

Box 4A: General Insurance - Maximum Commission Limits[#]

(as percentage of premium)

A. Motor Insurance (other than E below)

Insurance Type	Vehicle Type	Distribution Entities	Agents and Associates	Garages
Third Party (TP)	New	Nil	2.5%	NA
Own Damage / Personal Accident / Legal Liability		5%	10%	
TP	Old	2.5%	5%	2.5%
OD / PA / LL		10%	15%	10%

B. Health Insurance

Insurance Type	Nature	Distribution Entities	Agents and Associates	Hospitals
Individual	First time	15%	20%	5%
	Renewal	5%	10%	NA
	Porting	5%	10%	
Group: Employer / Employee	First time	2.5% subject to a maximum limit of ₹100 lakhs	5% subject to a maximum limit of ₹100 lakhs	1% subject to maximum of ₹25 lakhs
	Renewal			
	Porting			
Group: Non-Employer / Employer	First time	2.5% subject to a maximum limit of ₹100 lakhs	5% subject to a maximum limit of ₹100 lakhs	1% subject to maximum of ₹25 lakhs
	Renewal			
	Porting			

C. Other LoB General Insurance

Product	Proposed	
	IDE	Agents & Associates
Marine-Cargo	10%	15%
Marine-Hull	10%	10%
Miscellaneous – Retail*	15%	17.5%
Miscellaneous - Corporate/Group**	10%	15%
Government Schemes	As notified in the scheme	

**This includes PA, Travel, Homeowners, Shopkeepers insurance, Liability, Cyber etc.*

*** Includes Group PA, Liability, Cyber etc. other than Engineering risks*

D. Property and Engineering insurance:

Insurance Type	Nature	Distribution Entities	Agents and Associates
Property Insurance: Retail	First time	15%	20%
	Renewal	10%	15%
Property Insurance^ (SI on PML basis)	SI Below 500cr	7.5%	10%
	SI Between 500 – 2,500 cr	6.25%	7%
	SI Above 2,500 cr	5.0%	5.5%
Engineering Risks including Projects^ – EAR, CAR etc.	SI Below 500cr	7.5%	10%
	SI Between 500 – 2,500 cr	6.25%	7%
	SI Above 2,500 cr	5.0%	5.5%

^The commission will be calculated on a slab-wise basis i.e. for a single risk exceeding 2,500 cr SI - the first 500 cr. next 500-2,500cr and thereafter the amount of SI above 2,500 cr will be paid commission at the respective levels.

E. Insurance packaged with Loan or Credit

Insurance Type		Lending cum Distribution Entities
Motor Third Party (TP)	New or Old Vehicle	Nil
Motor OD / PA / LL		5%
Health: first time		5%
Health: renewal		2.5%
Property: single premium		2.5%
Property: multi-year premium		5%

Additional Commission limits for individual policies:

- Category – I:** For business procured from towns and cities with population size below 10 lakhs (Other than category-II): 10% of the applicable commission limit on the first-year premium;
- Category – II:** For business procured from small towns up to population size below 50000 and all rural areas: 20% of the applicable commission limit on the first year premium.

Box 4B: Life Insurance - Maximum Commission Limits[#]

(as percentage of premium)

A. Standalone

Insurance Type	Premium Payment Term (PPT) [^]	Distribution Entities		Agents	
		First Year	Renewal [*]	First Year	Renewal [*]
Individual Non-Linked (Par or Non-Par) and Linked ^{\$}	Below 5 years [@]	5%	2%	6.25%	5%
	5 years	10%	2%	12.5%	5%
	6 to 8 years	14%	3%	17.5%	5%
	9 years	18%	3%	22.5%	5%
	10 years & above	20%	3%	25%	5%

** From the beginning of the 6th policy year, once every three years the renewal commission shall be increased by 0.5% of the premium for policies which are renewed after 6th year and shall be paid at each renewal beginning from 6th policy year i.e., 5.5% of renewal commission for 6th, 7th and 8th policy renewals and 6% for 9th, 10th and 11th policy renewals and so on subject to maximum renewal commission of 7%.*

[^]Policy term cannot be less than 10 years or the PPT, whichever is higher.

^{\$} For linked products, the overall commissions and expenses together shall ensure that the reduction in yield from 5th year is complied with. The reduction in yield may be taken up at the time of reduction in yield.

[@] For PPT less than 5 years only non-par non-linked products are permitted.

Insurance Type	Distribution Entities		Agents	
	First Year	Renewal	First Year	Renewal
Individual Savings: single premium	1%	NA	2%	NA
Individual Pure Term: single premium	7.5%	NA	10%	NA
Individual Pure Term: multi-year premium	25%	7.5%	30%	10%

Group Pure Term: single premium	1.5% subject to a maximum of ₹20 lakhs		2% subject to a maximum of ₹30 lakhs	
Group Pure Term: multi-year premium	5%	5%	7.5%	7.5%
Pension/deferred annuity/ Immediate Annuity*: single premium	0.5%	NA	0.75%	NA
Pension/deferred annuity: multi- year premium	5%	5%	6.5%	5%
Group Fund Based (both voluntary and employer sponsored)	0.5% of the contribution made during the year, subject to a maximum of ₹10 lakhs		0.5% of the contribution made during the year, subject to a maximum of ₹15 lakhs	

**No commission for Annuity purchase from NPS.*

B. Life Insurance packaged with Loan or Credit (by lending institution)

Insurance Type	Distribution cum Lending Entities	
	First Year	Renewal
Individual Pure Term: single premium	2%	NA
Individual Pure Term: multi-year premium	2.5%	1%
Group Pure Term: single premium	2%	NA
Group Pure Term: multi-year premium	2.5%	1%

Additional Commission limits for individual policies:

- Category – I:** For business procured from towns and cities with population size below 10 lakhs (Other than category-II): 10% of the applicable commission limit on the first-year premium;
- Category – II:** For business procured from small towns up to population size below 50,000 and all rural areas: 20% of the applicable commission limit on the first-year premium.