

FEMALE LIVES → UNDERWRITING-RULES

CO/ACT/1994/4 DT.8/3/2005, co/act/2088/4 dt. 30/10/2006, co/ U & R/84/2013 dt.7/3/2013

On the eve of International Women's day on 8/3/2005, the underwriting guidelines applicable to female lives were reviewed.

Moral hazard is an important factor in the case of insurance of woman. Hence, we have to guard against the possibility of adverse selection of lives. Proposals for assurance on the lives of ladies will generally be considered in relation to their income, employment, educational standard, socio-economic background, etc. proposals will not be entertained on the lives of ladies who observe pardha.

- Henceforth, female lives will be classified into 4 categories instead of 3 at present.
- Self-employed women in female cat III who are filing income tax returns will be included in female cat -I.
- Definition of women in female cat II is revised as 'women with unearned income and filing income tax returns.' If she attracts income tax but don't file income tax returns then can not be treated as female cat II.
- Under female cat III, females who have received compensation from employers or death claim and getting family pension will get insurance cover upto 10 lakh on single premium and Rs.2 lakh on regular premium respectively. For details refer, respective information in female categories.

A) FEMALE CATEGORY- I (MARRIED ,SINGLE OR WIDOW)→

The following sections of women are taken as category I females for the purpose of insurance.

- 1) Women with earned income by virtue of employment in institutions eligible for insurance cover under non-medical(special)scheme and employed with government, quasi Govt, reputed commercial institutions even if NMS is not there.
- 2) Women employed in commercial institutions are considered as female category I for the purpose of granting insurance cover sub to submission of addendum to the proposal duly signed by proposer and fulfillment of following conditions:-
 - Minimum educational qualification-SSC or equivalent exam.
 - Standard age proof.
 - Evidence of employment in the prescribed addendum as below.
 - Minimum service with present employer- 1 year.
 - Firm/company should have been established more than 3 years ago.
- 3) Self-employed professionals such as Doctors, lawyers, chartered accountants, architects, engineers, insurance agents or carrying on any agency provided she satisfies conditions stated at 2 above.
- 4) Other self-employed women filing income tax returns such as tailoring, embroidering, beauty parlors, caterers, typist, tuitions, self employed with ownership of shops etc. sub to fulfilling following conditions:-
 - Minimum educational qualification-HSC with professional qualification.
 - Standard age proof or NSAP-I.
 - Should be filing income tax returns since last 2 years.
 - Proof of income to be taken from as copies of ITR for last 3 years of 2 years.

FINANCIAL UNDERWRITING FOR FEMALE CATEGORY I→

All rules regarding financial underwriting applicable to male -major lives will be applicable to female lives cat I. App plans will be allowed to this category of female lives.

In short, proof of income for 1,2,3 mentioned above will be :-

- For total rated up sum assured (TRSA) up to 15 lakh- no income proof is required. but income stated in PF/ACR/MHR will be taken as base.
- TRSA between 15,00,001 to 25 lakh- F. no 16/16A or CA certificate stating PAN no & declaration from LA or PFQ (personal finance questionier)

B) FEMALE CATEGORY II (MARRIED, SINGLE, WIDOW)→

Eligible lives→women with unearned income/having sizeable personal properties and/or investments yielding income, but these females should file income tax returns. If she attracts income tax, but not filing income tax returns will not be eligible.

Unearned income but not filing income tax returns will be treated as female cat III.

PROOF OF INCOME→

1) Proof of income for female cat II will be copies of ITR's for last 3 years(two years if they have just started filing returns) 2) certificate from chartered Accountant can be accepted only if PAN No has been allotted and same is mentioned in certificate.

The income shown in above should not include income of other family members, income from capital gains and one time income such as arising from sale of properties/ornaments etc.

FINANCIAL UNDERWRITING→

- All rules regarding financial underwriting of male adults lives or female cat I will be applicable to female cat II also. However, maximum TRSA will be 1 crore.
- If women falling under female cat II are technically qualified and are taking active part in the day to day running of their partnership/proprietary business, they can be considered as female cat I if recommended by MM/SDM with evidence. Such cases are to be underwritten at CUS.
- While underwriting female cat II proposals, following conditions are required to be met with:1) other members of family are adequately insured.2) the female life to be assured has good educational & social background. 3) MHR by competent authority should clearly indicate the source of income and social status of life assured.
- As per co/ u and r/ 84/2013 dt.7/3/2013; funding from husband income in respect of married women falling under cat- I can be allowed upto total cover of Rs. 50 lakh, if the maximum allowable cover on the basis of their own income as per existing rule is less than Rs. 50 lakh.

C) FEMALE CATEGORY III→

Women not covered by cat I or II above are treated as female cat III for the purpose of insurance. This category is further divided into 3 sub-categories as:-

- 1) Married women
- 2) Single women (aged 25 yrs and above)
- 3) Widows.

Further details of each 3 sub categories are as follows:

1) FEMALE CATEGORY III- MARRIED WOMEN→

a) without her own income→

- Under this category , insurance will be granted on the basis of her husband's income. Total insurance cover(TRSA), upto maximum of RS.15 lakh, but not exceeding husband's insurance (TRSA) in force for full sum assured may be granted.as per co/ u and r/84/2013 dt.7/3/2013, this limit has increased upto Rs. 25 lakh but not exceeding insurance in force for full sum assured on the life of her husband.
- Here underwriter should examine whether the income of her husband can support the total insurance on his own life as well as on his wife life and on the lives of his dependent children. In short, total rated up insurance on the lives of husband + wife + children should not exceed total cover available by age related factor.
- Insurance in excess of Rs.15 lakh up to maximum of RS.40 lakhs but not exceeding husband's insurance can be considered on merit at DO/ZO, if female life produces proof of being a graduate and possessing one of the 1) passport 2) credit card 3) driving license 4) mediclaim policy. As per co/ u and r/84 dt. 7/3/2013, this limit of Rs. 40 lakh has increased upto Rs. 50 lakh but not exceeding husband insurance on merit of the case at DO/ZO level.
- Insurance under above female category cannot be granted under non-medical scheme, but always on medical.

b) With her own income→

following 3 types of females will fall under this head:

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

- Maximum cover will be equal to 7 times of average annual income stated in PF/ACR; sub to upper ceiling of

- Rs.1 lakh, if illiterate or educated upto 8th standard.
- Rs.5 lakh if literate/ educated upto 9th standard and above.

This upper ceiling has been revised as per co/ U and R /84 dt.7/3/2013 as follows:-

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

- As per co/ U and R/ 84/2013 dt. 7/3/2013; premium waiver benefit can also be granted to married women with own income falling in category - III who are graduates and above on the lives of their minor children where female is prosper within maximum insurance cover permissible to the category i.e Rs. 7 lakh.
- The above cover will be subject to MHR by Development officer/ club member agent of DM club member and above/ CLIA. For other direct agents MHR by ABM/ BM for sum assured above Rs. 1 lakh.

Other conditions to be fulfilled by both a) & b) above type of women i.e. with or without her own income.

- 1) Maximum age at entry is 60 yrs. Beyond 60 years upto maximum permissible age at entry under the proposed plan, can be allowed under ULIP plan only with single premium mode of payment.
- 2) Plan 43, 52,58,88,133,150,164,177,190,807,811 term rider, critical illness rider are not allowed.
- 3) Recent photograph and bank statement in her own name must be insisted upon when insurance is granted on the basis of her own income.
- 4) MHR by development officer's or DM and above club member agent.
- 5) Maximum allowable sum assured under special plans to female cat III -married with or without own income.

PLAN NOS	Normal i.e undergraduate	Female graduate & possess either passport/ credit card/ driving licence/ mediclaim policy
89	2 lakh	15 lakh
106,107,108	5 lakh	15 lakh (

As per co/ U and R/84 /2013 dt. 7/3/2013 the plan 106,107,108 has been removed from above table.

5) total insurance to married women, whether without income(i.e husband income) or with her own income, will not exceed Rs.15 lakh . or Rs.40 lakh ,if female produces proof of graduate & possess either passport or credit card or driving license or mediclaim policy. . As per co/ u and r/84 dt. 7/3/2013, this limit of Rs. 40 lakh has increased up to Rs. 50 lakh but not exceeding husband insurance on merit of the case at DO/ZO level.

2) FEMALE CATEGORY III- SINGLE WOMEN-BETWEEN AGE 25 TO 50 YRS→

a) **Female without income→** No insurance cover to be allowed.

b) **Female with own income→**

Following 3 types of females will fall under this head:

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

Maximum cover will be equal to 7 times of average annual income stated in PF/ACR; sub to upper ceiling of

- Rs.1 lakh, if illiterate or educated upto 8th standard.
- Rs.5 lakh if literate/ educate upto 9th standard and above

This upper ceiling has been revised as per co/ U and R /84 dt.7/3/2013 as follows:-

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

•The above cover will be subject to MHR by Development officer/ club member agent of DM club member and above/ CLIA. For other direct agents MHR by ABM/ BMfor sum assured above Rs. 1 lakh.

Other conditions—

- 1) Special MHR by development officer or club member agent DM & above
- 2) Plan 43,52,58,88,133,164,807,811, term rider, critical illness rider are not allowed.
- 3) Maximum age at entry is 50 yrs.
- 4) Recent photograph and bank statement in her own name must be insisted upon.

3) FEMALE CAT III - WIDOWS→

Female cat III - widow- is further divided into 5 sub categories as follows:

a) **Widow without any income**→ no insurance cover.

b) **Widow who have received compensation from employers or Death claim under insurance policies on the life of their husband or get Lump sum amount from other source**→

- Maximum insurance of Rs.10 lakh under plan 48,140,152,162,166,168,171,175 will be allowed on single premium basis.
- No restriction regarding minor children, age at entry and educational qualification for granting insurance

c) **Widow getting family pension**→

- Maximum cover of Rs.2 lakh under plan other than 43,52,58,88,133,150,164, term rider, critical illness rider will be allowed. Proof of receiving pension is required. As per co/ U and R /84/2013 dt/7/3/2013, the above limit of Rs. 2 lakh increased to Rs. 3 lakh.
- No restriction regarding minor children, age at entry and educational qualification for granting insurance

d) **Widow mentioned in c) and d) above,**

- can be allowed deferred annuities(without life cover) & immediate annuities without any limit. No restrictions regarding minor children, age at entry or educational qualification.

e) **Widow having their own income**→

In this category, there will be 3 types of category:-

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

Other conditions are as follows

Maximum cover will be granted 7 times of average annual income sub to

- Rs.1 lakh to be underwritten at BO level. As per co/ U and R/ 84/2013 dt.7/3/2013, this limit has been increased from Rs. 1 lakh to Rs. 2 lakh.
- Further cover of Rs.1 lakh at Divisional office level on merit of the case and adequacy of income.

Other conditions →

- 1) Special MHR by development officer or club member DM & above. This report should state :- whether the life assured is an employee or self employed, occupation , exact nature of job,daily hours spent on the job, earning on daily basis or monthly basis,any other income source.
- 2) Age at entry should be maximum 50 yrs.
- 3) Age proof should be standard.
- 4) Widow should have minor/ major child or children.
- 5) Widow should be educated up to 9th std and above. As per co/ U and R/84/ 2013 dt.7/3/2013, this condition is changed as she must be literate i.e can read and write.
- 6) All plans other than 43,52,58,88,133,150,164,807,811, term rider and critical illness rider will be allowed.

4) FEMALE CATEGORY IV–FEMALE STUDENTS/CHILDREN BELOW 25 YEARS→

- For the first time, female students/children have been classified into separate group.
- The insurance on their lives will be accepted at par with male student/children. Insurance cover to them will be allowed provided 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.
- Insurance on MAJOR female cat IV can be considered under NMG to others (i.e. 18 to 25 yrs major female student/children).

OTHER CONDITIONS→

- 1) Insurance on the lives of female student/children upto 2 lakh can be granted without insisting on the proposer's insurance (risk plan).
- 2) For insurance more than 2 lakh, maximum permissible rated up sum assured Rs.50 lakh for minor's and Rs.1 crore for major female students can be granted; sub to not exceeding the insurance duly rated up on the proposer's(father and mother) life. Total insurance on the lives of parents, children under all plans put together does not exceed the maximum permissible limit admissible to the persons paying the premium(risk plan)
- 3) For minor female life, if she is standard life all eligible plans will be allowed. For sub-standard minor female life, plan 11,14,48,75,93,152,154,155,156,157 attracting EMR class III on account of overweight up to 50% will be allowed.(co/act/1992). Now with introduction of BMI method, if For Major female lives up to age 25, as per our regular underwriting norms.
- 4) No restriction on maximum policy term of 40 years (co/act/1992)
- 5) Cl 10(a) will be imposed for female lives aged above 18 yrs and upto 30 years.
- 6) All members of family should be adequately insured.
- 7) Socio-economic status of the family is adequately insured.
- 8) For minor female lives, CDA plan 41,50,101 can be granted for maximum sum assured of 1 crore. No medical examination will be required.cl 76 will be applied. . Actual sum assured will be allowed twice the proposer's insurance.

INSURANCE TO PREGNANT LADIES → (CO/ACT/2088/4 DT. 30/10/2006)

Proposals on the lives of ladies who are pregnant at the time of proposal will be entertained sub to the following conditions:-

- 1) Proposals are submitted within the first 24 weeks of pregnancy.
- 2) Proposals will not be entertained under Non-medical scheme. Full medical report from authorized medical examiner/ TPA/ DMR should be obtained.

- 3) All other special reports except chest x-ray and CTMT are to be called for.
- 4) Report from the attending gynecologist in form no 3341(revised) certifying that the lady is under his / her care will be required.
- 5) Last check up report from attending obstetrician / gynecologist will be required.
- 6) Report of any medical tests done during pregnancy will be required to be submitted.
- 7) Female category should be from cat I and II only.
- 8) Maximum cover during the pregnancy will be restricted to 1 core sum assured related with her income.
- 9) Pure term assurance plans and plans having higher term insurance element will not be entertained.
- 10) Special moral hazard report by competent authority in f. no 3251 should be obtained in all cases.
- 11) Proposals from pregnant ladies who had a normal full time confinement and normal delivery and without any past history of abnormal delivery or abortion due to septic will be accepted on the same terms as for a woman not pregnant.
- 12) Proposals from pregnant ladies with past history of complications or caesarian section to be accepted with a single extra of Rs. 2/- per thousand, imposing clause 4A- f. no 3124A.

INSURANCE TO MARRIED FEMALE LIVES FALLING UNDER CAT III BEYOND AGE 60 YEARS- (CO/ U AND R/61/2011 DT 28/3/2011)

At present, we do not grant insurance to married female lives falling under cat III beyond the age of 60 years. Matter has been reviewed and it has been decided to grant the insurance as per following conditions.

- Only ULIP plans with single premium mode of payment can be allowed provided the minimum sum assured for a particular single premium for the age group beyond age 60 has been opted for.
- The maximum single premium must be restricted to Rs. 2.50 lakhs i.e sum assured 2.75 lakhs and sum at risk Rs. 25000
- Standard age proof must be submitted.
- The female life must be literate i.e able to read and write.
- MHR by at least a development officer must be obtained mentioning the source of fund.
- Full medical report and special reports must be submitted.
- All members of the family are insured and there is no intentional adverse selection.