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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 /66/ 2012

3<sup>rd</sup> February, 2012

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: Non-Resident Indians and Foreign Nationals of Indian origin**

The underwriting rules regarding Non-Resident Indians and Foreign Nationals of Indian origin have been reviewed, the details of which are as under :-

*NON - RESIDENT INDIANS*

### **1. Reclassification of countries**

It has been decided to reclassify the countries into seven groups as against the existing eight groups. The reclassification of countries has been done in view of the changing geopolitical/ economic scenario prevailing in different countries. The reclassified groups are given in Annexure "A". The residence extra to be charged, plans allowed, maximum sum assured allowable to each group and other underwriting rules are also given in Annexure "A"

### **2. Increase in the maximum sum assured**

It has been decided to Increase the maximum rated up sum assured allowed to revised residence groups IV to Rs 50 lacs and group V & VI to Rs 100 lacs. The maximum allowable sum assured under all other residence groups remains unchanged. The maximum allowable sum assured to each of the revised residence groups is given in Annexure

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### **3. Non-Medical scheme**

Due to reclassification of the countries the Non-Medical (Special) scheme to NRIs and the Exclusive Non-Medical scheme for single premium plans will now be applicable to NRIs residing in the revised residence groups V, VI and VII. Term Rider Benefit and Premium Waiver Benefit will be allowed under the Non-Medical (Special) scheme to residents of Group VII countries only.

### **4. Juvenile lives and housewives**

As per the existing practice juvenile lives and housewives residing in countries falling under Group VIII only were being allowed insurance. It has been decided to allow insurance cover to juvenile lives and housewives residing in countries falling under revised residence groups V & VI also in addition to revised Group VII subject to the maximum sum assured limits as applicable to the respective residence groups and within the normal limits of the maximum sum assured applicable to housewives and juvenile lives.

For juvenile lives the same manual medical and special report chart as applicable to Indian juvenile lives is to be followed.

### **5. Persons allowed to witness the proposal form**

It has been decided to allow employers in respect of employed proponents and bankers where the proponent has his bank account to witness the proposer's signature in respect of Mail Order business in addition to the persons allowed to witness the proposal form as per our Ref: Actl/1923/4 dated 19<sup>th</sup> December, 2003. All other rules for Mail Order business as outlined in our circular Ref: Actl/1923/4 dated 19<sup>th</sup> December, 2003 will remain unaltered.

## *FOREIGN NATIONALS OF INDIAN ORIGIN*

### **1. Reclassification of countries**

The reclassification of groups and the other underwriting rules as given in Annexure "A" are applicable to Foreign Nationals of Indian origin also.

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## **2. Plans of assurance**

As per the existing practice joint life plans, plans having high term insurance element, pure term insurance plans and pension plans were not being allowed to Foreign Nationals of Indian origin. It has now been decided to allow all plans of assurance to Foreign Nationals of Indian origin including joint life plans and plans having high term insurance element. However pure term insurance plans like Table Nos. 43, 52, 58, 164 & 190 and pension plans will not be allowed.

## **3. Maximum sum assured**

Foreign Nationals of Indian origin may be treated on par with NRIs regarding maximum sum assured that can be granted as mentioned against the respective groups mentioned in Annexure "A".

## **4. Non-Medical scheme**

As per the prevailing practice the Non-medical scheme was not applicable to Foreign Nationals of Indian origin and medical examination was mandatory.

It has been decided to allow Non-Medical (Special) scheme and Exclusive Non-Medical scheme for single premium plans (as applicable to NRIs) to Foreign Nationals of Indian origin also residing in countries falling in the revised residence groups V, VI and VII. The same rules as applicable to NRIs will apply to Foreign Nationals of Indian origin also.

## **5. Juvenile lives and housewives**

Presently our rules are silent about granting insurance cover to juvenile lives and housewives (FNIOs) and such cases are being referred to Central Office for underwriting. It has been decided to allow insurance cover to juvenile lives and housewives residing in countries falling under revised groups V, VI and VII subject to the maximum sum assured limits as applicable to the respective residence groups and within the normal limits of the maximum sum assured applicable to housewives and juvenile lives.

For juvenile lives the same manual medical and special report chart as applicable to Indian juvenile lives is to be followed

## **6. Term Rider Benefit and Premium Waiver Benefit (to proposers in the case of minor lives)**

It has been decided to allow Term Rider benefit and Premium Waiver Benefit (to proposers in the case of minor lives) to Foreign Nationals of Indian origin

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residing in the revised Group VII countries only. The same rules as applicable to NRIs for grant of the above riders will apply to Foreign Nationals of Indian origin also. No riders are to be allowed to Foreign Nationals of Indian origin residing in Group I to Group VI countries except accident benefit rider.

## **7. Health Insurance**

It has been decided to allow health insurance i.e. T-902-Health Protection Plus and T-903 – Jeevan Arogya to Foreign Nationals of Indian origin on par with NRIs. The same rules as applicable to NRIs will apply to Foreign Nationals of Indian origin also.

## **8. Mail Order business**

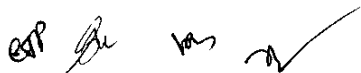
Mail order business will not be allowed to Foreign Nationals of Indian origin as per the existing practice.

## **Proposals from NRIs and Foreign Nationals of Indian origin residing in the remaining countries**

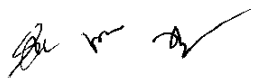
- a) Proposals from NRIs and Foreign Nationals of Indian origin residing in countries other than those mentioned under any of the groups (I to VII) of Annexure "A" should be sent to the Underwriting & Reinsurance department, Central Office for individual consideration.

## **General Points to be considered while allowing insurance cover to NRIs as well as Foreign Nationals of Indian origin residing in all the seven residence groups.**

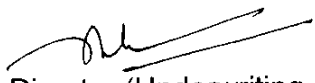
- i. The residence ratings against the residence groups mentioned in Annexure "A" are to be applied to Class I occupations such as managerial, skilled, high paying desk job type of employment with proof of employment etc.
- ii. Proposals for high sum assured (above Rs 25 lacs) will be considered only from persons employed in Class I occupations.
- iii. Residence ratings for Class II occupations such as semi-skilled, unskilled labour, highly paid jobs involving significant manual labour or high occupational risk, excessive travelling or low paying jobs, will be 1.5 times the residence extra for the residence groups.
- iv. Proposals from proponents attracting health extra of Class III and above and with class II occupations are to be regretted.

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- v. Residence extras mentioned in Annexure "A" are to be rated up according to the plan and term proposed for on the same lines as other standard extra like occupation extra etc. Similarly the factors to be used for the purpose of calculating equivalent residence extra premiums where mode of payment is single premium or limited payment are the same as other standard extras like occupation extras etc.
- vi. Proposals from residents of Libya, Syria are to be postponed till further instructions.
- vii. NRIs as well as Foreign Nationals of Indian origin are to be treated on par with resident Indians for the purpose of calling for income proof as mentioned in circular Ref: Actuarial /CUS/2104/4 dated 6<sup>th</sup> March, 2007. However copies of bank passbook indicating credit of at least 3 months' salary must be submitted alongwith salary certificate or employment contract whenever salary certificate or employment contract are submitted as income proof.
- viii. Only individual insurance is to be allowed. Keyman insurance, Employer Employee cover / business covers may not be allowed to NRIs as well as Foreign Nationals of Indian origin.
- ix. With our economy growing and opportunities in India increasing some NRIs and Foreign Nationals of Indian origin are relocating to India. As such if the proponent is staying in India for a period of at least one year and intends to continue to stay in India, he/she will be treated on par with resident Indians for the purpose of grant of insurance.
- x. If it is observed that the proposer frequently visits countries falling in Group I to Group VI, then Travel and Residence questionnaire as per Annexure "B" may be obtained. If the period of stay in a country falling in residence groups I to VI is more than 3 months in a year residential guidelines applicable to that country may be followed. Residence extra should not be charged for occasional visits.
- xi. At present certain plans like Bima Bachat (T-175) are considered without calling for medical examination. We may clarify that Bima Bachat plan can be allowed to NRIs as well as Foreign Nationals of Indian origin without calling for medical examination. All other rules for underwriting of Bima Bachat plan remain unaltered.
- xii. Critical Illness Rider will not be allowed to NRIs / Foreign Nationals of Indian origin.

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All other underwriting rules remain unchanged. This circular comes into force with immediate effect.

  
Executive Director (Underwriting & Reinsurance)

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