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# LIC's Millionaire Agents

**Shilpy Sinha** profiles two persons of humble origins who found their calling in insurance serendipitously, faced the music for their unorthodox career choice, but finally laughed their way to the bank with a bigger pay than the LIC chairman himself



**Bharat Parekh**

Annual Income  
₹4 crore\*

Average policy size  
₹2 lakh

**"I had to carry my Income Tax returns form to show my potential father-in-law that I earn enough to take care of his daughter and bring up a family"**

with the demands of Indian tradition.

But the journey was a rough one. "I was the youngest in the family after five sisters... I needed a job to financially support my family," says Parekh. "My sisters asked me if there is anything else I could do. My friends in college stopped talking to me. An LIC agent was looked down upon and the perception was that only those who had nothing else to do in life became LIC agents." Even getting recruited as an agent was difficult given the minimum age for the job was 21. But Parekh managed to find work under a development officer at 18 and has never had to look back since then.

He sells around 1,000 policies a year, the worth of a policy being ₹2 lakh on an average, and manages to generate a premium of ₹200 crore for the corporation — the highest generated by any agent in India.

Even as college mates looked down on him and LIC was still taboo for the middle class, finding a prospective bride was an uphill task for Parekh. "I had to produce my Income Tax returns to prove to my potential father-in-law that I earn enough to take care of his daughter and bring up a family," says Parekh.

We are a happy family now. But building one was probably more difficult than convincing someone to buy an insurance policy, says Parekh. Married to Babita, Parekh has no intention to abandon his career of three decades. "It is the world's best profession," says Parekh citing the independence it provides and the sky-high opportunity to earn.

Yet, not all LIC agents are as successful as Parekh. What then, is his success formula? "Money is not everything," says Parekh. "I try to understand the family and educational background of a person and then suggest which policy he or she should buy." Indeed, LIC agents also play the role of a wealth manager, or a fund manager, for many who are financially illiterate.

"I converted a term plan into a pension plan for a rich, unschooled, widow to ensure her a regular income. Money does not stay with anyone so it is necessary to have a regular income." Some learning for a man who dropped out of college for ₹300 a month!



**Ravi Jethani**

Annual Income  
₹3 crore\*

Average policy size  
₹2 lakh

**"My wife did not like the idea initially. She even asked what's wrong with me. Now, thanks to the success, she trusts my gut"**

It is glamorous to be a stock broker, but not an LIC agent. It was difficult to switch to insurance, but the stability made the sacrifice worthwhile. "My wife did not like the idea initially," says Jethani who lives in Mumbai's posh Pedder Road — home to some of the country's richest. "She even asked what's wrong with me. Now, thanks to my success, she trusts my gut."

More than a decade after choosing life insurance as a career, Jethani earns over ₹3 crore a year in commission. But that does not come easily. To earn that, he attends, on an average, 2.5 meetings a day and just one in ten meetings leads to a policy sale. That's probably worse than an investment banker's mergers & acquisition strike rate.

But being in one of the richest zones in the country has ensured that the average size of his policies are far higher than the national average. His average policy size is ₹2 lakh, which is 10 times more than the industry average.

Success came knocking quite early for Jethani. In his first year, he raised a premium income of over ₹64 lakh for the LIC that pushed him to the Million Dollar Round Table league, a global professional association formed in 1927 to help insurance sales agents improve their technical knowledge. There is a threshold income that agents need to generate to be a part of the club.

"I did not think it would become such a large piece of our business. The best part about the role is that it is like doing social service," says Jethani. For him, buying an insurance is not just that, but also a long-term saving. He doesn't sell short-term, equity-oriented policies such as Unit Linked Insurance Plans (ULIPs).

The scars of his stock market experience are quite deep. In fact, his happiest moment was not when the LIC chairman presented him an award for his contribution, but when the state-owned insurer wrote a settlement cheque within six hours of an insurance holder's death.

So, what is Jethani's regret? "My only regret is that when I grow old, I won't have the energy to go out and meet people."

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\*ET calculations based on internal millionaire rankings

While still a teenager, at the age of 17, Bharat Parekh risked being an outcast among his college mates. Not that he indulged in anti-social activities, nor were his friends caste-conscious, all he did was on the role of an agent for the Life Insurance Corporation of India (LIC).

It was for ₹300 a month in 1986 that Parekh sacrificed the charm of college days. Not that he grew up money minded, but he too was faced with the bane most middle class boys still face in India — getting their sisters married respectably.

Parekh, who missed out on watching matinee shows and playing cricket during his youth, is now a millionaire who can afford most luxuries of life. As an agent, his annual income is over ₹4 crore, around five times more than the ₹87 lakhs that LIC chairman DK Mehrotra took home last year. The sweat and toil behind selling 1,000 odd policies a year, helped Parekh marry his five sisters off in accordance



**LIC Chairman DK Mehrotra's Annual Take home**

₹87 lakh 2011-12

It is difficult to give up addictions. But once done, life takes a turn for the better and Ravi Jethani can vouch for that.

Forty two year-old Jethani forsook his stock broking business following wild swings in 2002 when he realised he was staring at steep losses. It was in 2002 that Jethani gave up his job as a sub-broker at Mehta & Vakil, a member of the Bombay Stock Exchange. That was after the technology bubble burst, taking with it many broking firms and families.

What began as a part-time role has come to dominate his life. The sub-broker who sold insurance policies to kill time after

stock broking closed at 3.30 pm, made that into a full-time vocation once he realised how reliable and steady the business is, in comparison to stock markets.