



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 / 85 / 2013

8<sup>th</sup> 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: 1) Revision in Income multiples for financial underwriting**  
**2) MHR limits to Senior Business Associates (SBAs)**

**1. Revision in income multiples for financial underwriting -**

At present the following age related multiples are applied to the average income for arriving at the maximum allowable cover i.e. existing + proposed cover (both duly rated up) are as under:-

| Age group      | Maximum allowable cover as a multiple of average income for last 3 years |
|----------------|--|
| Up to 30 years | 22 times   |
| 31 to 40 years | 17 times   |
| 41 to 50 years | 12 times   |
| 51 & over      | 10 times   |

It has been decided to revise the age groups and above multiples as follows:-

| Age group      | Maximum allowable cover as a multiple of average income for last 3 years |
|----------------|--|
| Up to 35 years | 25 times   |
| 36 to 45 years | 20 times   |
| 46 to 55 years | 12 times   |
| 56 & over      | 10 times   |

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The above multiples are applicable to male lives and female lives falling in Category-I & II. In respect of female lives falling in Category-II the maximum allowable cover will be based on the age related multiples stated above subject to a maximum risk cover of Rs 1.50 crores.

As considerable increase has been made in the age related multiples for arriving at the total cover allowable, the underwriters should exercise proper care while granting insurance.

KYC/AML aspects have also to be properly followed.

## **2.MHR limits to SBAs**

It has been decided to authorize Senior Business Associates (SBAs) to give MHR upto Sum Under Consideration of Rs 1.50 crores.

All other underwriting rules remain unchanged. The provisions of this circular are to be implemented with immediate effect.

*P. R. Shanbhag*

Secretary In charge (Underwriting & Reinsurance)

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