



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

**Pradhan Mantri Vaya Vandana Yojana**  
(UIN: 512G311V02)  
(Pension Scheme subsidized by the Government of India)

**PART – A**

Ref : NB

Branch Office

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date :

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Dear Pensioner,

Re: Your Policy No. \_\_\_\_\_

We have pleasure to forward herewith the above policy document which please find in order.

We would also like to draw your kind attention to the information mentioned in the Schedule of the Policy and the benefits available 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 to any of the terms and conditions, you may return the Policy within a period of 15 days (30 days if this policy is purchased online) from the date of receipt of policy document stating the reasons of your objections and disagreement. On receipt of the policy we shall cancel the same and the amount of Purchase Price deposited by you shall be refunded to you after deducting the charges for **stamp duty and Pension paid (if any)**.

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

- 1) Change of Address: In case you change your residence, kindly ensure that you inform the change in address to the servicing branch
- 2) Assignment: Assignment should be in accordance with the provisions of Section 38 of the Insurance Act 1938, as amended from time to time. The current provisions of Section 38 are enclosed as Annexure-1 for reference.
- 3) Nomination: Nomination should be in accordance with provision of Section 39 of the Insurance Act, 1938, as amended from time to time. The current provisions of Section 39 are enclosed in Annexure –II for reference.
- 4) Section 45 of Insurance Act, 1938: The current provisions of the same are enclosed in Annexure –III.
- 5) Please avail LIC's e-services. Visit our website: [www.licindia.in](http://www.licindia.in) to enable us to serve you better.

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

Thanking you.

Yours faithfully,

p. Chief/Sr. Branch Manager

**PART – A (Contd.)**

The LIFE INSURANCE CORPORATION OF INDIA (hereinafter called “the Corporation”) having received a Proposal along with Declaration and Purchase price for the purchase of a pension amount under the “Pradhan Mantri Vaya Vandana Yojana” and the said Proposal and Declaration with the statements contained and referred to therein, which the Pensioner named in the Schedule referred to herein below has agreed shall be and are hereby declared to be the basis of this Contract on the terms stated in this policy.

Now this Policy witnesseth that in consideration of the Purchase Price paid, the Corporation will pay either at its office where this policy is serviced or at some of its other office the benefits as specified in the said Schedule, but without interest, to the person/persons to whom the same is payable in terms of the said schedule, on proof to the satisfaction of the Corporation of benefits having become payable in terms of this policy document, and of the title of the person/persons claiming payments.

And it is hereby declared that this Policy shall be subject to the Definitions, Benefits, Conditions Related To Servicing Aspects, Other Terms And Conditions and Statutory Provisions printed on the back hereof and that the following Schedule and every endorsement placed on the Policy by the Corporation shall be deemed part of the Policy.

**SCHEDULE**

**DIVISIONAL OFFICE:**

**BRANCH OFFICE:**

Policy No.:	Purchase Price (Rs.):	Date of 1 <sup>st</sup> pension payment:
Date of Commencement of Policy:	Amount of Pension Instalment (Rs.):	Due date:
Plan No.:		Date of issuance of policy:
Policy Term: 10 years		Mode of payment of pension:
Date of Maturity:		Date of birth of the Pensioner:
		Age of the Pensioner:
		Whether age Admitted?
Name of Nominee (s) under Section 39 of the Insurance Act, 1938 and their percentage of share:	Proposal No.:	
Age of Nominee(s) and their relationship:	Date of Proposal :	
If nominee is a minor, name of the Appointee:		
Name and address of Pensioner:		

**Beneficiary to whom Benefits payable**

**Pension / Maturity Benefit:** To the Pensioner

**Death Benefit:** To the Pensioner’s nominees under Section 39 of the Insurance Act, 1938 or his Assignee under Section 38 of Insurance Act, 1938 or proved Executors or Administrators or other Legal Representatives of the Pensioner 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, as applicable.

Signed on behalf of the Corporation at the above mentioned Branch Office, whose address and e-mail are given on the last page and to which all communications relating to the policy should be addressed.

**Date:**

**Examined by:**

**Form No.:**

\_\_\_\_\_  
**p. Chief/ Sr. Branch Manager**

<b>Agency Code</b>	<b>Agency Name</b>	<b>Agent’s Mobile Number / Landline Number</b>

## **PART – B: DEFINITIONS**

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

1. **Age** is the age of the Pensioner at the time of the commencement of the policy in completed years.
2. **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.
3. **Assignee** is the person to whom the rights and benefits are transferred by virtue of an Assignment.
4. **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.
5. **Beneficiary** means the person who is entitled to receive benefits under this Policy. The Beneficiary may be Pensioner or his Assignee or Nominees or proved Executors or Administrators or other Legal Representatives as the case may be.
6. **Corporation** means the Life Insurance Corporation of India established under Section 3 of the LIC Act, 1956.
7. **Date of commencement of policy** is the start date of this Policy.
8. **Date of issuance of policy** is a date when a proposal after underwriting in accepted as a policy and this contract gets effected.
9. **Date of Maturity** means the date specified in the schedule on which the Maturity Benefit shall become payable to the pensioner.
10. **Death Benefit** means the benefit, agreed at the inception of the contract, which is payable on death of Pensioner.
11. **Discharge form** is the form to be filled by Pensioner/ beneficiary to claim the maturity/surrender/death benefit under the policy.
12. **Due Date** means a fixed date on which the pension is due and payable to the Pensioner.
13. **Endorsement** means conditions attached/ affixed to this Policy incorporating any amendments or modifications agreed to or issued by the Corporation.
14. **Free Look Period** is the period of 15 days (30 days if this policy is purchased online) from the date of receipt of the policy document to review the terms and conditions of this policy and where the Pensioner disagrees to any of those terms and conditions, he/ she has the option to return this policy as detailed in condition 5 of Para D.
15. **IRDAI** means Insurance Regulatory and Development Authority of India earlier called as Insurance Regulatory and Development Authority (IRDA).
16. **Loan** is the interest bearing repayable amount granted by the Corporation as a percentage of the Purchase Price.
17. **Material information** is the information already known to the Pensioner at the time of obtaining a policy which has a bearing on underwriting of the proposal submitted.
18. **Minor** is a person who has not completed 18 years of age.
19. **Maturity Benefit** means the benefit, which is payable on maturity i.e. at the end of the policy term as specified in Part C of this Policy Document, on Pensioner surviving the stipulated date of Maturity.
20. **Nomination** is the process of nominating a person who is named as "Nominee" in the proposal form or subsequently included/ changed by an endorsement. Nomination should be in accordance with provision of Section 39 of the insurance act, 1938 as amended from time to time.
21. **Nominee** is the person nominated by the Pensioner under this policy and who is authorized to receive the claim benefit payable under this policy and give a valid discharge to the Corporation on settlement of the claim.
22. **Policy/ Policy Document** means this document along with endorsements, if any, issued by the Corporation which is a legal contract between the Pensioner and the Corporation.
23. **Pensioner** is an individual who receives pension at fixed interval of time under this policy.
24. **Policy term** is the period, in years, as mentioned in the schedule, commencing from the Date of commencement of policy specified in the schedule.
25. **Purchase Price** is the amount paid by the Pensioner at inception to secure the benefits under the policy.
26. **Schedule** is the part of policy document that gives the details of your policy.
27. **Senior Citizen is a person aged 60 years (completed) and above.**
28. **Surrender** means complete withdrawal / termination of the entire policy as mentioned in Condition 4 of Part D of this policy document.
29. **Surrender Value** means an amount, if any, that becomes payable in case of surrender in accordance with the terms and condition of this policy.
30. **UIN** means the Unique Identification Number allotted to this plan by the IRDAI.

## **PART – C: BENEFITS**

The following benefits are payable under this policy:

1. **Pension Benefit:** On survival of the pensioner during the policy term, Amount of Pension Instalment as mentioned in the Schedule shall be payable in arrears (at the end of each period as per the mode chosen). This benefit shall cease on death of the Pensioner.  
  
Total amount of pension or purchase price under all the policies under this plan, including policies taken under Pradhan Mantri Vaya Vandana Yojana with UIN: 512G311V01, allowed to a senior citizen shall not exceed Rs. 1,20,000/- per annum or Rs. 15 lakhs respectively.
2. **Death Benefit:** On death of the Pensioner during the policy term, the Purchase Price shall be refunded to the beneficiary.
3. **Maturity Benefit:** On Pensioner surviving to the stipulated Date of Maturity, the Purchase Price along with the final pension

installment shall be refunded to the pensioner.

#### **PART – D: CONDITIONS RELATED TO SERVICING ASPECTS**

1. **Proof of Age:** Policy is issued based on the age of the Pensioner as declared in the proposal form. Provided further that if the Pensioner's correct age at entry is such as would have made him/her uninsurable under the class or terms of assurance specified in the said Schedule hereto, then the policy will be cancelled and the surrender value will be paid as on the date of such cancellation.
2. **Forfeiture in Certain Events:** In case any condition herein contained or endorsed hereon be contravened or in case it is found that any untrue or incorrect statement is contained in the proposal, personal statement, declaration and connected documents or any material information is withheld, then and in every such case this policy shall be void and all claims to any benefit in virtue of this policy shall be subject to the provisions of Section 45 of the Insurance Act, 1938, as amended from time to time.
3. **Policy Loan:** Policy loan shall be available only after the completion of three policy years from date of commencement of the policy. The maximum amount of loan available under the policy shall be 75% of Purchase Price, subject to the production of satisfactory title and following terms and conditions and on such further terms and conditions as the Corporation may fix from time to time:
  - (i) The Policy shall be assigned absolutely to and held by the Corporation as security for the repayment of loan and of the interest thereon;
  - (ii) Interest on the loan shall accrue as per the frequency of payment of pension under the policy and shall be recovered from the pension instalment at the rate which shall be specified by the Corporation when the loan is made. The first recovery of the loan interest shall be made from the next pension instalment falling due after the loan is made;
  - (iii) In case the policy is surrendered or on policy becoming a claim by death or on maturity, the Corporation shall become entitled to deduct the amount of the loan or any portion thereof which is outstanding, together with any outstanding interest, from the policy moneys.
  - (iv) For the loan sanctioned till 30<sup>th</sup> April, 2018, the applicable interest rate is 10% p.a. payable half-yearly for the entire term of the loan.
4. **Surrender:** The scheme allows premature exit under exceptional circumstances like the Pensioner requiring money for the treatment of any critical/terminal illness of self or spouse. The Surrender Value payable in such cases shall be 98% of Purchase Price.
5. **Free-Look period:** During the Free Look period of 15 days (30 days if this policy is purchased online) from the date of receipt of the Policy Document by the Pensioner, if the Pensioner is not satisfied with the Terms and Conditions of the policy, he/she may return the policy to the Corporation stating the reason of objections. On receipt of the same the Corporation shall cancel the Policy and return the Purchase Price paid after deducting the charges for stamp duty and pension paid, if any.

#### **PART E**

Not Applicable.

#### **PART – F: OTHER TERMS AND CONDITIONS**

1. **Assignments and Nominations:** Assignment as per Section 38 of the Insurance Act, 1938 as amended from time to time shall be allowed. Whenever the pensioner opts for policy loan, assignment in favour of LIC of India shall be in accordance with Condition 3(i), Part D as mentioned above. The current provisions of Section 38 are contained in Annexure-1 of this Policy Document.

Nomination by the Pensioner is required 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-II of this policy document. The notice of nomination or change of nomination should be submitted for registration to the office of the Corporation, where the policy is serviced. In registering a nomination the Corporation does not accept any responsibility or express any opinion as to its validity or legal effect.
2. **Legislative Changes:** The Terms and Conditions and benefits payable under this policy are subject to variation in accordance with the relevant Legislation & Regulations.
3. **Suicide:** There shall be no exclusion on count of suicide and full Purchase Price shall be payable.
4. **Claim:** The amounts due under this policy are payable at the office of the Corporation where this policy is serviced; but the Corporation has absolute discretion to fix, at any time, any alternative place of payment.

**5. Normal requirements for a claim:**

All the claim payments under this plan shall be paid through NEFT/ Aadhaar Enabled Payment System.

For benefit payable on death of the Pensioner:

The normal documents which the claimant shall submit while lodging the claim in case of death of the Pensioner shall be claim forms, as prescribed by the Corporation, accompanied with original policy document, proof of title, proof of death, to the satisfaction of the Corporation. If the age is not admitted under the policy, the proof of age of the Pensioner shall also be submitted.

Within 90 days from the date of death, intimation of death along with death certificate must be notified in writing to the office of the Corporation where the policy is serviced. However, delay in intimation of the claim by the claimant, if any, may be condoned by the Corporation, on merit, where delay is proved to be for reasons beyond his/her control.

For pension payments:

The Pensioner shall submit the Life Certificate in the proforma of the Corporation or online "Jeevan Pramaan" as enabled by Corporation in this regard at the time intervals as prescribed from time to time. The pension payments shall be released only on receipt of the Life Certificate.

For benefit payable on Surrender:

The Pensioner shall submit the discharge form along with the original policy document, proof of medical treatment of self/spouse and proof of age, if the age is not admitted earlier.

For benefit payable on Maturity:

The Pensioner shall submit the discharge form along with the original policy document and proof of age, if the age is not admitted earlier.

In addition to above, any requirement mandated under any statutory provision or as may be required as per law shall also be required to be submitted.

**6. Tax:** Statutory Taxes, if any, imposed on this Plan by the Government 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.

The amount of tax paid shall not be considered for the calculation of benefits payable under the plan.

**PART – G: STATUTORY PROVISIONS**

**Section 45 of Insurance Act, 1938:**

The provisions of Section 45 of the Insurance Act, 1938 shall be applicable as amended from time to time. The current provisions are contained in Annexure-III 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\\_crmgrv@licindia.com](mailto:co_crmgrv@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.

Of IRDAI:

In case the customer is not satisfied with the response or do 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)
- Sending an email to [complaints@irda.gov.in](mailto:complaints@irda.gov.in)
- Register the complaint online at <http://www.igms.irda.gov.in>
- Address for sending the complaint through courier / letter:  
Consumer Affairs Department, Insurance Regulatory and Development Authority of India, Survey no. 115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032, Telangna.
- Sending the complaint by Fax to 040-66789768

Of Ombudsman:

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

In case you have any Complaints/Grievance, you may approach Grievance Redressal Officer/ Ombudsman, whose address is as under:

Address and email id of Branch Office:

Address of Grievance Redressal officer:

Address and contact details of Insurance Ombudsman:

Note: In case of dispute in respect of interpretation of these terms and conditions and special provisions/conditions 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.**

**Assignment - As per Section 38 of the Insurance Act 1938, as amended by the Insurance Laws (Amendment) Act, 2015**

(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 authorised 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 policy-holder 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 – II**

**Nomination - As per section 39 of the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015**

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 bonafide 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 proceed 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-III**

**Section- 45 as per Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015**



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 subsection (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.