



भारतीय जीवन बीमा निगम
LIFE INSURANCE CORPORATION OF INDIA

CENTRAL OFFICE, YOGAKSHEMA, J B MARG, PB NO 19953, MUMBAI

Dept: Underwriting & Reinsurance

Ref: U&R / 84 / 2013

7th March, 2013

To,
All HODs of Central Office,
All Zonal Offices,
All Divisional Offices,
All P&GS Units,
All Branch Offices and Satellite Offices (Through Dos),
Audit & Inspection Depts.,
MDC, ZTCs, STCs

Re: Insurance on female lives, minor lives and major students aged between 18 to 25 years.

8th March is celebrated as Women's Day the world over. On this occasion it has been decided to revise the underwriting guidelines applicable to female lives. It has also been decided to revise the underwriting guidelines applicable to minor lives and major students (aged between 18 to 25 years). The provisions of this circular are effective from 8th March, 2013.

Highlights of the revisions are as under:-

- Increase in the maximum allowable risk cover to Female lives falling in Category II from Rs One crore to Rs 1.50 crores.
- Increase in the maximum allowable insurance cover to Married women falling in Category III, whether from husband's income or from their own income from Rs 15 lacs to Rs 25 lacs (from Rs 40 lacs to Rs 50 lacs if graduate and possessing either passport or credit card or driving licence or having mediclaim cover).
- Increase in the maximum amount of funding that can be allowed to married female lives falling under Female Category I & II from husband's income has been increased from Rs 40 lacs to Rs 50 lacs.
- Married women and single women with own income i.e. self employed married / single women not filing income tax returns, employed but not fulfilling eligibility conditions for category I women, unearned income but not filing income tax

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returns have been categorized into 3 categories instead of the earlier 2 categories for the purpose of determining the maximum allowable insurance cover namely-a)illiterate ladies or educated upto 8th standard b)ladies educated upto 9th standard and above upto undergraduate level c)ladies who are graduates and above.

- Maximum allowable cover that can now be granted to the above categories of married women and single women with own income is as under:-7 times of the average annual income subject to an upper ceiling as follows :- a) illiterate ladies or educated up to 8th standard-Rs 2 lacs b)Ladies educated upto 9th standard and above upto undergraduate level-Rs 5 lacs c)Ladies who are graduates and above-Rs 7 lacs.
- Premium Waiver Benefit can now be allowed to married women with own income falling in Category-III who are graduates and above in proposals on the lives of their children within the maximum insurance cover permissible to the category.
- Removal of restriction regarding maximum insurance cover that can be granted under Table Nos 106,107,108 to married women with /without own income and single women with own income and falling in Category-III.
- The maximum cover that can be granted to widows having their own income (falling in Category III) and who are literate has been revised as under:-7 times of average annual income subject to Rs 2 lacs at branch office level. A further cover of Rs 1 lac can be granted at Divisional Office level on merits of the case and adequacy of income.
- The maximum cover that can be allowed to Widows falling under Category III and getting family pension has been increased from Rs 2 lacs to Rs 3 lacs.
- Special Moral Hazard Report by DO/Club member agent of DM club and above/ CLIA / (for other direct agents MHR by ABM(S)/BM) has been made mandatory for sum assured above Rs 1 lac in respect of married and single female lives falling in Category-III.
- There is no change in the definitions of the different categories of female lives.
- The maximum insurance that can be granted to minor lives has been raised from Rs 50 lacs to Rs 1 crore under risk plans and from Rs 1 crore to Rs 1.50 crores under CDA plans.
- Presently we grant maximum insurance cover of Rs 2 lacs to minor lives (under CDA/Risk plans) without insisting on equivalent parents' insurance and Rs 5 lacs if Premium Waiver Benefit is opted for and is allowed. It has been decided to increase the maximum insurance cover to minor lives (under CDA / Risk plans) without insisting on equivalent parents' insurance to Rs 5 lacs and to Rs 10 lacs if Premium Waiver Benefit is opted for and is allowed.

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- Presently we grant maximum insurance cover of Rs 2 lacs to major students aged between 18 to 25 years (under risk plans) without insisting on equivalent parents' insurance. It has been decided to increase the maximum insurance cover that can be granted to major students aged between 18 to 25 years (under risk plans) without insisting on equivalent parents' insurance to Rs 5 lacs

The revised guidelines in respect of female lives, minor lives and major students aged 18 to 25 years are as under:-

1) Category I (Married /Single /Widow)

The rules regarding financial underwriting of female lives falling in Category I will be as applicable to adult male lives.

Funding from husband's income in respect of married women falling under Category-I can be allowed upto a total cover of Rs 50 lacs, if the maximum allowable cover on the basis of their own income as per existing rules is less than Rs 50 lacs. There is no change in the other underwriting rules in respect of funding from husband's income.

2) Category II (Married /Single/ Widow)

The rules regarding financial underwriting of female lives falling in Category II will be as applicable to adult male lives subject to maximum allowable risk cover of Rs 1.50 crores.

Funding from husband's income in respect of married women falling under Category-II can be allowed upto a total cover of Rs 50 lacs, if the maximum allowable cover on the basis of their own income as per existing rules is less than Rs 50 lacs. There is no change in the other underwriting rules in respect of funding from husband's income.

3) Category III

Married women

a) Without income

Total insurance cover upto a maximum of Rs 25 lacs can be granted but not exceeding insurance in force for full sum assured on the life of her husband. The underwriter should however examine whether the income of her husband can support the total insurance cover on his own life as well as on his wife's life and on the lives of other dependant children, and also have regard to other aspects such as social status of the family, moral hazard etc before deciding the amount of insurance that can be granted on such a proposal.

Insurance in excess of Rs 25 lacs up to a maximum of Rs 50 lacs but not exceeding husband's insurance can be considered on merit at the Divisional / Zonal Office level if the proposer produces proof of being a graduate and possessing either passport or credit card or driving licence or having mediclaim cover.

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b) With own income

- Self employed married women not filing income tax returns
- Employed but not fulfilling eligibility conditions for Category I women
- Unearned income but not filing income tax returns

Maximum cover that can be granted is equal to 7 times of average annual income subject to an upper ceiling of

- Rs 2 lacs if illiterate or educated upto 8th standard
- Rs 5 lacs if educated upto 9th standard or above upto undergraduate level.
- Rs 7 lacs if educated upto graduate level or above.

Premium Waiver Benefit can also be allowed to married women with own income falling in Category-III who are graduates and above, in proposals on the lives of their minor children (where the female life is the proposer) within the maximum insurance cover permissible to the category. i.e. the total insurance cover on their life and the amount of premium waiver benefit should not exceed the maximum sum assured allowable to married women having their own income who are graduates and above (i.e. Rs 7 lacs)

The above cover will be subject to a Moral Hazard report by Development Officer/Club member agent of DM club and above/CLIA (for other direct agents MHR by ABM(S)/BM) for sum assured above Rs 1 lac.

Other conditions applicable to married women falling under Female Category III.

- Maximum age at entry restricted to 60 years (beyond age 60 years upto the maximum permissible age at entry under the proposed plan, can be allowed under ULIP plans only, with single premium mode of payment [(Conditions as per circular Ref: U & R /61/2011 dated 28th March, 2011)].
- Recent photograph and Bank statement in her own name (when insurance is granted on the basis of her own income) must be insisted upon.
- Table Nos.43,52,58,88,133,164,190,807,811,term rider and CI rider are not allowed.
- Maximum allowable sum assured under Table No.89 is Rs 2 lacs (Rs 15 lacs if the lady produces proof of being a graduate and possessing either a passport or credit card or driving licence or having mediclaim cover).

-Total insurance to married women, whether from husband's income or their own income will not exceed Rs 25 lacs (Rs 50 lacs if producing proof of being a graduate and possessing either passport or credit card or driving licence or having mediclaim cover).

Single Women between ages 25 and 50 years

a) **Without income**- No insurance cover to be allowed.

b) **With own income**

-Self employed but not filing income tax returns

-Employed but not fulfilling eligibility conditions for Category I women

-Unearned income but not filing income tax returns

Maximum cover that can be granted is equal to 7 times of average annual income subject to an upper ceiling of

-Rs 2 lacs if illiterate or educated upto 8th standard

-Rs 5 lacs if educated upto 9th standard or above upto undergraduate level.

-Rs 7 lacs if educated upto graduate level or above.

The above cover will be subject to a Moral Hazard report by Development Officer/Club member agent of DM club and above/CLIA agent (for other direct agents MHR by ABM(S)/BM) for sum assured above Rs 1 lakh.

Other conditions applicable to single women falling under Female Category III.

-Maximum age at entry restricted to 50 years

-Table Nos.43,52,58,88,133,164,807,811, term rider and CI rider are not allowed.

-Recent photograph and Bank statement in her own name must be insisted upon.

Widows

a) Widows without any income-No insurance cover will be allowed.

b) Widows who have received compensation from employers or claim under insurance policies on the life of their deceased husband or get lump sum amount from some other source-

There is no change in the maximum allowable cover which stands maintained at Rs 10 lacs under Table Nos.48,162,168,171 and 175 on single premium basis

c) Widows getting family pension-

-Maximum cover of Rs 3 lacs under plans other than 43,52,58,88,133,164, Term rider and CI rider subject to receiving proof of pension income.

d) Widows mentioned under item Nos b & c above, can be allowed under Deferred Annuities (without life cover) and Immediate Annuities without any limit.

Note: There will be no restrictions regarding minor children, maximum age at entry and educational qualification for allowing insurance cover as mentioned under item Nos, b, c & d above.

e) Widows having their own income

-Self employed but not filing income tax returns

-Employed but not fulfilling eligibility conditions for Category I women

-Unearned income but not filing income tax returns

Maximum cover that can be granted is equal to 7 times of average annual income subject to an upper ceiling of

-Rs 2 lacs (at branch office level)

-A further cover of Rs 1 lac can be granted at Divisional Office level on merit of the case and adequacy of income

Other conditions applicable to widows falling under Female Category III and having their own income:

-Special MHR by Development Officer / Club member agent of DM club and above /CLIA (for other direct agents MHR by ABM(S)/BM) in all cases irrespective of the sum assured in which the following details are mentioned-

- i. Whether the life assured is an employee / is self employed.
- ii. Occupation of the life assured e.g. maid servant, vegetable vendor, construction worker, embroidery etc
- iii. Exact nature of jobs she does
- iv. Daily hours spent on the job
- v. Whether she earns on a daily basis or monthly basis
- vi. Her approximate monthly earnings
- vii. Whether she has any other source of income, if so specify the sources of income

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- viii. Names of all the children, their ages and details of insurance on their lives.
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- ix. Whether you are satisfied about her own income and need for insurance as replacement of income? If so, justify the same
- x. Whether there is any thing in the occupation, financial or social position of the life proposed, her personal habits or any other circumstances which might be likely to add to the risk

-Age at entry is less than 50 years and age proof produced is standard.

-The life to be assured may have either minor or major children. If she has major earning children details of insurance held by them may also be called for to ensure that the family is insurance minded.

-The life to be assured must be literate (i.e. a person who can read and write).

-Table Nos.43,52,58,88,133,150,164,807,811 term rider and CI rider will not be allowed.

Female students / children (below 25 years)

Female students will not be included under Female Category III. They have been classified into a separate group. The insurance on their lives will be accepted at par with male students / children. Insurance cover to them will be allowed provided the proposing parents have their own income and are sufficiently covered. It should also be ensured that equivalent cover has been taken on the lives of all children (especially male children). Insurance cover will depend on family income, parents' insurance, insurance on the lives of other family members and class / professional course which is being pursued.

All other conditions applicable to male students aged up to 25 years will be made applicable to female students / children.

All other underwriting rules related to female lives remain unchanged.

Insurance to minor lives

Deferred Risk (CDA) plans (Table Nos.41 & 50)

- a) Maximum Sum Assured that can be granted is Rs 1.50 crores subject to twice the insurance on the lives of parents' (father and mother put together) lives and adequacy of their income.
- b) Matching insurance on the lives of parents will not be insisted upon up to sum assured of Rs 5 lacs. and Rs 10 lacs if Premium Waiver Benefit is opted for and is allowed. Premium waiver benefit can be allowed to married women falling in

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Category III only if the lady is a graduate and above subject to the condition that the total insurance cover on her life including the premium waiver benefit amount does not exceed the maximum cover allowable to the category.

- c) Proposals for Total Rated Up Sum Assured in excess of Rs 1.50 crores may be referred to Underwriting & Reinsurance Department, Central Office for individual consideration on merits of the case with special recommendations from MM or SDM.

Other plans

- a) Maximum sum assured Rs 100 lacs, but not exceeding the insurance on parents' (father and mother put together) lives and adequacy of their income.
- b) Matching insurance on the lives of parents will not be insisted upon up to sum assured of Rs 5 lacs. and Rs 10 lacs if Premium Waiver Benefit is opted for and is allowed. Premium Waiver Benefit can be allowed to married women falling in Category III only if the lady is a graduate and above subject to the condition that the total insurance cover on her life including the premium waiver benefit amount does not exceed the maximum cover allowable to the category.
- c) Proposals for Total Rated Up Sum Assured above Rs 100 lacs may be referred to Underwriting & Reinsurance Department, Central Office for individual consideration on merits of the case with special recommendations from MM or SDM.

Other conditions

- i. Recent photograph of the child must be insisted upon.
- ii. The physical / mental development of the child should be in accordance with his/her age.
- iii. Family history, personal history of health and medical reports are satisfactory.
- iv. The child must be attending school/ college regularly (meant for normal children)
- v. Recent school / college progress report
- vi. As far as possible siblings should have equal / equivalent insurance.
- vii. All members of the family are adequately insured.
- viii. Socio economic status of the family is satisfactory.

All other underwriting rules related to insurance to minor lives remain unchanged.

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Insurance to major students aged between 18 and 25 years under risk plans

Matching insurance on the lives of parents will not be insisted upon up to sum assured of Rs 5 lacs.

Recent photograph must be insisted upon.

The physical / mental development of the life proposed should be proper.

A declaration must be obtained from the major students as well as from their parents that they are regularly attending colleges/technical institutions.

Copy of college progress report / passing certificate/appearance report of the just completed academic year must be obtained.

While allowing insurance to children on the basis of parents' income it should be ensured that all members of the family are adequately insured. As far as possible, parents should propose on the lives of all their children and not on the life of any particular child.

All other underwriting rules related to insurance to major students aged between 18 and 25 years under risk plans remain unchanged.

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