

## **GUIDELINES ON PERSISTENCY OF LIFE INSURANCE POLICIES**

**CIRCULAR NO. IRDA/LIFE/CIR/AGN/257/11/2011, DATE 25-11-2011**

Reference is invited to IRDA's Circular Ref:

IRDA/CAD/ GDL/AGN/016/ 02/2011, dated 11-2- 2011 regarding 'Guidelines for Individual Agents for Persistency of Life Insurance Policies'. In partial modification to Clause III (e) of the said guidelines, it is clarified that the requirement of Insurers to endorse the record referred to in the said clause is now dispensed with. It may, however be noted that maintenance of records of policies sold and their persistency on a year to year basis needs to be complied by all agents and life insurers as stipulated.

Further all the provisions of the above referred Guidelines as modified *vide* IRDA Circular IRDA/Life/GDL/GLD /217/09/2011, dated 20-9-2011 together with the above referred exemption are now made applicable to Corporate Agents that solicit life insurance business. However, it is also clarified that Clause (5) of Modified Guidelines (Relatives of employees of Insurers) issued *vide* Circular IRDA/Life/GDL/GLD/217/09/2011 dated 20-9-2011 is not applicable to the Corporate Agents.

The stipulated persistency rate requirements will be effective for all Corporate Agency renewals that are due from 1-7-2014. All other provisions of the above referred circulars are '*mutatis mutandis*' applicable to Corporate Agents.

The above guidelines are issued under Section 14 (2) of the IRDA Act, 1999 and all Insurers are requested to put in place procedures for effective implementation of the same.