



LIFE INSURANCE CORPORATION OF INDIA
(Established by the Life Insurance Corporation Act, 1956)
Registration Number: 512

LIC's One Year Renewable Group Micro Term Assurance Plan (UIN: 512N335V01)
(A Non-Par, Non-Linked, Group Pure Risk, Life Micro Insurance Plan)

PART – A

Ref: NB

Address & Email of P&GS Unit Office:

Date:

Dear Master Policyholder,

Re: Your Master Policy No. _____

We have pleasure in forwarding herewith the above policy document comprising of Part A to Part G alongwith Customer Information Sheet (CIS).

We would also like to draw your kind attention to the information mentioned in the Schedule of the policy and the benefits available to each Member under the Policy.

Free Look Period

We would request you to go through the terms and conditions of the Policy and in case you disagree with any of the terms and conditions, you may return the Policy within a period of 30 days from the date of receipt of the electronic or physical mode of policy document, whichever is earlier, stating the reasons of your objections. On receipt of the policy we shall cancel the same and the amount of premium deposited by you shall be refunded to you after deducting the **proportionate risk premium for the period of cover and stamp duty charges.**

In case you have any Complaints/Grievance, you may approach the P&GS Unit office on the address mentioned above or Grievance Redressal Officer/Ombudsman, whose address is as under:

Address of Grievance Redressal Officer:

Address and contact details of Insurance Ombudsman:

If you find any errors in this document, you may return this Policy for corrections.

Thanking you.

Yours faithfully,

p. Manager (P&GS)

Agent's/ Intermediary's Code	Agent's/ Intermediary's Name	Agent's/Intermediary's Mobile Number/ Landline Number

We would also like to draw your attention to the following aspects:

- 1) Change of Address: In case there is any change in your address, kindly ensure that the change in address is informed to the servicing P&GS Unit.
- 2) Nomination: Nomination should be in accordance with the provisions of Section 39 of the Insurance Act, 1938, as amended from time to time. The current provisions of Section 39 are enclosed as Annexure-1 for reference.
- 3) Master Policyholder is required to intimate the insurer, about the happening of the insured event resulting into a claim under the insurance policy, at the earliest possible time.
- 4) Section 45 of Insurance Act, 1938: The current provisions of the same are enclosed as Annexure-2.
- 5) The relevant details of Members joining this Policy during the Policy Term shall be submitted as specified under condition 5(iv) of part F of this Document. Sufficiency of deposit needs to be ensured to adjust the premium in respect of such Employees/Members.
- 6) Various Sections of the Insurance Act, 1938, applicable to LIC to apply as amended from time to time
- 7) The approved version of Policy Document in respect of this plan is available on our website: www.licindia.in.
- 8) For Customer Services, you can contact LIC call centre at +91-022 68276827 whose services are available 24*7 in English, Hindi and 8 Regional Languages

These measures will enable us to serve you better.

Preamble

THE LIFE INSURANCE CORPORATION OF INDIA (hereinafter called “the Corporation”) having received a Proposal along with Declaration and the first premium from _____ whose office is situated at _____ (hereinafter called "the Master Policyholder”), being the policyholder for this group micro insurance policy for providing benefits as described in the Scheme Rules of the aforesaid LIC’s One Year Renewable Group Micro Term Assurance Plan (certified copy of which Scheme Rules has been furnished to the Corporation by the Master Policyholder), which Rules together with the aforesaid proposal are hereby declared to be the basis of this policy.

The Master Policyholder has also furnished to the Corporation required data/ statements as asked for by the Corporation completed and signed by the Master Policyholder and by the persons for whose benefit the Assurance hereunder are being effected.

The Master Policyholder has further agreed to pay the premiums as required in accordance with the provisions hereof and to furnish such statements and information as is material to the contract as may be required by the Corporation which statements and information together with the application, Rules and all statements referred above and any other statements or information already furnished and to be furnished by the Master Policyholder as provided hereunder giving all the variations in the particulars of the Members in so far as such variations have any bearing on the Assurances effected hereunder from time to time, the Master Policyholder have agreed, shall be and are hereby declared to be the basis of this Policy AND WHEREAS the Corporation has received an amount of Rs. _____ being the premium due on the Date of Commencement of this Policy in respect of the Assurances effected hereunder, on the lives of persons, being the total eligible members of the group, for the total Sum Assured of Rs.....

It is hereby also declared that this policy shall be subject to the Definitions, Premiums and Benefits, Conditions related to Servicing Aspects and Other Terms and Conditions and Statutory Provisions printed on the back hereof and the following Schedule and every endorsement placed on the policy by the Corporation shall be deemed to be a part of this Policy.

SCHEDULE

DIVISIONAL OFFICE:		P&GS UNIT OFFICE:
1.	Policy Number:	
2.	Proposal No	
3.	Date of Commencement of Policy	
4.	Name of the Master policyholder	
5.	Registered Address of Master policyholder	
6.	Name of the scheme	
7.	Type of group	Employer-Employee/ Non-Employer-Employee
8.	Whether the Master Policyholder is a Financial Institution*	Yes /No
9.	Entry age	Minimum entry age :18 years (last birthday) Maximum entry age :-----years (nearer birthday)
10.	Maximum insurance Cover ceasing age	---- years(nearer birthday)
11.	Death Benefit	Basic Sum Assured in respect of each Member as per Scheme Rules.
12.	Frequency of Premium payment	
13.	Annual Renewal Date	
14.	Premium Due Date	
15.	Policy Term	Annually renewable

Details of Rider Opted:

Rider Opted	UIN	Rider Sum Assured

Note: Conditions of the rider opted for are enclosed as endorsement to this Policy Document.

Signed on behalf of the Corporation at the above mentioned Branch P&GS Unit, whose address and e-mail ID is given on the first page and to which all communications relating to the policy should be addressed.

* Note: Conditions mentioned under Para - 10 of F (Other Terms and Conditions) shall only apply if the Master Policyholder is a Financial Institution .

Date:

Examined by:

Form No.:

p. Manager (P&GS)

PART – B: DEFINITIONS

The definitions of terms/words used in the policy document are as under:

1. **Accident** is a sudden unforeseen and involuntary event caused by external violent and visible means.
2. **Age** is the age nearer birthday of the Member on the Entry Date except for age 18 years for which the age is in completed years.
3. **Appointee** is the person to whom the proceeds/benefits secured under the Policy are payable if the benefit becomes payable to the nominee and nominee is minor as on the date of claim payment.
4. **Assignee** is the person to whom the rights and benefits are transferred by virtue of an Assignment.
5. **Assignment** is the process of transferring the rights and benefits to an "Assignee". Assignment should be in accordance with the provisions of Section 38 of Insurance Act, 1938, as amended from time to time.
6. **Annual Renewal Date** is the date on which the policy will be renewed in each subsequent year and as mentioned in the policy schedule.
7. **Basic Sum Assured** means the amount in respect of each Member as specified in Certificate of Insurance as per the Scheme Rules.
8. **Beneficiary** means the person(s)/ entity who is/ are entitled to receive the benefits under this policy. The Beneficiary to whom the benefits are payable is the nominee(s) under Section 39 of the Insurance Act, 1938 as amended from time to time or the beneficiary or proved Executors or Administrators or other Legal Representatives who should take out representation to his/her Estate or limited to the moneys payable under this Policy from any Court of any State or Territory of the Union of India.
9. **Certificate of Insurance** means a document issued to individual Members of Master Policyholder which contains the important terms and conditions of the policy. The Certificate of Insurance is applicable for Non employer-employee group only.
10. **Continued Insurability** is the determination of insurability of each of the Members covered on revival of policy, to satisfaction of the Corporation based on the information, documents and reports that are already available and any additional information in this regard if and as may be required in accordance with the Underwriting Policy of the Corporation at the time of revival.
11. **Corporation** means the Life Insurance Corporation of India established under Section 3 of the LIC Act, 1956.
12. **Cost and Benefit Schedule** includes the details of all the members showing the level of insurance cover and the corresponding premium in respect of each member covered under the scheme.
13. **Credit Account statement:** It is the document in respect of each member under Non-Employer-Employee group where the Master Policyholder is a Financial Institution containing the information such as name of the Master policyholder, Master Policy number, name of member, Date of Commencement of Risk, Sum Assured, Original amount of loan, particulars of recoveries made by the Master policyholder towards the loan, Outstanding Loan Balance as on the date of happening on a contingent event covered under the policy, balance claim Amount (difference between the Sum Assured and Outstanding Loan Balance) payable to the beneficiary/ nominee of the deceased member in case of death.
14. **Date of commencement of policy** is the start date of this policy.
15. **Death Benefit** means the benefit, which is payable on death of a member as specified in this Policy Document.
16. **Due Date** means a fixed date on which the policy premium is due and payable by the Master Policyholder.
17. **Entry Date** in respect of a Member is the date on which he/ she joins the scheme after receipt of premium in respect of that Member. It means (a) in relation to original Members, the Date of Commencement of Policy and (b) in relation to new Members admitted to the Scheme after the Date of Commencement of Policy, the date of their joining the Scheme after the payment of premium.
18. **Endorsement** is the conditions attached /affixed to this Policy incorporating any amendments or modifications agreed to or issued by the Corporation and forming part of the contract.
19. **Free Look Period** is the period of 30 days starting from the date of receipt of the electronic or physical mode of Policy Document/ Certificate of Insurance, whichever is earlier, by the Master policyholder/ Member to review the terms and conditions of this policy and where the Master Policyholder/Member disagrees to any of those terms and conditions, he/ she has the option to return this policy stating the reasons of objections, as detailed in Condition 7 of Part D of this Policy

Document

20. **Grace Period** is the time granted by the insurer from the due date for the payment of premium, without any penalty or late fee, during which time the policy is considered to be in-force with the risk cover without any interruption.
21. **In-force Policy** means a policy in which all the due premiums have been paid and the premiums are not outstanding beyond grace period.
22. **IRDAI** means Insurance Regulatory and Development Authority of India earlier called Insurance Regulatory and Development Authority (IRDA).
23. **Lapse** is the status of the Policy when due premium is not paid within the grace period.
24. **Material information** is the information already known to the Individual Member at the time of obtaining a policy which has a bearing on underwriting or acceptance relevant to the individual Member as well as group.
25. **Maturity Benefit** means the benefit, which is payable on maturity, as specified in Condition 2 of Part C of this Policy Document.
26. **Master Policyholder** is the institution which has entered into a contract with the Corporation for providing insurance cover to Members of this policy. It is a legal owner of this policy.
27. **Member** is an eligible individual who is allowed by Master Policyholder to the benefits of this Policy i.e. on whose life an insurance cover has been affected according to the Scheme Rules.
28. **Nomination** is the process of nominating a person(s) who is (are) named as “Nominee” by the Member at inception or subsequently included/changed by an endorsement. Nomination should be in accordance with provisions of Section 39 of the Insurance Act, 1938 as amended from time to time.
29. **Nominee(s)** means the person(s) nominated by the Member covered under this policy who is (are) authorised to receive the claim benefit payable in respect of that Member under this policy and give a valid discharge to the Corporation on settlement of the claim.
30. **Non-Parpolicy** means the policies which are not entitled for any share in surplus (profits) during the term of the policy. Under such non-participating policies, the benefits payable on death are guaranteed and fixed as per the terms and conditions of the policy. **Policy/ Policy Document** means this **document along with endorsements**, if any, issued by the Corporation which is a legal contract between the Master Policyholder and the Corporation.
31. **Policy term** is the period, in years, from the Date of commencement of policy during which the contractual benefits are payable as per the terms and conditions of the policy.
32. **Premium** is the contractual amount payable by the Master Policyholder to secure the benefits under the policy. The term ‘Premium’ used anywhere in this Policy Document does not include any taxes, which is payable separately.
33. **Proposer** is a person who proposes the life insurance proposal.
34. **Pure risk products** means insurance products (without any savings element) where the payment of agreed amount is assured on the happening of death of the life assured within the term of the policy.
35. The **Register** shall mean the Register of Members kept by the Corporation which Register shall be deemed to be incorporated in and to form part of this policy.
36. **Revival of policy** means restoration of the policy, which was discontinued due to the non payment of premium within the Grace Period by the Master Policyholder with all the benefits mentioned in this policy document upon the receipt of all premium due and other charges or late fee, if any, as per the terms and conditions of the policy upon being satisfied as to the Continued Insurability (as defined above) of the Members on the basis of information, – documents and reports furnished by the Master policyholder/ Members, in accordance with the then existing underwriting guidelines.
37. **Revival Period** means the period of three consecutive months from the date of first unpaid premium, during which period the policyholder is entitled to revive the policy which was discontinued due to the non-payment of premium.
38. **Rider** is an additional cover which can be opted for along with this Policy.
39. **Schedule** is the part of policy document that gives the specific details of – policy contract.
40. **Scheme** refers to the name of Master Policyholder covered under this policy. For example, “X” LIC’s One Year Renewable Group Micro Term Assurance Scheme, where X is the name of the Master Policyholder.
41. **Scheme Rules / Rules** means the Rules of the Scheme, for the time being in-force and as amended from time to time, governing the details of benefit structure, timing of benefit payments, eligibility conditions and other terms and conditions specific to the Scheme.
42. **Sum Assured on Death** means an absolute amount of benefit which is guaranteed to become payable on death of a Member in accordance with Scheme Rules for in-force policy.

43. **Surrender** means complete withdrawal or termination of the entire policy before expiry of policy term in accordance with the provisions of the policy document.-
44. **Surrender Value** means an amount, if any, that becomes payable in case of surrender.-
45. **Total Premiums paid** means the total of all premiums received during the policy year, excluding any extra premium, rider premium, if any and taxes.
46. **UIN** means the Unique Identification Number allotted to this Plan by the IRDAI.
47. **Underwriting** is the term used to describe the process of assessing risk and ensuring that the cost of the cover is proportionate to the risks faced by the individual concerned. Based on underwriting, a decision on acceptance or rejection of cover as well as applicability of suitable premium or modified terms, if any, is taken.

PART – C: BENEFITS

The following benefits are payable under an in-force policy:

1. **Death Benefit:**

On death of the Member during the policy term provided the policy is in-force, **Sum Assured on Death** shall be payable as per the Scheme Rules.

Where “**Sum Assured on Death**” is defined as higher of Basic Sum Assured or 7 times of annualised Premium (excluding taxes, extra premium, rider premiums, and loadings for modal premiums).

This death benefit shall not be less than 105% of Total Premiums Paid upto the date of death. . “**Total Premiums Paid**” means the total of all premiums paid under the Base product excluding any extra premium and taxes, if collected explicitly

In case of death (other than Accidental death) of a Member within 30 days from the date of commencement or date of revival of the policy or date of entry of the Member into the Scheme, whichever is later, 80% of the total premiums paid during the current policy year in respect of that Member shall be payable. This provision mentioned above shall be applicable for all the schemes under Non-Employer-Employee groups and only for Employer-Employee groups where participation is voluntary.

The “**Sum Assured on Death**”, shall become payable directly to the nominee (s)/ beneficiary(ies). In case the insurance is effected to cover the outstanding loan balance amount by the Financial Institution who is the Master Policyholder, the part of the claim proceeds will be utilized to repay the loan to the Master policyholder and the balance amount, if any, shall be paid to the nominee(s)/ beneficiary.

Apart from the Benefits mentioned above, the Corporation shall not pay any other Benefits.

Note: The Total Sum Assured under all in-force policies issued to a Member under all versions of this plan shall not exceed Rs 2 Lakh.

2. **Maturity Benefits:**

No Survival/ Maturity benefit shall be payable under this policy.

3. **Payment of Premiums:**

The premiums payable for the insurance cover in respect of the Member on the Entry Date and subsequent Annual Renewable Dates shall depend on the size and risk characteristics of the Scheme.

The total premium payable at commencement and subsequent renewals shall be equal to the sum of premium in respect of individual Members of the group. The premium rates applicable on the Date of Commencement of Policy shall be ascertained from the Premium rates furnished separately and according to the amount of **Sum Assured on Death** and the age nearer birthday of the Member. However, on each Annual Renewable Date the premium rates applicable at that time may vary depending upon the mortality experience of the scheme and size of the group. The Corporation shall furnish separately, the applicable premium rates to the Master Policyholder on each Annual Renewal Date.

The premiums paid shall cover the death benefit for the Member for the period in respect of which it is paid and no further.

Premium under this Policy being normally payable annually, in case the Master Policyholder choose to pay premiums under any other mode viz. monthly, quarterly or half-yearly, the Master Policyholder will not be entitled to discontinue the payment of premium on any date other than the Annual Renewal Date for continuity of the risk cover. In case of death of Life Assured under an in-force policy wherein all the premiums due till the date of death have been paid and where the mode of payment of premium is other than yearly, balance premium(s), if any, falling due from the date of death and before the end of that policy year, shall be deducted from the claim amount.

Upon non-payment of premium within the grace period the Policy shall be treated as lapsed and nothing shall be payable in the event of death of a member.

However, in case of failure of the Master Policyholder to account for the business to the insurer, if premium was paid by the member and proper receipt is produced to the satisfaction of the Corporation, the risk cover shall be available in respect of that Member. In such cases, the settlement of claim will be net of any outstanding premium not received by the Corporation along with interest on such premium not paid to the Corporation.

4. Proportionate premium for new entrants:

In respect of Members admitted to the benefits of this Policy on any date other than the Date of Commencement or an Annual Renewal Date, a proportionate Premium shall be payable immediately, determined on the basis of the yearly premium per Member (as detailed in Condition 3 above) for the period from the Entry Date to the next Annual Renewal Date reckoned in the months, the fraction of a month being treated as one month subject to a minimum of 6 months premium being charged.

5. Grace Period:

A grace period of 30 days from due date of premium will be allowed for payment of premiums for half-yearly and quarterly mode of premium payment. For monthly mode of premium payment, the grace period shall be 15 days For annual modes of premium, there will be no grace period. In case if death of any Member occurs during the grace period, the **Sum Assured on Death** in respect of that Member shall be payable after deduction of due but unpaid premium if any, falling due from the date of death and before the next policy anniversary.

Upon non-payment of premium after the grace period the Policy shall be treated as lapsed and nothing shall be payable in the event of death.

PART – D: CONDITIONS RELATED TO SERVICING ASPECTS

1. Proof of Age :

The premium having been calculated on the age of the Member as provided by the Master policyholder, in case the age is found higher than such age, without prejudice to the Corporation's other rights and remedies, including those under the Insurance Act, 1938, as amended from time to time, the premium shall be payable in such case at the rate calculated on the Sum Assured on Death for the correct age at entry, and the accumulated difference between the premium for the correct age and the original premium, from the commencement of the Policy upto the date of such payment shall be paid to the Corporation with interest at such rate as fixed by the Corporation from time to time, however, that in case the Member/ proposer continues to pay the premium at the rates shown herein, and also does not pay the above mentioned accumulated debt, the accumulated difference between the premium for the correct age and the original premium from the commencement of this Policy upto the date on which the Policy becomes a claim, with interest on each instalment of such difference at such rate as may be prevailing at the time of claim, shall accrue and be treated as a debt due by the Member / Proposer against the said Policy and will be deducted from the Policy moneys payable on the Policy becoming a claim.

Provided further that if the Member's correct age at entry is such as would have made him/her ineligible for the terms of assurance specified in the said Schedule hereto, the Corporation has the right to terminate the Member's benefits and amount payable shall be as per the provisions of Section 45 of Insurance Act 1938, as amended from time to time.

2. Forfeiture in certain events:

In case any conditions herein mentioned or any endorsements made hereto shall be contravened or in case it shall hereafter appear that an untrue, or incorrect statement is contained in the proposal, declaration, lists or statements already furnished or to be furnished to the Corporation by the Member or the Master Policyholder in accordance with the provisions hereof or otherwise in respect of the Assurance effected or to be effected hereunder or that any of the matters set forth or referred to in such proposal, declaration, lists or statements have not been truly and fairly stated or that any material information has been suppressed or withheld, then and in every such case but subject to the provisions of Section 45 of the Insurance Act 1938, as amended from time to time wherever applicable, the benefits under this Policy, in so far the same relate to the Member or Members in respect of whom such contravention of conditions or suppression or withholding of material information takes place or such untrue or incorrect statement has been made either by the Member himself or by the Master Policyholder, shall be void and the relative Assurances shall cease and be determined and all claims to any benefits in respect of the Assurances shall be subject to the provisions of Section 45 of the Insurance Act 1938, as amended from time to time.

3. Revival of policy:

If the Master Policyholder does not pay the premiums within the grace period, the policy shall be treated as lapsed. Lapsed policy may be revived within a period of 3 months from the date of first unpaid premium or the next Annual Renewal Date, whichever is earlier, on payment of arrears of premium together with interest (compounding half-yearly) at such rate as may be prevailing at the time of payment on submission of members' data and other documents as stipulated by Corporation. The revival shall be as per the Underwriting Policy in respect of this plan.

The Corporation reserves the right to accept or decline the revival of a lapsed policy. The revival of a lapsed policy shall take effect only after the same is approved, accepted and revival receipt is issued.

The rate of interest applicable for revival under this product for every 12 months' period from 1st April to 31st March shall not exceed 10 year G-sec rate p.a. compounding half yearly as at the last trading day of previous financial year plus 300 basis points. For the period of 1st April, 2024 to 31st March, 2025, the interest rate applicable for revival is 9.50% p.a..

Any change on basis of determination of interest rate for revival shall be done only after prior appropriate approval.

4. Surrender Value:

No Surrender Value shall be available under this plan.

In case of surrender of the group policy by the Master Policyholder, the insurance cover of an individual Member shall be continued for the period towards which premiums have already been paid before date of surrender for the Member who expressly convey to continue the policy/ cover in writing.

5. Policy Loan:

No loan shall be available under this plan.

6. Termination of Insurance Cover:

The insurance cover of a Member shall terminate on the happening of any of the following events:

- a) Discontinuance of payment of premium after Grace Period
- b) On non-payment of premium on or before Annual Renewal Date
- c) On ceasing the group membership of a Member
- d) On death of the Member
- e) On reaching maximum cover ceasing age
- f) On surrender of policy by Master Policyholder
- g) On payment of free look cancellation amount.

7. Free look period:

(i) Applicable to Master Policyholder:

If the Master Policyholder is not satisfied with the "Terms and Conditions" of the policy, the policy may be returned to the Corporation within 30 days from the date of receipt of the electronic or physical

mode of Policy Document, whichever is earlier, stating the reasons for objections. On receipt of the same, the Corporation shall cancel the policy and refund the amount of premium deposited after deducting the proportionate risk premium for the period of cover, and charges for stamp duty.

(ii) Applicable to Member:

If the Member is not satisfied with the “Terms and Conditions” of the Certificate of Insurance, the Certificate of Insurance may be returned to the Corporation through the Master Policyholder within 30 days from the date of receipt of the electronic or physical mode of Certificate of Insurance, stating the reasons for objections. On receipt of the same, the Corporation shall cancel the Certificate of Insurance and refund the amount of premium deposited after deducting the proportionate risk premium for the period of cover, and charges for stamp duty. The Life Insurance cover shall be terminated for the Member on payment of Free Look cancellation amount.

PART E

Not Applicable

PART – F: OTHER TERMS AND CONDITIONS

1. Nomination:

Nomination by a Member is allowed as per Section 39 of the Insurance Act, 1938 as amended from time to time. The current provisions of Section 39 are contained in Annexure-1 of this policy document. The Master Policyholder shall obtain the nomination details in respect of all the Members covered under this policy and ensure that the requisite nominations are updated in their records on a regular basis. The Master Policyholder shall provide the necessary information to the Corporation regarding nomination in respect of all the Members covered to the P&GS Unit of the Corporation where this policy is serviced. The Master policyholder shall certify the correctness of the nomination made by the members. In registering nomination the Corporation does not accept any responsibility or express any opinion as to its validity or legal effect.

2. Assignment:

Assignment shall be as per Section 38 of the Insurance Act, 1938 as amended from time to time. The current provisions of Section 38 are contained in Annexure-1 of this policy document.

In respect of Non Employer – Employee Group Insurance, Assignment shall be as per the IRDAI Master Circular on Operations and Allied Matters of Insurers Ref : IRDAI / PPGR / CIR / MISC / 97/06/2024 dated 19th June 2024 and any subsequent circular issued by IRDAI in this regard. The Circulars are available on IRDAI’s website IRDAI.gov.in Currently, as per the above mentioned circular, in respect of Non Employer – Employee Group Insurance, claim payment can be made in the name of Master Policyholder, in case the Master Policyholder is a Financial Institution in whose favour there is a valid assignment to the extent of outstanding loan.

In cases other than where the Master Policy holder is a Financial Institution, the benefits payable under this policy are strictly personal and cannot be assigned, charged or alienated in any way by the Member or the beneficiaries.

3. Suicide clause:

In case of death of a Member (whether sane or insane) due to suicide, at any time within 12 months from the date of commencement or date of revival of the policy or date of entry of the Member into the scheme, whichever is later, nominee or beneficiary of the Member shall be entitled to 80% of the total premiums paid (excluding extra premium and taxes if collected explicitly)during that policy year in respect of that Member, provided the policy is in-force. If the Member due to any reasons exit from the scheme and re-enter the scheme at a later date, the suicide claim provisions shall apply from the date of re-entry into the scheme.

This clause is applicable for voluntary schemes under employer-employee groups and all the schemes under Non employer employee groups.

4. Taxes:

Statutory Taxes, if any, imposed on such insurance products by the Govt. of India or any other constitutional tax Authority of India shall be as per the Tax laws and the rate of tax as applicable from time to time.

This applicable tax shall be payable by the Master policyholder(Members, in case of Non-Employer-Employee group) and the same shall not be considered for the calculation of benefits payable under the product.

In any case where the Corporation is liable to account to the Revenue Authorities for income-tax, or any other taxes or duties or any payments made under this Policy, the Corporation shall deduct such sums from the respective payments and the Corporation shall not be liable to the Member or the Master Policyholder for the sums so deducted.

5. General Conditions:

- (i) Every Member of this scheme shall become entitled to the benefits under the Policy as from the Entry Date on which he first becomes a Member of this Scheme subject to the consent of the Master Policyholder and the Corporation and on production of evidence of health, if any, in the form and manner prescribed by the Corporation at his own cost or from any subsequent Entry Date.
- (ii) Every Member shall produce evidence of Continued Insurability in the form and manner prescribed by the Corporation before the insurance cover on his life under this Policy or before an increase thereof shall become effective.
- (iii) Subject to the provisions of conditions of this policy, the Insurance Cover shall be renewable yearly at the option of the Master Policyholder on each Annual Renewal Date.
- (iv) It shall be a condition of membership of the Master Policyholder that they must become Members of the Scheme and the Master Policyholder shall take effective steps to ensure that relevant information is furnished to the Corporation immediately but not later than the period as specified by the Corporation from time to time and that appropriate insurance cover are effected hereunder from Entry Date in respect of such members subject to the condition 4 mentioned above and to the satisfaction of the Corporation. In the event of breach of this condition, the Corporation reserves the right to decide the date of effecting insurance and if required shall be entitled to give written notice to the Master Policyholder of termination of this Policy.

Cost and Benefit Schedule (C & B Schedule) in respect of the Members who become entitled to the benefits under this policy shall be issued to the Master Policyholder from time to time which shall be deemed to form part of the Policy.

- (v) Variations in the total insurance cover hereunder as on the Annual Renewal Dates shall be given effect to by endorsements over the signature of a duly authorised Officer of the Corporation.
- (vi) The Corporation reserves the right to vary from time to time the premium rates, terms and provisions of this Policy and Schedule upon giving to the Master Policyholder 30 days' previous notice in writing expiring on the Annual Renewal Date following the date of the notice, of its intention to do so and any such variations will apply only to insurance cover hereunder effected or to be effected on or after the date of expiry of such notice.
- (vii) The Master Policyholder shall furnish to the Corporation all such data information and evidence as the Corporation may reasonably require upon or with regard to any matter affecting the insurance cover effected or to be effected hereunder and the Corporation shall not be liable for any action taken in good faith upon any data, information, or evidence so furnished which shall be or shall prove to have been erroneous or inaccurate. These records in original (or certified copies thereof) as in the opinion of the Corporation have bearing on the benefits to be provided or the premiums payable hereunder shall be open for inspection by the Corporation at all times.

- (viii) The Master Policyholder shall at the request of the Corporation produce the Policy whenever necessary for the purpose of stamping, reference or inspection.
- (ix) If Master Policyholder does not renew this Policy on any Annual Renewal Date by paying the premiums then falling due on or before due date, the Master Policyholder shall (unless the Corporation otherwise agree) be deemed to have discontinued payment of premiums hereunder and shall not be entitled to resume payment except with the consent of the Corporation.
- (x) The Corporation reserves the right to terminate the scheme without assigning any reason whatsoever by giving to the Master Policyholder 30 days notice in writing expiring on the Annual Renewal Date following the notice.

In such case, the Master Policy shall be cancelled and amount of premium deposited, if any, will be refunded after deducting the proportionate risk premium for the period of cover and stamp duty.

6. Renewal of insurance cover in respect of a Member:

Insurance Cover under this policy shall be renewable annually on the subsequent Annual Renewable Dates as per terms and conditions of the policy.

Provided that if the Sum Assured on Death on the subsequent Annual Renewal Date is for an amount higher than the Sum Assured on Death under the insurance cover as on the last preceding Annual Renewal Date, such increase in Death Benefit (the excess over the **Sum Assured on Death** as on the last preceding Annual Renewal Date) shall be effected subject to the provisions of Para 7 below.

7. Corporation's right to restrict assurance.

Evidence of Continued Insurability to the satisfaction of the Corporation in the form and manner prescribed shall be furnished in respect of the Member(s) before the insurance cover or in case of increase in Sum Assured on Death under the insurance cover effected. If the evidence submitted in respect of the Member is not satisfactory or the insurance cover on his/her life involves special risk or hazard of a medical or other nature, the Corporation shall modify the terms of acceptance of the Assurance.

If such satisfactory evidence is not furnished or if the Member is found uninsurable on the Entry Date or the relevant Annual Renewal Date, the insurance cover or increase in insurance cover shall not be effected in respect of him/ her.

8. Normal requirements for a claim:

For claiming the death benefit as laid down in the Certificate of Insurance/ Policy Schedule the Master Policyholder will have to submit to the Corporation, the original Death Certificate, Proof of accident (if applicable), records of medical treatment prior to the death (if any), original Certificate of Insurance of the Member along with the claim forms as prescribed by the Corporation, and NEFT mandate from the claimant for direct credit of the claim amount to the bank account, whichever is applicable, to the satisfaction of the Corporation. If the age is not admitted under the policy, the proof of age of the Member shall also be submitted.

In case of unnatural death or death on account of or arising from an accident, the Corporation may call for the copies of First Information Report (FIR), Panchnama and Post Mortem report. The Corporation may also call for additional documents as may be required by them.

The Master Policyholder shall intimate to the insurer, about the happening of insured event resulting into claim, at the earliest possible time.

9. Additional requirements for a claim applicable to the Scheme where Master Policy holder is a Financial Institution are as under:

- (i) The Member must give specific authorisation at entry date or at a later date through the Master Policyholder to the Corporation to make the payment of outstanding loan amount to the Master policyholder by deducting from the claim proceeds. This authorization is in consideration of having received a loan or the existing outstanding loan.

- (ii) Master Policyholder shall submit a certified Credit Account Statement in respect of each Member to the Corporation at the time of lodging claim. The Credit Account Statement should contain the following details:
1. Name of the Group Master Policyholder
 2. Group Master Policy Number
 3. Name of the Member
 4. Date of Commencement of Risk
 5. Death Benefit for which the Member of the Group Insurance Policy was insured.
 6. Original Amount of Loan
 7. Particulars of the recoveries made by the master Policyholder towards the Loan.
 8. Outstanding loan Balance as on the date of death
 9. Balance Claim Amount (Difference between the Death Benefit referred under 5 above and Outstanding Loan Balance referred under 8 above) payable to the nominee (s) /beneficiary(ies) of the deceased Member in case of death claim.
 10. A declaration that the information/details furnished in the Credit Account Statement are verified for accuracy.
- (iii) Where the Claim Discharge Form of the - nominee(s)/ beneficiary(ies) is obtained through the Master Policyholder the Corporation shall take a Certification from the Master policyholder that the -Nominee(s)/ beneficiary(ies) who had submitted the Claim Discharge Form is/ are the same person who has/have been registered by the Master Policyholder as the - nominee(s)/beneficiary(ies) under this policy.
- (iv) The Corporation shall make the payment of death claim to the Master Policyholder to the extent of Outstanding Loan Balance amount. The Balance claim amount, if any, after deduction of Outstanding Loan balance shall be credited directly in favour of - nominee(s)/ beneficiary(ies) of this policy, as the case may be and the details of the death claim, the remittances made to the Master Policyholder towards Outstanding Loan Balance communicated directly to the nominee(s)/ beneficiary(ies). Under no circumstance the amount payable to the Master Policyholder shall be more than the Outstanding Loan Balance of the Member.
- (v) The Corporation may audit or cause an audit into the accuracy of the Credit Account Statements of the Members/ deceased Member in respect of which claims were settled on the completion of every financial year, the onus of settling the difference amount, if any, to the nominee(s)/beneficiary(ies) as the case may be, rests with the Corporation.
- (vi) Notwithstanding the above clause, The Corporation may also delegate the responsibility of the audit and require the Master Policyholder to conduct audit or cause an audit into the accuracy of the Credit Account Statements of the Members / deceased Member in respect of which claims were settled on the completion of every financial year and shall obtain a certification from their respective internal / Statutory Auditors that the Outstanding loan Balance is being shown in the Credit account Statement / Claim Discharge Form is correct and reflecting the balance as the conditions governing the Credit Account / Loan Account .

11.Legislative changes

The Terms and Conditions including the premium and benefits payable under this policy are subject to variation in accordance with the relevant Legislation & Regulations.

The Corporation may conduct a surprise inspection of the books and records of the Master Policy holder at least once a year to ensure total compliance with the applicable Regulations or require a certificate of such compliance from the auditors of the group policyholder, at least once a year.

12.Obligations of the Master Policyholder and the Corporation:

(i) The Master Policyholder shall hold the Policy and all benefits payable hereunder UPON TRUST for the benefit of the persons to whom the said benefits are payable in accordance with the Rules and the Schedule hereto and the Master Policyholder shall have no beneficial interest hereunder.

- (ii) So soon as a Member of this scheme becomes entitled to the benefits of this Policy and is intimated of by the Master Policyholder whereupon an Assurance has been effected on his life in accordance with the provisions hereof, the Corporation will enter his name in the register.
- (iii) On proof of the happening of the contingency stated herein, if the policy is in-force, the Corporation will pay the claim directly to the beneficiary except the cases where there is valid assignment in favour of the Master Policyholder who is a Financial Institution to the Master Policyholder to the extent of the amount outstanding in the Loan Account of the Member. Balance claim amount, if any, will be paid to the Nominee(s)/ Beneficiaries (as applicable) in accordance with the terms and provisions of The Schedule and General Conditions hereof.
- (vi) All moneys payable to or by the Corporation hereunder shall be paid at the P&GS Unit of the Corporation in _____, in Indian Rupees and the Assurances effected hereunder shall be expressed in Indian Rupees.

A discharge or receipt of the Master Policyholder/Nominee/Beneficiary of the deceased Member or on their behalf of any person or persons duly authorised in writing by the Master Policyholder shall be a good, valid and sufficient discharge to the Corporation in respect of any payment made by the Corporation hereunder.

- (vii) It is hereby expressly agreed between the Master Policyholder and the Corporation that this Policy is effected in accordance with the provisions of the Rules of the Scheme and in the event of the Rules being amended, such amendments, if they have any bearing on or affect in any way, the terms and conditions of this policy or any of the Assurances effected hereunder, shall become effective only if the said amendments are approved by the Corporation. Any alteration or amendment that may become necessary in the terms and conditions of this Policy on account of amendment or alteration, approved by the Corporation in the provisions of the Rules shall be given effect to by appropriate endorsements to the Policy signed by the authorised Officer of the Corporation. Any alteration or amendment in the terms and conditions of this Policy will be done with prospective effect with the appropriate approval.

13. Issuance of Duplicate Policy:

The Master Policyholder can make an application for duplicate Policy on payment of policy preparation charges, policy stamp charges and applicable taxes, if any, which are specified from time to time* upon loss of policy document along with other requirements as may be prescribed by the Corporation.

*As on January, 2024, the applicable duplicate policy preparation charge is Rs. 500/-. In addition, Indemnity Bond as per requisite stamp value duly notarized is required. The stamp fee for the same shall be borne by the Master Policyholder.

14. Governing Law and Jurisdiction:

The Policy shall be governed by the laws of India and the Indian Courts shall have jurisdiction to settle any disputes arising under the Policy.

PART – G: STATUTORY PROVISIONS

Section 45 of Insurance Act, 1938:

The provisions of Section 45 of the Insurance Act, 1938, as amended from time to time, shall be applicable. The current provisions are contained in Annexure-2 of this policy document.

Grievance Redressal Mechanism:

Of the Corporation:

The Corporation has Grievance Redressal Officers at Branch/ Divisional/ Zonal/ Central Office to redress grievances of customers. For ensuring quick redressal of customer grievances the Corporation has introduced Customer friendly Integrated Complaint Management System through our Customer Portal (website) which is <http://www.licindia.in>, where a registered policy holder can directly register Complaint/grievance and track its status. Customers can also contact at e-mail id co_complaints@licindia.com for redressal of any grievances.

Claimants not satisfied with the decision of death claim repudiation have the option of referring their cases for review to Zonal Office Claims Dispute Redressal Committee or Central Office Claims Dispute Redressal Committee. A retired High Court/ District Court Judge is member of each of the Claims Dispute Redressal Committees. For redressal of Claims related grievances, claimants can also approach Insurance Ombudsmen who are appointed by Government of India for providing low cost and speedy arbitration to customers.

Of IRDAI:

In case the customer is not satisfied with the response or does not receive a response from us within 15 days, then the customer may approach the Grievance Cell of the IRDAI through any of the following modes:

- Calling Toll Free Number 155255 / 18004254732 (i.e. IRDAI Grievance Call Centre(BIMA BHAROSA SHIKAYAT NIVARAN KENDRA))
- Sending an email to complaints@irdai.gov.in
- Register the complaint online <https://bimabharosa.irdai.gov.in>
- Address for sending the complaint through courier / letter:

General Manager, Policyholders Protection and Grievance Redressal Department, Insurance Regulatory and Development Authority of India, Survey No.115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad- 500032, Telangana.

Of Ombudsman:

For redressal of Claims related grievances, claimants can also approach Insurance Ombudsman who provides for low cost and speedy arbitration to customers.

The Ombudsman, as per Insurance Ombudsman Rules, 2017, can receive and consider complaints or disputes relating to the matters such as:

- (a). Delay in settlement of claims, beyond the time specified in the regulations, framed under the Insurance Regulatory and Development Authority of India Act, 1999;
- (b). Any partial or total repudiation of claims by the life insurer, General insurer or the health insurer;
- (c). Disputes over premium paid or payable in terms of insurance policy;
- (d). Misrepresentation of policy terms and conditions at any time in the policy document or policy contract;
- (e). Legal construction of insurance policies in so far as the dispute relates to claim;
- (f). Policy servicing related grievances against insurers and their agents and intermediaries;
- (g). Issuance of life insurance policy, general insurance policy including health insurance policy which is not in conformity with the proposal form submitted by the proposer;
- (h). Non-issuance of insurance policy after receipt of premium in life insurance and general insurance including health insurance; and
- (i). Any other matter resulting from the violation of provisions of the Insurance Act, 1938 or the regulations, circulars, guidelines or instructions issued by the IRDAI from time to time or the terms and conditions of the policy contract, in so far as they relate to issues mentioned at clauses (a) to (f)

Note: In case of dispute in respect of interpretation of terms and conditions mentioned in this document, the English version shall stand valid.

YOU ARE REQUESTED TO EXAMINE THIS POLICY, AND IF ANY MISTAKE BE FOUND THEREIN, RETURN IT IMMEDIATELY FOR CORRECTION.

Annexure-1-

Nomination - As per Section 39 of the Insurance Act 1938

- (1) The holder of a policy of life insurance on his own life may, when effecting the policy or at any time before the policy matures for payment, nominate the person or persons to whom the money secured by the policy shall be paid in the event of his death:

Provided that, where any nominee is a minor, it shall be lawful for the policy holder to appoint any person in the manner laid down by the insurer, to receive the money secured by policy in the event of his death during the minority of the nominee.

- (2) Any such nomination in order to be effectual shall, unless it is incorporated in the text of the policy itself, be made by an endorsement on the policy communicated to the insurer and registered by him in the records relating to the policy and any such nomination may at any time before the policy matures for payment be cancelled or changed by an endorsement or a further endorsement or a will, as the case may be, but unless notice in writing of any such cancellation or change has been delivered to the insurer, the insurer shall not be liable for any payment under the policy made bona fide by him to a nominee mentioned in the text of the policy or registered in records of the insurer.
- (3) The insurer shall furnish to the policy holder a written acknowledgement of having registered a nomination or a cancellation or change thereof, and may charge such fee as may be specified by regulations for registering such cancellation or change.
- (4) A transfer or assignment of a policy made in accordance with Section 38 shall automatically cancel a nomination:

Provided that the assignment of a policy to the insurer who bears the risk on the policy at the time of the assignment, in consideration of a loan granted by that insurer on the security of the policy within its surrender value, or its reassignment on repayment of the loan shall not cancel a nomination, but shall affect the rights of the nominee only to the extent of the insurer's interest in the policy:

Provided further that the transfer or assignment of a policy, whether wholly or in part, in consideration of a loan advanced by the transferee or assignee to the policyholder, shall not cancel the nomination but shall affect the rights of the nominee only to the extent of the interest of the transferee or assignee, as the case may be, in the policy:

Provided also that the nomination, which has been automatically cancelled consequent upon the transfer or assignment, the same nomination shall stand automatically revived when the policy is reassigned by the assignee or retransferred by the transferee in favour of the policyholder on repayment of loan other than on a security of policy to the insurer.

- (5) Where the policy matures for payment during the lifetime of the person whose life is insured or where the nominee or, if there are more nominees than one, all the nominees die before the policy matures for payment, the amount secured by the policy shall be payable to the policyholder or his heirs or legal representatives or the holder of a succession certificate, as the case may be.
- (6) Where the nominee or if there are more nominees than one, a nominee or nominees survive the person whose life is insured, the amount secured by the policy shall be payable to such survivor or survivors.
- (7) Subject to the other provisions of this Section, where the holder of a policy of insurance on his own life nominates his parents, or his spouse, or his children, or his spouse and children, or any of them, the nominee or nominees shall be beneficially entitled to the amount payable by the insurer to him or them under sub-section (6) unless it is proved that the holder of the policy, having regard to the nature of his title to the policy, could not have conferred any such beneficial title on the nominee.
- (8) Subject as aforesaid, where the nominee, or if there are more nominees than one, a nominee or nominees, to whom sub-section (7) applies, die after the person whose life is insured but before the amount secured by the policy is paid, the amount secured by the policy, or so much of the amount secured by the policy as represents the share of the nominee or nominees so dying (as the case may be), shall be payable to the heirs or legal representatives of the nominee or nominees or the holder of a succession certificate, as the case may be, and they shall be beneficially entitled to such amount.
- (9) Nothing in sub-sections (7) and (8) shall operate to destroy or impede the right of any creditor to be paid out of the proceeds of any policy of life insurance.
- (10) The provisions of sub-sections (7) and (8) shall apply to all policies of life insurance maturing for payment after the commencement of the Insurance Laws (Amendment) Act, 2015.

- (11) Where a policyholder dies after the maturity of the policy but the proceeds and benefit of his policy has not been made to him because of his death, in such a case, his nominee shall be entitled to the proceeds and benefit of his policy.
- (12) The provisions of this Section shall not apply to any policy of life insurance to which Section 6 of the Married Women's Property Act, 1874, applies or has at any time applied;
Provided that where a nomination made whether before or after the commencement of the Insurance Laws (Amendment) Act, 2015, in favour of the wife of the person who has insured his life or of his wife and children or any of them is expressed, whether or not on the face of the policy, as being made under this Section, the said Section 6 shall be deemed not to apply or not to have applied to the policy.:-

Annexure- 2

Assignment - As per Section 38 of the Insurance Act 1938 as amended from time to time.

(1) A transfer or assignment of a policy of insurance, wholly or in part, whether with or without consideration, may be made only by an endorsement upon the policy itself or by a separate instrument, signed in either case by the transferor or by the assignor or his duly authorized agent and attested by at least one witness, specifically setting forth the fact of transfer or assignment and the reasons thereof, the antecedents of the assignee and the terms on which the assignment is made.

(2) An insurer may, accept the transfer or assignment, or decline to act upon any endorsement made under sub-section(1), where it has sufficient reason to believe that such transfer or assignment is not bonafide or is not in the interest of the policyholder or in public interest or is for the purpose of trading of insurance policy.

(3) The insurer shall, before refusing to act upon the endorsement, record in writing the reasons for such refusal and communicate the same to the policyholder not later than thirty days from the date of the policyholder giving notice of such transfer or assignment.

(4) Any person aggrieved by the decision of an insurer to decline to act upon such transfer or assignment may within a period of thirty days from the date of receipt of the communication from the insurer containing reasons for such refusal, prefer a claim to the Authority.

(5) Subject to the provisions in sub-section (2), the transfer or assignment shall be complete and effectual upon the execution of such endorsement or instrument duly attested but except, where the transfer or assignment is in favour of the insurer, shall not be operative as against an insurer, and shall not confer upon the transferee or assignee, or his legal representative, any right to sue for the amount of such policy or the moneys secured thereby until a notice in writing of the transfer or assignment and either the said endorsement or instrument itself or a copy thereof certified to be correct by both transferor and transferee or their duly authorised agents have been delivered to the insurer:

Provided that where the insurer maintains one or more places of business in India, such notice shall be delivered only at the place where the policy is being serviced.

(6) The date on which the notice referred to in sub-section (5) is delivered to the insurer shall regulate the priority of all claims under a transfer or assignment as between persons interested in the policy; and where there is more than one instrument of transfer or assignment the priority of the claims under such instruments shall be governed by the order in which the notices referred to in sub-section (5) are delivered:

Provided that if any dispute as to priority of payment arises as between assignees, the dispute shall be referred to the Authority.

(7) Upon the receipt of the notice referred to in sub-section (5), the insurer shall record the fact of such transfer or assignment together with the date thereof and the name of the transferee or the assignee and shall, on the request of the person by whom the notice was given, or of the transferee or assignee, on payment of such fee as may be specified by the regulations, grant a written acknowledgement of the receipt of such notice; and any such acknowledgement shall be conclusive evidence against the insurer that he has duly received the notice to which such acknowledgment relates.

(8) Subject to the terms and conditions of the transfer or assignment, the insurer shall, from the date of the receipt of the notice referred to in sub-section (5), recognize the transferee or assignee named in the notice as the absolute transferee or assignee entitled to benefit under the policy, and such person shall be subject to all liabilities and equities to which the transferor or assignor was subject at the date of the transfer or assignment and may institute any proceedings in relation to the policy, obtain a loan under the policy or surrender the policy without obtaining the consent of the transferor or assignor or making him a party to such proceedings.

Explanation – Except where the endorsement referred to in sub-section (1) expressly indicates that the assignment or transfer is conditional in terms of subsection (10) hereunder, every assignment or transfer shall be deemed to be an absolute assignment or transfer and the assignee or transferee, as the case may be, shall be deemed to be the absolute assignee or transferee respectively.

(9) Any rights and remedies of an assignee or transferee of a policy of life insurance under an assignment or transfer effected prior to the commencement of the Insurance Laws (Amendment) Act, 2015 shall not be affected by the provisions of this section.

(10) Notwithstanding any law or custom having the force of law to the contrary, an assignment in favour of a person made upon the condition that-

a. The proceeds under the policy shall become payable to the policyholder or the nominee or nominees in the event of either the assignee or transferee predeceasing the insured; or

b. The insured surviving the term of the policy, shall be valid:

Provided that a conditional assignee shall not be entitled to obtain a loan on the policy or surrender a policy.

(11) In the case of the partial assignment or transfer of a policy of insurance under sub-section (1), the liability of the insurer shall be limited to the amount secured by partial assignment or transfer and such policyholder shall not be entitled to further assign or transfer the residual amount payable under the same policy.

Annexure-3

Section 45 as per the Insurance Act 1938

(1) No policy of life insurance shall be called in question on any ground whatsoever after the expiry of three years from the date of the policy, i.e. from the date of issuance of the policy or the date of

commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later.

- (2) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later on the ground of fraud:

Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision is based.

Explanation I- For the purposes of this sub-section, the expression “fraud” means any of the following acts committed by the insured or by his agent, with the intent to deceive the insurer or to induce the insurer to issue a life insurance policy:-

- (a) the suggestion, as a fact of that which is not true and which the insured does not believe to be true;
- (b) the active concealment of a fact by the insured having knowledge or belief of the fact;
- (c) any other act fitted to deceive; and
- (d) any such act or omission as the law specially declares to be fraudulent.

Explanation II- Mere silence as to facts likely to affect the assessment of the risk by the insurer is not fraud, unless the circumstances of the case are such that regard being had to them, it is the duty of the insured or his agent, keeping silence to speak, or unless his silence is, in itself, equivalent to speak.

- (3) Notwithstanding anything contained in sub-section (2), no insurer shall repudiate a life insurance policy on the ground of fraud if the insured can prove that the misstatement of or suppression of a material fact was true to the best of his knowledge and belief or that there was no deliberate intention to suppress the fact or that such misstatement of or suppression of a material fact are within the knowledge of the insurer:

Provided that in case of fraud, the onus of disproving lies upon the beneficiaries, in case the policyholder is not alive.

Explanation – A person who solicits and negotiates a contract of insurance shall be deemed for the purpose of the formation of the contract, to be the agent of the insurer.

- (4) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground that any statement of or suppression of a fact material to the expectancy of the life of the insured was incorrectly made in the proposal or other document on the basis of which the policy was issued or revived or rider issued:

Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision to repudiate the policy of life insurance is based:

Provided further that in case of repudiation of the policy on the ground of misstatement or suppression of a material fact, and not on the ground of fraud the premiums collected on the policy till the date of repudiation shall be paid to the insured or the legal representatives or nominees or assignees of the insured within a period of ninety days from the date of such repudiation.

Explanation - For the purposes of this sub-section, the misstatement of or suppression of fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer, the onus is on the insurer to show that had the insurer been aware of the said fact no life insurance policy would have been issued to the insured.

- (5) Nothing in this Section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal.