



**LIFE INSURANCE CORPORATION OF INDIA**

(Established by the Life Insurance Corporation Act, 1956)

Registration Number: 512

Pension and Group Schemes Department

Divisional Office, \_\_\_\_\_

**LIC's SINGLE PREMIUM GROUP INSURANCE (WITHOUT PROFIT)  
(UIN: 512N298V01)**

**Part A –**

**(i) Forwarding letter with Free look clause:**

Ref: NB

Unit Code / Unit Name:

Date:

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

Dear Policyholder,

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

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

**Free Look Period:** As per IRDA (Protection of Policyholder's Interest) Regulations, 2002, 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 from the date of receipt of the Policy Document stating the reasons of your objections and disagreement. On receipt of the policy, the Policy shall be cancelled and the amount of premiums deposited by you shall be refunded to you after deducting the **proportionate risk premium for the period on cover and charges for medical examination, special reports, if any and stamp duty.**

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.

If you find error in this document you may return the policy for corrections.

Thanking you,

Yours faithfully,

p. Manager (P&GS)

**(ii) Policy Preamble:**

THE LIFE INSURANCE CORPORATION OF INDIA (hereinafter called "the Corporation") having received a Proposal and Declaration and the first premium from \_\_\_\_\_(hereinafter called "the Master Policyholder"), whose office is situated at \_\_\_\_\_ being the policyholder for this group insurance policy for providing benefits as described in the Rules of the aforesaid group insurance scheme (certified copy of which 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 have also furnished to the Corporation statements as asked for by the Corporation completed and signed by the Master Policyholder and by the persons for whose benefit the insurance cover 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 insurance cover effected hereunder from time to time, the Master Policyholder has agreed, shall be and are hereby declared to be the basis of this Policy.

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.

**(iii) Policy Schedule:**

1.	Policy No.	
2.	Proposal No.	
3.	Date of Commencement of Policy (DOC)	
4.	Name of Master Policyholder	
5.	Registered Address of Master Policyholder	
6.	Name of the scheme	

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7.	Type of group	
8.	Lender- Borrower scheme	Yes/No
9.	Entry age	Minimum entry age:18 years (age last birthday) Maximum entry age: --- years (age last birthday)
10.	Policy Term	Minimum policy term: -- years Maximum policy term: -- years
11.	Total no. of Members as on DOC of policy	
12.	Death Benefit	Sum assured in respect of each member
13.	Total Single Premium at DOC	
14.	Total Sum Assured at DOC	

**Note: Conditions mentioned under Para 6 of Part F (General Terms and Conditions) shall only apply if the schemes are covered under Lender-Borrower scheme.**

**PART – B: DEFINITIONS**

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

1.	Age	The age nearest birthday of the member on the Entry Date.
2.	Consent letter	It is a written consent given by an individual for admission into the policy for non employer- employee groups and/or Lender-Borrower groups.
3.	Corporation	Life Insurance Corporation of India established under Section 3 of LIC Act, 1956.
4.	Certificate of Insurance	It is the document issued to individual members of the Master Policyholder which contains the important terms and conditions of the policy.
5.	Credit Account Statement	It is the document in respect of each member under the Lender - Borrower schemes 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 insured on surrender or to the nominee of the deceased member in case of death.
6.	Date of Commencement of Policy	The date from which this policy takes effect.
7.	Death Benefit	The benefit agreed at the inception of the contract, which is payable on death of the member.
8.	Endorsement	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.

9.	Entry date	In respect of a member the date on which he/she joins the scheme after underwriting acceptance of proposal and receipt of premium in respect of that member. This date has also been referred to as “Date of Commencement of Risk” in suicide clause under this policy.
10.	Free look Period	It is the period of 15 days from the date of receipt of the policy document/Certificate of Insurance to review the terms and conditions of the policy and where the Master Policyholder/ Member disagrees to any of those terms and conditions, he/she has the option to return this policy or the Certificate of Insurance as the case may be and cancel the contract.
11.	IRDAI	Means Insurance Regulatory Development Authority of India earlier called as Insurance Regulatory and Development Authority (IRDA).
12.	Lender-Borrower Schemes	The schemes which are administered by any of the following entities <ol style="list-style-type: none"> <li>1. Reserve Bank of India (RBI) Regulated Scheduled Commercial Banks.</li> <li>2. NBFCs having Certificate of Registration from RBI</li> <li>3. National Housing Bank (NHB) Regulated Housing Finance Companies.</li> </ol>
13.	Master Policyholder	It is the institution which has entered into a contract with the Corporation for providing insurance cover to Members of this Policy.
14.	Material information	It is the information already known to the member at the entry date which has a bearing on underwriting of the member’s insurance cover.
15.	Member	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 effected according to the rules.
16.	Nomination	The process of nominating a person who is named as “Nominee” in the proposal form or subsequently included/changed by an endorsement, as per Section 39 of the Insurance Laws (Amendment) Act, 2015, as amended from time to time. The current provision of Section 39 of the Insurance Laws (Amendment) Act, 2015 is enclosed as Annexure-1 for reference.
17.	Nominee	The person who is duly nominated by the member and has right to give a valid discharge to the policy monies in case of the death of the

		member.
18.	Non-participating	Policies which are not entitled for any share in surplus (profits) emerging during the policy term in accordance with the terms and conditions of the policy.
19.	Policy/Policy Document	The document along with endorsements, if any, issued by the Corporation to the Master Policyholder which is a legal contract between the Master Policyholder and the Corporation.
20.	Policy Term	It is the period in years during which the contractual benefits are payable in respect of a member.
21.	Premium	The contractual amount payable in respect of each member by the Policyholder to secure the benefits under this policy.
22.	Premium rate	Age and term wise Single premium rate.
23.	Register	It is the document, including in electronic form, containing details of members under the scheme as provided by the Master Policyholder kept by the Corporation and which shall be deemed to form part of the contract.
24.	Scheme Rules / Rules	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. The scheme can be set under trust or under contract.
25.	Sum Assured	The amount of insurance cover to be payable on death of a member.
26.	Surrender	Complete withdrawal / termination of the Policy or the contract in respect of a member during the term.
27.	Surrender Value	An amount, if any, that becomes payable in case of surrender in accordance with the terms and conditions of the policy.
28.	UIN	The Unique Identification Number allotted to this plan by IRDAI.
29.	Underwriting	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.

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The terms 'herein', hereafter', hereinafter', 'hereof', 'hereto', and 'hereunder' used wherein in the policy refer to the policy in its entirety.

### **Part C – BENEFITS AND PREMIUM CONDITIONS**

1. **Death Benefit:** On death of the member during the policy term Sum Assured shall be payable.
2. **Maturity Benefits:** On member surviving to the end of the policy term, nothing shall be payable.
3. **Premiums:** The single premium payable for the insurance cover in respect of each of the Member on the Date of Commencement of this Policy shall depend on the risk characteristics of the Scheme.
4. **Participation in the Profits of the Corporation:** This is a non participating plan. Hence the plan shall not be eligible for the profit/s of the Corporation.

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

1. All monies payable to or by the Corporation hereunder shall be paid at the Divisional Office of the Corporation in \_\_\_\_\_, in Indian Rupees and the insurance cover effected hereunder shall be expressed in Indian Rupees.
2. An existing eligible individual who has not become member of the Master Policy may join the scheme within 6 month from the date of commencement of the policy subject to satisfaction of underwriting requirement. Such eligible individuals joining subsequently shall become entitled to the benefits under this Policy from their respective Entry Date.
3. For Non Employer- employee scheme, the Master Policyholder shall obtain a consent letter from an individual before admitting him/ her to the policy. The consent letter shall be submitted to the Corporation at the time of lodging of claim by the Master Policyholder.
4. If the Master Policyholder does not include any new individual in any month by payment of premium the Master Policyholder shall not be entitled to include that individual except with the prior consent of the Corporation and subject to such conditions as may be imposed by the Corporation.
5. On proof of the happening of the contingency stated herein, the Corporation will pay through the Master Policyholder, for the benefit of the person or persons concerned the sum assured in accordance with the terms and conditions of this policy.
6. No policy loan is available under this policy.
7. No changes in the insurance cover shall be allowed after issuance of the policy. Hence any alteration in the following parameters shall not be allowed:
  - a) Policy Term
  - b) Sum Assured
  - c) Any other terms and condition which may impact the premium or Sum Assured calculation

**8. Surrender:**

Surrender of insurance cover by a member:

Surrender of cover by a member shall be allowed at any time after the entry of that member into the policy but before 6 months prior to the end of policy term.

The surrender value payable to a member shall be surrender value factor multiplied by single premium paid by that member (excluding taxes and extra premium, if any). The surrender value factor shall depend on the Policy term and nearest half yearly durations from the entry date of the member to the date of surrender and is enclosed as specified in the Table below. Surrender value shall be payable provided it is at least Rs. 100/-.

<b>LIC's Single Premium Group Insurance</b>						
<b>Guaranteed Surrender Value factors ( % of single premium paid)</b>						
<b>Policy Year/ Policy Term</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
<b>0.0</b>	32.47%	37.17%	39.71%	41.29%	42.37%	43.15%
<b>0.5</b>	22.75%	30.68%	34.97%	37.65%	39.47%	40.78%
<b>1.0</b>	13.03%	24.20%	30.24%	34.00%	36.56%	38.41%
<b>1.5</b>	6.51%	16.95%	24.92%	29.89%	33.28%	35.72%
<b>2.0</b>	0.00%	9.70%	19.61%	25.79%	29.99%	33.03%
<b>2.5</b>		4.85%	13.72%	21.23%	26.33%	30.02%
<b>3.0</b>		0.00%	7.83%	16.66%	22.67%	27.01%
<b>3.5</b>			3.92%	11.65%	18.64%	23.68%
<b>4.0</b>			0.00%	6.63%	14.60%	20.36%
<b>4.5</b>				3.31%	10.19%	16.71%
<b>5.0</b>				0.00%	5.78%	13.07%
<b>5.5</b>					2.89%	9.11%
<b>6.0</b>					0.00%	5.14%
<b>6.5</b>						2.57%
<b>7.0</b>						0.00%

Surrender of policy by the Master Policyholder:

The policy can be surrendered by the Policyholder at any time after the date of commencement of the policy by giving an advance notice of 30 days.

In case of surrender of the policy by Policyholder, the Corporation shall give an option to the individual members of the group who are not interested in surrendering the insurance cover to continue as an individual policy under group business and Corporation/ Intermediary, if any, shall continue to be responsible to serve such members till their coverage is terminated.



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Surrender value under the policy shall be the sum total of the surrender values in respect of individual members opting to surrender their insurance cover of the scheme.

9. **Termination of cover:** The insurance cover on the life of a Member shall terminate on the happening of the earliest of the following event:
- a) On the death of the member
  - b) On expiry of the policy term
  - c) Surrender of cover by a member during the policy term
  - d) If the Policy is surrendered by the Master Policyholder, unless the member decides to continue his/ her cover as an individual policy under group business.

#### **Part – E**

This part is not Applicable for this policy.

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

1. **Free Look period:** During the Free Look period, if the Master Policyholder/ any Member is not satisfied with the Terms and Conditions, then the Master Policyholder may return the policy /the member may return the Certificate of Insurance through the Master Policyholder stating the reasons of objection.

On receipt of the same the Corporation shall cancel the policy or Certificate of Insurance and return the amount of single premium deposited after deducting the proportionate risk premium for the period on cover and charges for medical examination, special reports, if any and stamp duty.

2. Nomination by a member of a policy is required as per Section 39 of the Insurance Laws (Amendment) Act, 2015, as amended from time to time. It is generally insisted that the nominee shall be very close relative of the member. The notice of nomination or change of nomination should be submitted for registration to the office of the Corporation, where the policy is serviced.
3. For underwriting acceptance, evidence of insurability satisfactory to the Corporation, wherever asked for, in the form and manner prescribed by the Corporation shall be furnished in respect of an individual before admitting him/her as a Member of this policy. If the evidence submitted in respect of the individual is not satisfactory or the insurance cover on his life involves special risk or hazard of a medical or other nature, the Corporation may modify the terms of acceptance of the insurance cover.
4. The normal documents which the Master Policyholder shall submit while lodging the claim in case of death of the member shall be claim forms, as prescribed by the Corporation, accompanied with the duly filled discharge form along with original Certificate of Insurance/ consent letter, NEFT mandate from the claimant for direct credit of the claim amount to the bank account, proof of title, proof of death, records of medical treatment prior to the death, whichever is applicable, to the satisfaction of the Corporation.
5. Evidence of age of the Member, if not admitted earlier, satisfactory to the Corporation will be required before any benefits in respect of him are paid under the Policy.

In case of surrender, Master Policyholder/Member will have to submit to the Corporation the duly filled discharge form along with original Policy document/ Certificate of Insurance, NEFT mandate direct credit of the surrender value to the bank account.

6. Additional Provisions applicable to Lender-Borrower Scheme only are as under:

- (i) The member must give 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.
  - (ii) Master Policyholder shall submit a certified Credit Account Statement in respect of each member to the Corporation at the time of lodging claim.
  - (iii) Where the Claim Discharge Form of the member / nominee/ beneficiary is obtained through the Master Policyholder the Corporation shall take a Certification from the Master policyholder that the member/Nominee/ beneficiary who had submitted the Claim Discharge Form is the same person who has been registered by the Master Policyholder as the member / nominee/ beneficiary under this policy.
  - (iv) The Corporation shall settle the claim on the happening of contingent event covered under this policy towards 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 member / nominee/ beneficiary of this policy, as the case may be.
  - (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.
  - (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 .
7. Taxes including Service Tax, if any, shall be as per the Tax laws and the rate of tax shall be as applicable from time to time.
8. The amount of tax as per the prevailing rates shall be payable by the policyholder on the single premium including extra premium, if any. The amount of tax paid shall not be considered for the calculation of benefits payable under the plan including surrender value.
9. 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.

10. The Terms and Conditions including the benefits payable under this policy are subject to variation in accordance with the relevant Legislation & Regulations.
11. The Master Policyholder shall at the request of the Corporation produce the Policy whenever necessary for the purpose of stamping, reference or inspection.
12. The Corporation may conduct a surprise inspection of the books and records of the non employee – employer group 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.
13. The Corporation reserves the right to vary from time to time the premium rates, terms and provisions of this Policy upon giving to the Master Policyholder 30 days' advance notice in writing 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.
14. In case of death of a member due to suicide, within 12 months from the Date of Commencement of Risk, claim payable shall be 80% of the Single Premium paid (excluding taxes and extra premium, if any) in respect of that member or surrender value, whichever is higher. The Corporation will not entertain any other claim in respect of that member.

For groups where the insurance cover is compulsory for all new entrants, above clause shall not be applicable.

15. The Corporation reserves the right to terminate the policy and/or scheme without assigning any reason whatsoever by giving to the Master Policyholder 30 days notice in writing. However, the insurance cover of the existing members shall continue.
16. 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 terms and condition of this policy.
17. 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 averment 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 insurance cover 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 Laws (Amendment) Act, 2015, 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 averment has been made either by the Member himself or by the Master Policyholder, shall be void and all claims to any benefit in virtue hereof shall be subject to the provisions of Section 45 of the Insurance Laws (Amendment) Act, 2015, as amended from time to time.

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18. 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 insurance cover effected hereunder, shall become effective only if the said amendments are approved by the Corporation. Any alternation or amendment that may become necessary in the terms and conditions of this Policy on account of amendment or alternation, 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.
19. Any alternation or amendment in the terms and conditions of this Policy will be done with prospective effect with the prior approval of IRDAI.

## **PART – G: STATUTORY PROVISIONS**

### **Section 45 of the Insurance Laws (Amendment) Act, 2015:**

**The provision of Section 45 of the Insurance Laws (Amendment) Act, 2015 shall be as amended from time to time. The current provision is enclosed as Annexure-2.**

### **Grievance Redressal Mechanism:**

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\\_pgs@licindia.com](mailto:co_pgs@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.

### **NOTE:**

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

Address of Grievance Redressal officer:

Address of insurance Ombudsman:

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Address of Divisional /Branch Office:

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.**

**Section 39 of the Insurance Laws (Amendment) Act, 2015:**

Nomination by policy holder

39(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 the 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 re-assignment 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 policy-holder 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

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payment, the amount secured by the policy shall be payable to the policy-holder 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) Ordinance, 2014.

(11) Where a policy-holder 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) Ordinance, 2014, 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.

**Section 45 of the Insurance Laws (Amendment) Act, 2015:**

45. (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 mis-statement 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 mis-statement 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



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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 purpose of this sub-section, the mis-statement 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.