

nightclub or an enforcer in a liquor bar or the 'bodyguard' of a businessman with suspected criminal links. Again the job profiles of certain individuals like superstar entertainers may lead them to heady intoxicating lifestyles, which sometimes come to tragic ends.

- g) **Lifestyle and habits** Lifestyle and habits are terms, which cover a wide range of individual characteristics. Generally the agents' confidential reports and moral hazard reports are expected to mention if any of these characteristics are present in the individual's lifestyles, which suggest exposure to risk. In particular three features are important:
 - i. **Smoking and tobacco use:** It has now been well recognised that use of tobacco is not only a risk in itself but also contributes to increasing other medical risks. Companies charge differential rates today for smokers and non-smokers with the former having to pay much higher premiums. Other forms of tobacco usage like gutkha and paan masala may also attract adverse mortality ratings.
 - ii. **Alcohol:** Drinking alcohol in modest quantities and occasionally is not a hazard. It is even an accepted part of social life in many countries. However when it is regularly consumed in excess for a long time it can have a significant impact on mortality risk. Long term heavy drinking can impair liver functioning and affect the digestive system. It can also lead to mental disorders.

Alcoholism is also linked with accidents, violence and family abuse, depression and suicides. Where the proposal form indicates use of alcohol, the underwriter may call for further details and decide on the case depending on the extent of usage and any complications that are indicated to have been caused as a result.

- iii. **Substance abuse:** Substance abuse refers to the use of various kinds of substances like drugs or narcotics, sedatives and other similar stimulants. Some of these are even illegal and their use indicates criminal disposition and moral hazard. Where substance abuse is suspected, the underwriter may need to call for a number of tests to check the abuse. Insurance is often declined in such cases.

Medical underwriting

Let us now consider some of the medical factors that would influence an underwriter's decision. These are generally assessed through medical underwriting. They may often call for a medical examiner's report. Let us look at some of the factors that are checked.

a. Family history

The impact of family history on mortality risk has been studied from three angles.

- i. **Heredity:** Certain diseases can be transmitted from one generation to another, say from parents to children.
- ii. **Average longevity of the family:** When the parents have died early on account of certain diseases like heart trouble or cancer, it may be a pointer that the offspring may also not live long.
- iii. **Family environment:** Thirdly, the environment in which the family lives can cause exposure to infection and other risks.