etc.

# Job Profile of LIC Agent

## The main job of LIC Agent involves:

- **Prospecting:** Identifying the prospective customers and fixing appointment.
- **Need Analysis:** Identifying the needs and getting the prospect agree that need exists. (i.e. Family Income Provision, Children Education and Marriage Provision or Retirement Income Provision.)

# Job Profile of LIC Agent

- **Plan Presentation:** Suggesting suitable plans that fulfil the needs as agreed by the prospect.
- **Closing the Sale:** Convincing the prospect that you have suggested the best possible solution for his needs and ask for the order.
- **After Sales Service:** Provide efficient after sales service and claims settlement.

# Attributes You Should Possess

## To become Successful LIC Agent:

- You should be outgoing and love to meet people.
- You should be ambitious to start your own Business.
- You should have Good Communication Skills.
- You should have lot of Perseverance.
- You should be willing to work hard with lot of Dedication and Devotion.
- You should be prepared to accept rejections as stepping stone.

# Benefits of LIC Agency as a Career

- LIC agency is considered today as the highest paid profession in the world.
- It also provides you with the Royalty Income.
- You can start your own Business with less Capital Investment.
- You have freedom to set your own working hours.
- You have the opportunity to earn as per your potential.
- Your work gets easier and less demanding as your business grows.
- You can Pass this Business to your next Generation as a legacy.

# Market Potential

## 1. Indian Insurance Market:

- It is one of the least Insured Market in the world.
- Out of total insurable population only 40% are covered till today.
- These 40% also are also not adequately covered.
- Only 20% of total agency force is working as Professionals, and these 20% brings 80% of total life Insurance business.

**We will help build your career as a professional agent and make sure that you will be among these top 20% agents.**

# Market Potential

## 2. Growth Opportunities:

- a. Low Insurance Penetration.
- b. Low Insurance Density.
- c. Low share of world premium.
- d. High per capita Savings.
- e. Increase in working population.
- f. Growth in personal Income.
- g. High Consumer Awareness.
- h. Strong LIC brand.

# Market Potential

## a. **Low Insurance Penetration:**

- Insurance penetration is measured by Premium as a percentage of GDP.
- We will come to know about the potential when we compare the difference in penetration level in India with other countries of the world.

<b>Country</b>	<b>Penetration (%)</b>
<b>Taiwan</b>	<b>14.50</b>
<b>South Africa</b>	<b>12.70</b>
<b>Hong Kong</b>	<b>11.70</b>
<b>Japan</b>	<b>8.80</b>
<b>United Kingdom</b>	<b>8.80</b>
<b>Finland</b>	<b>8.70</b>
<b>South Korea</b>	<b>7.50</b>
<b>Denmark</b>	<b>6.90</b>
<b>Switzerland</b>	<b>5.30</b>
<b>Singapore</b>	<b>4.40</b>
<b>India</b>	<b>3.10</b>

The penetration level in India for the year 2013-14 is about 21% of Taiwan, 24% of South Africa and 26% of Hong Kong.

The above figures show that there is tremendous potential available in India to match the figures of Asian and other countries of the world.

Source: Swiss Re, Sigma 03/2014

# Market Potential

## b. Low Insurance Density:

- Insurance Density is the ratio of premium to total Population.
- We will come to know about the potential when we compare the difference in Insurance Density in India with that of other countries of the world.

<b>Country</b>	<b>Density in USD</b>
<b>Hong Kong</b>	<b>4445</b>
<b>Switzerland</b>	<b>4211</b>
<b>United Kingdom</b>	<b>3474</b>
<b>Japan</b>	<b>3346</b>
<b>Sweden</b>	<b>3215</b>
<b>Taiwan</b>	<b>3204</b>
<b>Singapore</b>	<b>2388</b>
<b>South Korea</b>	<b>1816</b>
<b>USA</b>	<b>1684</b>
<b>China</b>	<b>110</b>
<b>India</b>	<b>41</b>
<b>World Average</b>	<b>366</b>

**Insurance Density for the year 2013-14 in India is just 11% of the world average and only 0.92% of Hong Kong.**

**There is huge potential available just to reach the world average and to reach the figures of Asian and other countries the scope is phenomenal.**

**Source: Swiss Re, Sigma 03/201**

# Market Potential

## c. Low Volume of Life Insurance Premium:

Rank	Country	Market Share
1.	USA	27.13%
2.	Japan	11.45%
3.	UK	7.10%
4.	China	5.99%
5.	France	5.49%
6.	Germany	5.33%
7.	Italy	3.63%
8.	South Korea	3.13%
11.	Taiwan	1.96%
15.	India	1.41%

Looking at the very low volume of life insurance premium of India, we can assess the available potential of Indian Life Insurance Market.

Source: Swiss Re, Sigma 03/2014

# Market Potential

## d. High per capita Savings:

- Indian People are good savers. Indian Gross household saving in financial sector is 8% of GDP for the year 2011-12.
- The share of life Insurance premium was 19.9% of gross house hold savings.

(Source: RBI Annual Report 2012-13).

# Market Potential

**Report on the savings pattern states that:**

**83% save for emergencies,**

**81% for Children's education,**

**69% for old age,**

**63% to meet future expenses towards marriages, birth and social ceremonies.**

**The above pattern indicates tremendous scope for life Insurance products.**

# Market Potential

## e. Increase in working population:

- India has about 40% of young population at present i.e. age group 20 to 49 years. This is expected to grow to 65% by the year 2020.

- Research by Morgan Stanley shows that India's working-age population will increase by 136 million by 2020. (China's working-age population, by comparison, will grow by 23 million.)

**The expected increase in young working population shows the potential available in India for Life Insurance Business.**

# Market Potential

## f. Growth in personal Income:

As per report of National Council of Applied Economic Research (NCAER) 2009-10,

- There are 28.4 million families with incomes between Rs 2 lakh and Rs 10 lakh per annum. (This is as per the World Bank definition of middle class.)
- The number of such households was 4.5 million in 1995-96 and 10.7 million in 2001-02.
- These households are expected to grow 4 times in next 10 years.
- The report said that two thirds of the Indian middle class is to be found in urban India.

# Market Potential

## g. High Consumer Awareness:

- Splitting of joint families, absence of social security scheme and opening up of Insurance sector has contributed to increased awareness about life Insurance.
- Rigorous advertisement by 23 life Insurance companies has made people realize about importance of Life Insurance.
- The total First year Premium of life insurance industry has increased from ₹ 9,707 Crores in the year 2000-2001 to ₹ 1,07,209 Crores in the year 2012-13, showing a compounded annual growth of 22.16%.

# Market Potential

## **h. Strong LIC Brand:**

- You will be associated with one of the leading Life Insurance Company of the world. The brand image of LIC of India is huge, people in India identifies life Insurance as LIC only.
- Brand Value of LIC is ` 18,00,000 Crores, and you will be using that brand on your card.

**Thus selling life Insurance policies for LIC of India is much easier.**

# Market Potential

**Market Share of LIC of India as on 31/03/2014 is as under:**

	<b>First Year Premium in Crores</b>	<b>Market Share</b>	<b>Number of Policies</b>	<b>Market Share</b>
<b>LIC of India</b>	<b>90,124</b>	<b>75.33%</b>	<b>3,45,11,781</b>	<b>84.44%</b>
<b>All 23 Private Companies</b>	<b>29,517</b>	<b>24.67%</b>	<b>63,61,536</b>	<b>15.56%</b>
<b>Total</b>	<b>1,19,641</b>		<b>4,08,73,317</b>	

**The above figures shows dominance of LIC of India even after 14 years of opening of the Insurance sector to private companies.**

# Market Potential Summary

- The least Insured life Insurance Population,
- Paucity of Professional Agents,
- Low Insurance Penetration and Density,
- Low Volume of Life Insurance Premium,
- High rate of personal savings,
- Young working population,
- Burgeoning Middle and Higher income class,
- Rising Insurance awareness and
- Strong Brand image of LIC of India

**All these positive aspects provide you with tremendous opportunity to build your career as a Professional LIC agent.**

# Remuneration

- The remuneration will be paid to you in the form of Commission as percentage of premium collected through the policies sold by you.
- It is not a one time commission on a sale made by you.
- It provides you the royalty income through out the term of policy. As long as policyholder pays the Premium you will get the commission.
- Moreover this commission is hereditary i.e. it will be paid to your nominees even after your death.

# Remuneration

**The Commission rates on regular premium policies are as under:**

- **First year Commission** : 7.5% to 25%
- **Bonus Commission** : 40% of first year commission.
- **Renewal Commission:**
  - 2nd and 3rd Year of Policy** : 2% to 7.5%
  - 4th year onwards** : 2% to 5%

# Remuneration

**Example of Commission on Endowment type of policy of Term 15 years and above:**

- **1st Year Commission : 25% of Premium.**  
**Bonus Commission : 40% of first year Commission (i.e. 10% of Premium)**  
**Total 1st Year Commission: 35% of Premium**
- **Renewal Commission:**  
**2nd & 3rd Year of policy : 7.5% of Premium**  
**4th Year onwards : 5% of Premium**

## Your Expected Income for Next 5 years:

Year	Expected New Premium	Expected Income				
		1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>rd</sup> year	4 <sup>th</sup> year	5 <sup>th</sup> year
1 <sup>st</sup>	12,00,000	4,20,000	90,000	90,000	60,000	60,000
2 <sup>nd</sup>	24,00,000		8,40,000	1,80,000	1,80,000	1,20,000
3 <sup>rd</sup>	36,00,000			12,60,000	2,70,000	2,70,000
4 <sup>th</sup>	48,00,000				16,80,000	3,60,000
5 <sup>th</sup>	60,00,000					21,00,000
	<b>TOTAL</b>	<b>4,20,000</b>	<b>9,30,000</b>	<b>15,30,000</b>	<b>21,90,000</b>	<b>29,10,000</b>
	<b>Monthly</b>	<b>35,000</b>	<b>77,500</b>	<b>1,27,500</b>	<b>1,82,500</b>	<b>2,42,500</b>

*As Years pass by your Renewal Commission keeps on increasing thereby assuring you a pension for the next 20 to 25 years even when you stop working OR will be paid to your family in event of your death.*

# Remuneration

We will make sure through our meticulous training that your earnings should be as per the chart shown,

but that requires willingness on your part to take lot of physical pain.

# Club Memberships

**Club Membership is the recognition bestowed upon the agents to increase their status in the society and in the Corporation.**

# Club Memberships

**Following are the levels of club membership depending up on the Business performance:**

- **Distinguished Club Member.**
- **Branch Manager's Club Member.**
- **Divisional Manager's Club Member.**
- **Zonal Manager's Club Member.**
- **Chairman's Club Member.**
- **Corporate Club Member.**

# Club Memberships

**Following additional benefits are given over and above the commissions' payable:**

- 1. Office Allowance to maintain your own office.**
- 2. Telephone/Mobile bill reimbursement.**
- 3. Reimbursement of Sales Promotional Gift items.**
- 4. Interest free advance for purchase of Car/Motorbike.**
- 5. Interest free advance for purchase of office equipment.**
- 6. Interest free advance for Training.**

# Club Memberships

7. Interest free Festival Advance.
8. Housing loan at concessional rate of interest.
9. Term Insurance and Mediclaim benefits.
10. Guest house facility throughout India at concessional rates as applicable to employees.
11. Annual Convention

# Club Memberships

The total monetary equivalent of all above benefits ranges from ₹5,500 to ₹5,85,000, depending up on level of Club Membership.

# Gratuity

Agents are entitled to get the gratuity at age 60/65 years after serving for minimum 15 years.

At present the Maximum Gratuity amount payable is ₹ 2,00,000.

## International Recognition from MDRT

- Founded in 1927, the Million Dollar Round Table (MDRT), The Premier Association of Financial Professionals, is an international, independent association of nearly 36,000 of the world's leading life insurance and financial services professionals from more than 430 companies in 78 countries.
- MDRT members demonstrate exceptional professional knowledge, strict ethical conduct and outstanding client service.
- MDRT membership is recognized internationally as the standard of sales excellence in the life insurance and financial services business.

## International Recognition from MDRT

- To qualify for the membership of MDRT, agents have to earn the prescribed First Year Commission excluding the Bonus Commission OR brings prescribed First Year Premium during the Calendar year.

# International Recognition from MDRT

There are three levels of Membership with criteria for MDRT 2015:

Sr. No.	Membership	Criteria	First Year Commission without Bonus	First Year Premium
1.	MDRT	Basic	₹ 8,45,300	₹ 33,81,200
2.	Court of the Table- COT	3 Times MDRT	₹ 25,35,900	₹ 1,01,43,600
3.	Top of the Table -TOT	6 Times MDRT	₹ 50,71,800	₹ 2,02,87,200

## **International Recognition from MDRT**

**Through our training process we will make sure that you will qualify for Basic MDRT by the end of 3rd year of your agency.**

## First Year Commission of Top 10 TOT-2014 Qualifiers from LIC

<b>Rank</b>	<b>Name</b>	<b>Branch</b>	<b>First Year Commission Excl. Bonus Commission</b>
1.	Shri V VENKATESWARA RAO	Vishakhapatnam	2,05,09,585
2.	Smt SANGITA MAHESHWARI	Indore	1,77,58,368
3.	Shri BHARAT V PAREKH	Nagpur	1,09,52,152
4.	Shri RAVINDAR JETHANI	Mumbai	1,01,24,090
5.	DR.BALWANT SINGH CHIRANA	Delhi	88,11,908
6.	Shri AUTI DATTATRAY JAYRAM	Mumbai	86,46,357
7.	Shri PULKIT KHANDELWAL	Delhi	70,71,261
8.	Shri BHIMAN DAS	Kolkata	67,92,431
9.	Shri DEEPAK DHABALIA	Mumbai	66,31,879

# Procedure to become LIC Agent:

- **Appear for Aptitude Test.**
- **Personal Interview.**
- **Mandatory Classroom/Online Training for 25 hours.**
- **Passing of IRDA Examination.**

# Procedure to become LIC Agent:

## Fees:

- ` 150 Registration Fees.
- ` No Charges for Classroom training.
- ` 350 IRDA Examination Fee.

**TOTAL: 500 RS All expense Included.**

# Procedure to become LIC Agent:

## Other Requirements:

- Laptop
- Software
- Smart Phone
- Two wheeler/Car

# Support from our side

After getting IRDA license you will be trained by Dr. Vinay Deep, Development officer , in LIC of India.

Theoretical as well as practical aspects of life insurance business will be covered .

# Support from our side

- You will be trained at our own training facilities on life Insurance and self development.
- You will be trained on Need Based Selling techniques.

# Support from our side

- Your activities will be monitored regularly to insure that you achieve your desired target on time.
- Our training program is designed in such a way that you will qualify for MDRT and Chairman Club Membership within 3 years of your agency.

**That means your income will be at least  
`1,00,000 per month within 3 years  
time**

**This Opportunity  
is for Only 30  
Select People.**

**THANK  
YOU**