

CHAPTER - III

I Other Financial Powers relating to Proposals / policies

Nature of Power	Authority	Extent of Financial Power (up to and including)		
a. Revivals: (Sum to be revived on the basis of DGH)	HGA / AAO / AO / BM / SBM / Manager Admn / Chief Mgr	Full		
b. Original Term Revivals (Sum to be revived) & Other than original terms – Revivals (Sum to be revived) Standard Lives- Underwriting of New Proposals (Sum under Consideration) & Sub-standard lives – Underwriting of New Proposals (Sum under Consideration)		NON-MEDICAL	MEDICAL	
			Standard	Sub std
In Branch Offices & Satellite Offices	HGA	2,00,000	2,00,000	1,00,000
	AAO	5,00,000	5,00,000	2,50,000
	AO	7,00,000	7,00,000	3,50,000
	SBM / BM in charge / Manager Admn	10,00,000	10,00,000	7,50,000
	BMC / Chief Manager	15,00,000	15,00,000	10,00,000
In Divisional Offices	HGA	3,00,000	2,00,000	1,00,000
	AAO	7,00,000	5,00,000	2,50,000
	AO	10,00,000	10,00,000	5,00,000
	ADM / M(NB) / M(PS)	15,00,000	20,00,000	10,00,000
	DM / M (NB) / M(PS)	15,00,000	25,00,000	15,00,000
	SDM / DM in charge	15,00,000	30,00,000	20,00,000
In Zonal Offices	HGA		5,00,000	5,00,000
	AAO		15,00,000	15,00,000
	AO		25,00,000	25,00,000
	ADM (Asst Secy)		40,00,000	40,00,000
	DM (Secy)		50,00,000	50,00,000
	SDM / RM(Actl)		75,00,000	75,00,000

	ZM in charge		100,00,000	75,00,000
In Central Office	AAO		25,00,000	25,00,000
	AO		50,00,000	50,00,000
	ADM		75,00,000	75,00,000
	DM		1,50,00,000	1,50,00,000
	SDM		2,50,00,000	2,50,00,000
	Chief / Director		Above 2,50,00,000	Above 2,50,00,000
In SBA's Offices (through End to End Online Underwriting Portal)	Select Development Officers	5,00,000 (Maximum TRSA 15 lac) and new proposals only	5,00,000 (Maximum TRSA 15 lac) and new proposals only for plan FMR cases	Nil

Notes :

- i. Limits shown above are based upon Sum Under Consideration.
- ii. The financial underwriting powers given to Branch Offices in respect of sub standard lives up to EMR Class III are for build alone.
- iii. Underwriting powers shall not be delegated to ABM(S), BM(S), Managers(S) and Marketing Manager. However, powers relating to revival of lapsed policies will continue to be exercised by Marketing Manager as before.
- iv. There is no distinction in the limits of underwriting of proposals / revival of policies on male and female lives.
- v. Proposals on standard lives for sum under consideration more than Rs.30 lakhs and on substandard lives attracting EMR up to Class III for sum under consideration more than Rs.20 lakhs and substandard lives attracting EMR from CI IV to CI VI for sum under consideration more than 15 lacs should be referred to the Zonal Underwriting Section. Proposals on standard lives for sum under consideration more than Rs. 100 lakhs and on sub-standard lives attracting EMR up to Class III for sum under consideration more than Rs. 75 lakhs and on substandard lives attracting EMR from Class IV to VI for sum under consideration more than 60 lacs should be sent to the Underwriting and Reinsurance Department, Central Office. Similarly proposals on sub-standard lives attracting EMR Class VII and above for sum under consideration more than Rs. 25 lakhs should be sent to Underwriting and Reinsurance Department, Central Office. The instructions apply with necessary changes to cases for revival with sum to be revived being the criterion except financial powers at item 1 (a) which can be exercised in full.

- vi. In respect of proposals under New Jeevan Dhara, Table No 147, the SBM/BM-in-charge of Branch Office and officer In charge of a Satellite Office can underwrite upto CASH OPTION amount of Rs.15 lacs.
Proposals in excess of the above amount should be referred to the Divisional Office where they can be underwritten by Manager (NB).
- vii. In respect of New Jeevan Akshay (6), Chief Manager / Manager Admn / SBM / BM / AO in a Branch Office / Satellite Office can underwrite to full extent.
- viii. In respect of proposals/policies under following tables, sum under consideration / sum to be revived will be rated up as under for the purpose of exercising financial powers.

Table No.	Plan	Rating up
105	Jeevan Griha (Triple cover) (for revival only)	3 times
133	Jeevan Mitra (Triple cover)	
88	Jeevan Mitra (Double cover)	2 times
104	Jeevan Griha (Double cover)(for revival only)	
137	Nav Prabhat (for revival only)	
103	Jeevan Chhaya Plan	1.5 times
168	Jeevan Anurag	
110,121	Asha Deep Plans I & II (for revival only)	
160	Jeevan Bharati (for revival only)	
193	LIC's Money Plus-I	Sum assured under the basic plan less amount of first premium
194	LIC's Child Fortune Plus	Sum Assured + (Total Premium payable during the term of the policy less the instalment premia paid)
195	LIC's Jeevan Aastha (for considering SUC for subsequent insurance)	1/3 rd of the Basic Sum Assured

196	LIC's Jeevan Sathi Plus	<p>In respect of the PLA-Sum Assured opted by the PLA under the policy plus the total amount of premia payable during the term of the policy minus the total amount of premia paid as on the date of commencement / revival of the policy</p> <p>In respect of the SLA-Sum Assured opted by the SLA</p>
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- ix. In respect of proposals whereunder premium paying term is 5 years or less including single premium, the sum under consideration is to be taken as Sum Assured less the premiums paid.
- x. In respect of proposals/policies on child's life the Sum under consideration / Sum to be revived has to be taken as under:

Table Nos.	Plan	On Child's Life	In case of PWB on Proposer's Life
41 & 50	Children's Deferred Assurance	Sum proposed less cash option	Amount of cash option payable during deferment period excluding first premium
101	Jeevan Balya (for revivals)	- Do -	-Do -
102	Jeevan Kishore	Full sum proposed	Sum proposed to be taken as all premium payable till the deferred date excl. first premium. For revival the Sum to be Revived is to be taken as future outstanding premia till the deferred date
109	Jeevan Sukanya (for revivals)		
113	Children's Money Back (for revivals)		
159	Komal Jeevan		
80 & 81	Children's Anticipated plan (for revivals)	Sum to be revived less 50 % of premiums payable on deferred date	Sum to be revived is to be taken as all outstanding premiums payable till the deferred date

92	New Children's Deferred Assurance (for revivals)	Full sum to be revived	- Do -
184	LIC's Child Career Plan	Full sum proposed	Future outstanding premia (Future instalment premia excluding first premium)
185	LIC's Child Future Plan	Full sum proposed	Future outstanding premia (Future instalment premia excluding first premium)

Annexure "B"

APPORTIONMENT OF UNDERWRITING WORK

Taking in to account the above changes, the apportionment of underwriting work among the Branch Offices, Divisional Offices, Zonal Offices and the Central Office will be as under :-
The limits mentioned in the following table are based on Sum Under Consideration only

Office	Standard lives Rs	Sub standard lives			
		EMR Class I,II,III Rs	EMR Class IV & V Rs	EMR Class VI Rs	EMR Class VII & above Rs
BO	15 lacs	10 lacs*	Nil	Nil	Nil
DO	30 lacs	20 lacs	15 lacs	15 lacs	Nil
ZO	100 lacs	75 lacs	60 lacs	60 lacs	25 lacs
CO	Over 100 lacs	Over 75 lacs	Over 60 lacs	Over 60 lacs	Over 25 lacs

* By build only

Notes

- i. Limits shown above are based upon Sum under Consideration only.
- ii. Branch Offices should underwrite standard proposal/policies of sum under consideration up to Rs. 15 lacs and substandard proposals / policies attracting extra mortality rating of Class I to III due to **build alone** and not attracting any special reports up to sum under consideration of Rs. 10 lacs. All the other proposals / policies should be referred to the Divisional Office.

- iii. Substandard proposals attracting extra mortality rating of class I to VI on account of build, health and / or hypertension / hypo tension (BP) should be underwritten at the Divisional Office within the prescribed financial limits.
- iv. Proposals with any special reports should be referred to Divisional Office.
- v. Proposals with age at entry [anb] on date of proposal 61 years and above should be referred to Divisional Office irrespective of the sum assured. Proposals for sum proposed not exceeding Rs.5 lacs in the case of standard lives and Rs 2.50 lacs in the case of sub-standard lives can be underwritten at the Divisional Office level. Proposals for sum proposed exceeding Rs.5 lacs in the case of standard lives and Rs 2.50 lacs in the case of sub-standard lives should be sent to the Zonal / Central Office level as per their underwriting limits.
- vi. All proposals/policies with age at maturity of above 60 years and having adverse family history (as mentioned in section "Ratings for family history" of chapter "Medical Underwriting") should be referred to Divisional Offices only if additional ratings for adverse family history become attractable as per the numerical ratings.
- vii. Divisional Office should underwrite, all those proposals coming within the financial limits of Divisional Office (Ref. Chapter III of FPSO, 1960 as amended from time to time) and covered by the apportionment of underwriting powers given above and the Guidelines for DMRs and Managers (NB).

However, proposals with personal history of

- a. Diabetes Mellitus which fall beyond the purview of the underwriting powers of Divisional Offices
- b. Cardio-vascular diseases

should be referred to Zonal Office without being referred to DMR.

- viii. Zonal Office should underwrite all those proposals coming within the financial limits of Zonal Office (Ref. Chapter III of FPSO, 1960 as amended from time to time) and covered by the apportionment of underwriting powers given above.
- ix. However, proposals with sum under consideration in excess of Rs. 25 lakhs with personal history of following impairments should be referred to Central Office by the Zonal Office:
 - a. Diabetes Mellitus - Other than isolated personal history of Non-insulin Dependent Diabetes Mellitus (NIDDM), Gestational Diabetes and Potential Diabetes-attracting EMR more than Class VI

- b. Cardio-vascular diseases such as
 - Complete heart block
 - Left Bundle branch block
 - Rheumatic heart disease
 - Myocardial infarction
 - Coronary Artery by-pass surgery/PTCA
 - c. Kidney failure and Kidney transplantation
 - d. Cancer including malignant tumors, insanity and such other similar impairment
 - e. Any other adverse factors attracting EMR > Class VI.
- x. Proposals with previous policies accepted by DO/ZO/CO should be referred to the respective offices only if the earlier acceptance was with health extra. While doing so, previous policy extract with corresponding proposal number should also be sent. However Zonal offices can underwrite proposals up to sum under consideration of Rs. 15 lakhs whereunder previous proposals were accepted by Central Office with health extra. In such cases, it should be ensured that the EMR class to be charged by the zonal offices is not less than the EMR class charged by the Central Office previously.
 - xi. All proposals requiring facultative reinsurance irrespective of sum assured should be referred to Central Office.
 - xii. All proposals beyond the limit of Zonal Office should be referred directly to Central Office by Divisional Office.
 - xiii. All proposals requiring declinature should be referred to Central Office.

Annexure C

A. Financial Powers for Underwriting have been delegated to select Development Officers.

B. Proposals which can be underwritten by the select Development Officers
:

1. Proposals routed through the automated underwriting engine which will be provided through the E2E portal.
2. Only New Proposals.
3. Proposals with Sum Under Consideration (SUC) up to Rs 5 lacs or upto the plain FMR limit for the particular proposal, whichever is less.
4. Proposals with Total Rated Up Sum Assured(TRSA) up to Rs 15 lacs including insurance taken from any other insurer.

5. Only standard lives. Substandard lives will have to be underwritten by the competent authority at BO/DO/ZO/CO as the case may be.
6. Proposals with standard age proof only.
7. Proposals coming from in force agents of own agency organization only.
8. Proposals for which proposal deposit is available at the Branch Office.
9. Proposals which can be accepted at Ordinary Rates (OR) only.
10. Only earning Major Proponents and Housewives.
11. Proposals where Life Assured and Proposer is the same person.

C. Proposals which cannot be underwritten by the select Development Officers :

1. Proposals not routed through the E2E portal.
2. Revival cases
3. Unit Linked Insurance Plans.
4. Health Insurance Plans.
5. Proposals attracting special reports
6. Proposals with Term rider, Critical Illness rider, Premium waiver benefit, Female Critical Illness Rider, Congenital Disability Benefit. However, proposals with Double Accident Benefit can be processed.
7. Proposals with adverse personal history
8. Proposals with adverse family history attracting EMR
9. Proposals with non-standard age proof.
10. Proposals on the lives of persons with physical deformity
11. Proposals on the lives of NRIs and Foreign Nationals of Indian origin.
12. Proposals on the lives of persons pursuing hazardous occupations / avocations
13. Proposals on the life of a proponent whose earlier proposal has been accepted with an extra premium
14. Proposals on the life of a proponent whose earlier proposal has been withdrawn / dropped/ postponed/ declined
15. Proposals submitted by watch listed agents under their organization
16. Proposals on their own life and of their family members
17. Proposals on the lives of persons whose name appears in the list of banned individual as provided by IRDA from time to time.
18. Proposals with any adverse remark in the proposal form or ACR.
19. Proposals on the lives of persons whose names appear in the "Declined" Master list.
20. Proposals on the lives of widows falling under Female Category III.
21. Proposals which do not conform to the underwriting limits provided to the SBAs
22. Proposals where the MHR is required to be given by an authority higher than a Development Officer.
23. Proposals where insurance cover is sought against educational loans.
24. Any other proposal not covered under "B" above.

These Select Development Officers should ensure that :

1. The proposal is within the underwriting limit provided to SBAs.
2. The proposal is complete in all respects and all manual and mandatory requirements have been complied with prior to completion of the proposals.

3. All the underwriting rules as prescribed by the Office and as laid down vide various circulars issued from time to time, and as per the write-up provided on the portal and updated from time to time are strictly adhered to.
4. Verification of KYC / AML norms is strictly adhered to.
5. Scanning of the proposal papers is done at their offices as per the guidelines prescribed by the Office and uploaded while processing the proposal through E2E portal.
6. Moral Hazard Report by the competent authority wherever necessary, is obtained.
7. On completion of the proposal, the SBA should take a print-out of the status report and hand over a signed copy of the status report along with the proposal papers including age-proof, KYC / AML documents and any other enclosure to the Branch Office within 3 days of the allotment of the policy number.

Failure of the select Development Officer to adhere to these norms will attract withdrawal of this facility and disciplinary action to be decided by Marketing Department.

Precautionary measures need to be taken to ensure that the quality of underwriting is not compromised. Hence,

- a) CRM Department to study the pattern of claims of cases underwritten by select Development Officers.
- b) HOD (NB) is responsible for tracking and ensuring that all (100%) proposal papers are submitted to the Office within 3 days of completion of the proposal.
- c) The Branch in-charge / HOD NB of BO should conduct audit of a minimum of 50% of the cases underwritten by select Development Officers on a day-to-day basis. Any irregularity found should be reported to the Divisional Office immediately by the Branch and brought to the notice of the select Development Officers.
- d) Manager NB at the Divisional Office should also conduct a sample check of at least 20% of the cases done by select Development Officers on HOD visits.
- e) The Audit / Inspection Department should conduct a sample check of proposals underwritten by select Development Officers. Initially, this sample size should be large.

II Signing of Policies

Nature of Power	Authority	Extent of Financial Power (upto and including) Rs.
Signing of Policies	HGA	Full