**Insurance Act, 1938**

**Section 44 - Prohibition of cessation of payments of commission**

1) Notwithstanding anything to the contrary contained in any contract between any person and an insurance agent providing for the forfeiture or stoppage of payment of renewal commission to such insurance agent no such person shall, in respect of life insurance business transacted .in India, refuse payment to an insurance agent of commission due to him to renewal premium under the agreement by reason only of the termination of his agreement, except for fraud : Provided that - (a) such agent ceases to act for the insurer concerned after the Central Government has notified in the Official Gazette that it is satisfied that the circumstances in which the said insurer is placed are such as to justify the agent's ceasing to act for him; or (b) such agent has served the insurer continually and exclusively in respect of life insurance business for at least five years and policies assuring a total sum of not less than fifty thousand rupees effected through him for the insurer were in force on a date one year before his ceasing to act as such agent for the insurer, and that the commission on renewal premiums due to him does not exceed four per cent. in any case; or (c) such agent has served the insurer continually and exclusively for at least ten years and after his ceasing to act as such agent he does not directly or indirectly solicit or procure insurance business for any other person. (2) Any commission payable to an insurance agent under the provisions of clauses (b) and (c) of the proviso to sub-section (1) shall, notwithstanding the death of the agent, continue to be payable to his heirs for so tong as such commission would have been payable had such insurance agent been alive.] 0."We are of the opinion that the commission payable to an agent in respect of renewal premiums paid on policies secured by him should continue to be payable, although he has ceased to work for the insurer, provided he had worked continuously for the insurer for five years and had built up a business in force of fifty thousand rupees. The renewal commission should, however, not exceed four per cent. We have also provided that on the death of such an agent, the commission should continue to be payable to the heirs for so tong as it would have been paid had the deceased been alive." S. C. R., Gazette of India, 1950, Pt. II, Sec. 2, p. 10: