



Ref: CO/ NB&R/383 /2024

05.08.2024

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

Re : Underwriting guidelines for LIC's Yuva Term (Plan No. 875)

This has reference to Actuarial Department CO Circular Ref: CO/PD/220 dated 05.08.2024 regarding introduction of LIC's Yuva Term (Plan No. 875), Unique Identification Number (UIN) 512N355V01.

The underwriting guidelines for the plan, which is available for sale only through intermediaries, are as under:- .

1. Lives eligible

- a. The plan is allowed to major male lives **having earned income and** major female lives **having earned income and falling in group A(i)** as specified in CO circular ref: NB&R/161/ 2017 dated 03.03.2017.
Housewives are not eligible for this plan.
Pregnant female lives are not eligible for this plan.
- b. The plan is allowed to major Persons with physical disability as mentioned under point 7 of this circular.
- c. The plan is allowed to NRIs as mentioned under point 11 of this circular.
FNIOs are not eligible for this plan.
- d. The plan is allowed to major students under option 1 (Level Sum Assured) only as collateral security against education loan as laid down in CO circular ref: NB&R/144/ 2016 dated 23.11.2016 based on their parents' earned income.
- e. Minimum educational qualification - HSC pass (12th pass) or equivalent.

2. Actual Sum Assured (ASA)

Death Benefit Option I (Level Sum Assured)

The Actual Sum Assured (ASA) under the plan is to be taken as the Basic Sum Assured.

Death Benefit Option II (Increasing Sum Assured)

The Actual Sum Assured (ASA) will depend upon the term of the policy.

a) For Policy Term 15 years

The Actual Sum Assured (ASA) under the plan is to be taken as 150% of the Basic Sum Assured.

b) For Policy Term > 15 years

The Actual Sum Assured (ASA) under the plan is to be taken as 175% of the Basic Sum Assured

3. Sum Under Consideration (SUC)

The Sum Under Consideration (SUC) for the plan will be calculated as per the existing guidelines. For the purpose of calculation of Sum Under Consideration (SUC), the Actual Sum Assured under the Plan is to be taken as stated in point 2 above, depending on the Death Benefit option chosen.

4. Restrictions in view of Covid-19

Restrictions in view of Covid-19 are applicable as per CO circular ref: CO/NB&R/365/2023 dated 27.10.2023 (as amended from time to time).

5. Premium Category

Under this plan 2 categories of premium rates are available:–

- a. Smoker Rate
- b. Non-smoker Rate

The proposer has to choose between the two rates. Proposer, who declares in the proposal form that he /she is a non-smoker and does not consume tobacco product (cigarettes, bidis, cigars, chewable tobacco like gutkha, khaini, flavoured pan masala etc.) in any form, will be required to undergo UCT (Urine Cotinine Test). If the result of the UCT is negative, non-smoker rate will apply. In cases where the UCT is Positive, smoker rate will become applicable.

If a proposer smokes / consumes tobacco product in any form OR has quit smoking / consuming tobacco product in any form during the period of 24 months before the date of proposal, the smoker rate will become applicable and UCT will not be needed.

6. Video MER & Special Reports

Up to age 35 years Basic Sum Assured of 50 lacs with Death Benefit Option 1 (Level Sum Assured) and non-smoker rate is allowed under the plan on the basis of Video MER and UCT (Urine Cotinine Test) subject to the following conditions :-

- a) No health extra is imposed under existing policies under plans 854/ 855/ 954/ 955/ 875/ 876 /877 /878
- b) Education – Graduation and above
- c) BMI is between 17 and 31
- d) There is nothing adverse in the Video MER / proposal form / ACR / MHR except home quarantined for Covid.
- e) Total ASA of previous policies under plans 854/ 855/ 954/ 955/ 875/ 876 /877 /878 issued (based on the DOC) or revived during the period of 2 years prior to the date of the current proposal does not exceed 150 lacs.

f) This is an exclusive life time limit for plans 875/876/877/878 which can be availed only once.

Major students are not eligible for cover on the basis of Video MER and UCT (Urine Cotinine Test)

In respect of proposals which cannot be considered on the basis of Video MER as stated above, special reports based on proposer's age last birthday and the SUC will be required as per the medical grid stated under

SUC / Age (lbd)	18 to 35 years	36 to 45 years
upto 1 Crore	ECG SBT-13 RUA Haemogram HbA1c *UCT	ECG CTMT SBT-13 RUA Haemogram HbA1c *UCT
> 1 Crore to 10 Crores	ECG CTMT SBT-13 RUA Haemogram HbA1c *UCT	ECG CTMT SBT-13 RUA Haemogram HbA1c *UCT
> 10 Crores to 39.99 Crores	ECG CTMT SBT-13 RUA Haemogram HbA1c Anti HCV USG Abdomen & Pelvis 2D Echo *UCT	ECG CTMT SBT-13 RUA Haemogram HbA1c Anti HCV USG Abdomen & Pelvis 2D Echo *UCT
> 39.99 Crores	ECG CTMT SBT-13 RUA Haemogram HbA1c Anti HCV Chest X-Ray USG Abdomen & Pelvis Spot Urine Microalbumin 2D Echocardiogram with Doppler *UCT	ECG CTMT SBT-13 RUA Haemogram HbA1c Anti HCV Chest X-Ray USG Abdomen & Pelvis Spot Urine Microalbumin 2D Echocardiogram with Doppler *UCT

* UCT (Urine Cotinine Test) will be required in case of proposers, who choose non-smoker rate.

Video MER will be compulsorily required along with the special reports. In case of physically handicapped lives Physical MER will be needed. Video / Physical MER and the Special Medical Reports must be conducted by the MSP only. Photo taken through web camera in the Diagnostic Centre at the time of conducting medical reports is to be insisted upon and must contain the date and the time.

7. EMR Class

The plan is allowed to standard and substandard major lives attracting Extra Mortality Rating up to **Class III (Three)**.

Plan is allowed to Non Resident Indians up to EMR Class II (Two).

The plan will be allowed to substandard major students only if the Extra Mortality Rating is on account of being overweight and such Extra Mortality Rating is not greater than **Class III (Three)**.

The plan is allowed to Physically disabled major lives, who are gainfully employed and fulfil the criteria of educational qualification as per point 1 (e) above, provided the physical deformity is not due to any underlying disease and the Extra Mortality Rating for the physical deformity is not greater than **Class II (Two)**. Cases where the Extra Mortality Rating for physical deformity is greater than Class II (Two) should be referred to NB&R Department, Central Office.

Other guidelines related to underwriting of major students and Persons with disability remain unchanged.

8. Age Proof

Standard age proof is a must.

9. Financial Underwriting

For the purpose of financial underwriting, the Actual Sum Assured under the plan is to be taken as stated in point no. 2 above for calculation of the Total Rated up Sum Assured (TRSA).

Income Proof is mandatory irrespective of the TRSA. Since only earned income will be considered for determining the financial viability under this plan, in addition to the Income Proof, Computation of Income (COI) will also be required. For salaried persons either Form 16 (TRACES) or latest 3 months' salary sheets with bank statement showing credit of salary can be submitted in lieu of COI.

Proposal will **NOT** be considered on the basis of Declaration, PFQ (Personal Financial Questionnaire) and CA Certificate. Funding from parents' / spouse's income and additional credit for Special MHR by CM/MM/SDM is **NOT** applicable.

The income criteria for this plan is

Education	Maximum ASA (Actual Sum Assured)	Minimum income needed
HSC pass(12 th pass) or equivalent.	2 Crores	Employees of Govt., PSUs, Public Sector Banks & Insurance Co., Regional Rural Banks & *Top 500 companies – Average earned income 5 lacs p.a. Other salaried individuals – Average earned income 10 lacs p.a. Business individuals – Average earned income 15 lacs p.a.
Graduate and above	No upper limit	Employees of Govt., PSUs, Public Sector Banks & Insurance Co., Regional Rural Banks & *Top 500 companies – Average earned income 3 lacs p.a. Other Salaried individuals – Average earned income 7.5 lacs p.a. Business individuals – Average earned income 10 lakhs p.a.

* List will be provided separately.

The maximum allowable cover is based on the following age related multiples of average earned income for the last 3 years :

Age	Income multiple
Up to 35	25
36-45	20

All other guidelines regarding financial underwriting remain unchanged.

10. **Moral Hazard Report (MHR)**

Spl MHR in form 3251 Annexures 'A' and 'B' (as annexed to CO Circular ref : CO/ NB/ 215/2019 dated 11/10/2019) will be required regardless of the SUC as per the table given below :-

Authority	MHR limit (SUC)
ABM(Sales) / AAO(Marketing) / BM(Sales) / ABM (I/C)	Up to 4 Crores
Branch Manager (I/C) / Sr BM/ Dy Manager / Manager (Bancassurance)	> 4 Crores and up to 5 Crores
Manager Sales / Manager CLIA	> 5 Crores and up to 10 Crores

Marketing Manager / Chief Manager / DM (CLIA) / Sr DM	> 10 Crores
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11. Non Resident Indians & Foreign Nationals of Indian origin

- a. The plan is allowed only to Non Resident Indians in countries falling under Residence group V only on their visit to India.
- b. The plan is not allowed under MOB (Mail Order Business)
- c. The plan is not allowed to FNIO.

Plan is allowed to Non Resident Indians up to EMR Class II (Two) as stated in point 7 of this circular.

All other underwriting guidelines regarding NRIs remain unchanged.

12. Occupation / Avocation

The occupation extra is to be charged as per Annexure – 1 to circular Ref: CO /NB&R /254 /2020 dated 26.05.2020 in respect of lives engaged in hazardous occupations / avocations. The plan is allowed only where the basic occupation and / or avocation extra as per the said Annexure -1 does not exceed Re 1/- per thousand Sum Assured.

13. Rating up factor for standard extras

The rating up factors for standard extras like occupation/ avocation extra applicable to the plan for limited premium payment and Single Premium mode are stated in Annexure – I.

14. Keyman Insurance / Partnership Insurance / Employer Employee scheme

The plan is allowed under Keyman Insurance, Partnership Insurance and Employer-Employee Scheme.

15. KYC/PMLA

KYC / PMLA norms are to be strictly adhered to.

16. Underwriting Authority

All proposals under the plan will be **underwritten at Divisional Office or higher offices** as per the Financial Powers Standing Order, 1960 as amended from time to time.

No proposal under this plan will be underwritten at Branch Office / Satellite Office.

All other underwriting guidelines remain unchanged.

17. Reinsurance

There will be a separate independent retention limit of 30 lacs for standard lives and 20 lacs for sub-standard lives.

The facultative reinsurance will be required under this plan as follows :-

Without any previous cover under plans 854/ 855/ 954/ 955/ 875/ 876 /877 /878

Standard Lives / Sub-standard lives – Current proposal ASA > 2 Crores

With previous cover under plans 854/ 855/ 954/ 955/ 875/ 876 /877 /878

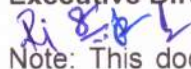
- a. Previous *cover without health extra and currently standard / sub-standard – Current proposal ASA > 2 Crores or *TRSA > 7 Crores
- b. Previous *cover with any health extra – All cases

*** Under plans 854/ 855/ 954/ 955/ 875/ 876 /877 /878 only**

Proposals requiring Facultative Reinsurance should be referred to NB&R Dept, CO.

The above underwriting instructions come into force w.e.f. 06.08.2024.


Executive Director (New Business & Reinsurance)


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