

## HDFC Life Guaranteed Pension Plan

<<4 April 2013>>  
<<Policyholder's Name>>  
<<Policyholder's Address>>  
<<Policyholder's Contact Number>>

**Dear <<Policyholder's Name>>,**

**Sub: Your Policy no. << >>**

We are glad to inform you that your proposal has been accepted and the HDFC Life Guaranteed Pension Plan Policy ("Policy") has been issued. We have made every effort to design your Policy Document in a simple format. We have highlighted items of importance so that you may recognize them easily.

**Policy document:**

As an evidence of the insurance contract between HDFC Standard Life Insurance Company Limited and you, the Policy is enclosed herewith. Please preserve this document safely and also inform your nominees about the same. We are also enclosing alongside a copy of your proposal form and other relevant documents submitted by you for your information and record.

**Cancellation in the Free-Look Period:**

In case you are not agreeable to any of the provisions stated in the Policy, you have the option to return the Policy to us stating the reasons thereof, within 15 days from the date of receipt of the Policy. If you have purchased your Policy through Distance Marketing this period will be 30 days. On receipt of your letter along with the original Policy document, we shall arrange to refund the Premium paid by you, subject to deduction of the proportionate risk Premium for the period on cover and the expenses incurred by us for stamp duty. A Policy once returned shall not be revived, reinstated or restored at any point of time and a new proposal will have to be made for a new Policy.

**Contacting us:**

The address for communication is specified below. To enable us to serve you better, you are requested to quote your Policy number in all correspondences. In case you are keen on knowing more about our products and services, we would request you to talk to your Certified Financial Consultant (Insurance Agent) who has advised you while taking this Policy. The details of your Certified Financial Consultant including contact details are listed below.

To contact us in case of any grievance, please refer to "Grievance Redressal – Contact Details Annexure". In case you are not satisfied with our response, you can also approach the Insurance Ombudsman in your region whose address is available on our website [www.hdfclife.com](http://www.hdfclife.com).

Thanking you for choosing HDFC Standard Life Insurance Company Limited and looking forward to serving you in the years ahead,

Yours sincerely,

<< Designation of the Authorised Signatory >>

Branch Address: <<Branch Address>>  
Agency Code: <<Agency Code>>  
Agency Name: <<Agency Name>>  
Agency Telephone Number: <<Agency mobile & landline number>>  
Agency Contact Details: <<Agency address>>

Address for Correspondence: HDFC Standard Life Insurance Company Limited, 11<sup>th</sup> Floor Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai-400011.

Registered Office: HDFC Standard Life Insurance Company Limited, Lodha Excelus, 13<sup>th</sup> Floor, Apollo Mills Compound, Mahalaxmi, Mumbai- 400 011. CIN: U99999MH2000PLC128245; website: [www.hdfclife.com](http://www.hdfclife.com); Email ID: [service@hdfclife.com](mailto:service@hdfclife.com)  
Helpline number: 18602679999 (Local charges apply)

**POLICY DOCUMENT- HDFC LIFE GUARANTEED PENSION PLAN**

Unique Identification Number: &lt;&lt; &gt;&gt;

This Policy is the evidence of a contract between HDFC Standard Life Insurance Company Limited ('We'/ 'Company') and the Policyholder ('You') as described in the Policy Schedule given below. This Policy is based on the Proposal made by the within named Policyholder and submitted to the Company along with the required documents, declarations, statements, and other information received by the Company from the Policyholder, Life Assured or on behalf of the Policyholder. This Policy is effective upon receipt and realisation, by the Company, of the consideration payable as First Premium under the Policy. This Policy is written under and will be governed by the applicable laws in force in India and all Premiums and Benefits are expressed and payable in Indian Rupees.

**POLICY SCHEDULE**

Policy number: &lt;&lt; &gt;&gt;

Client ID: &lt;&lt; &gt;&gt;

**Policyholder Details**

Name	<< >>
Address	<< >>

**Life Assured Details**

Name	<< >>
Date of Birth	<< dd/mm/yyyy >>
Age on the Date of Risk Commencement	<< >> years
Age Admitted	<<Yes/No>>

**Policy Details**

Date of Risk Commencement	<< RCD >>
Date of Issue	<< First Issue Date>>
Premium Due Date(s)	<<dd /month>>
Sum Assured on Vesting	Rs. << >>
Annualised Premium	Rs. << >>>
Policy Term	<< >> years
Premium Paying Term	<< 5/ 7/ 10 >> years
Frequency	<< Annual/Half-yearly/ Quarterly/ Monthly >>
Premium per Frequency	Rs. << >>
Grace Period	<< 15 (for Monthly mode) 30 (for other modes) >> days
Final Premium Due Date	<< dd/mm/yyyy >>
Vesting Date	<< dd/mm/yyyy >>

The Premium amount is excluding any Service Tax, Swachh Bharat Cess and any other statutory tax or duty leviable on the Premium. Amount of Service Tax, Swachh Bharat Cess and similar taxes and levies will be charged at actuals as per prevalent rate.

**NOMINATION SCHEDULE**

Nominee's Name	<<Nominee-1 >>	<<Nominee-2 >>
Date of Birth of Nominee	<< dd/mm/yyyy >>	<< dd/mm/yyyy >>
Nomination Percentage	<< >> %	<< >> %
Nominee's Address	<< >>	<< >>
Appointee's Name (Applicable where the nominee is a minor)	<< >>	
Date of Birth of Appointee	<< dd/mm/yyyy >>	
Appointee's Address	<< >>	

Signed at Mumbai on <<>>  
For HDFC Standard Life Insurance Company Limited

Authorised Signatory

In case you notice any mistake, you may return the Policy document to us for necessary correction.

**SPACE FOR ENDORSEMENTS**

SAMPLE

## HDFC Life Guaranteed Pension Plan

### **STANDARD POLICY PROVISIONS**

#### **Unique Identification Number:**

- 1. General**  
Your Policy is a conventional without profits limited Premium paying pension Policy.
- 2. Definitions**
  - (1) Authority/ IRDAI – means Insurance Regulatory and Development Authority of India.
  - (2) *Fund House*: pension fund administrator who had transferred the accumulated pension pot of the Policyholder to HDFC Life QROPS
  - (3) Company, company, Insurer, Us, us, We, we, Our, our – means or refers to HDFC Standard Life Insurance Company Limited.
  - (4) Policyholder, You, you, your – means or refers to the Policyholder stated in the Policy Schedule.
  - (5) Life Assured - The Life Assured is the person as stated in the Policy Schedule on whose life the contingent events have to occur for the Benefits to be payable. The Life Assured may be the Policyholder.
  - (6) Sum Assured on Vesting - Sum Assured on vesting is the absolute amount of benefit which is guaranteed to become payable on the vesting of the Policy as per the terms and conditions specified in the Policy.
- 3. Benefits**
  - (1) Vesting Benefit - On survival of the Life Assured till the vesting date and provided all Premiums which have fallen due are paid, the amount payable shall be the sum of:
    - Sum Assured on Vesting,
    - Accrued Guaranteed Additions and
    - Vesting Addition.
  - (2) For details on Guaranteed Additions and Vesting Addition, please refer to Clause 9.
  - (3) Death Benefit - On death of the Life Assured before the vesting date and provided all Premiums which have fallen due are paid, the amount payable shall be the total Premiums paid accumulated at a guaranteed rate of 6% per annum compounded annually.
  - (4) The Death Benefit payable shall be at least equal to 105% of the total Premiums paid till the date of death.
  - (5) For the purpose of computation of the Death Benefit, the Premiums shall exclude any taxes paid such as Service Tax, swachh bharat cess and any other statutory tax or duty.
  - (6) Upon the payment of the Death Benefit or the Vesting Benefit, the Policy terminates and no further benefits are payable.
  - (7) For a paid-up Policy, the Death and Vesting Benefits payable shall be as described in Clause 7.
  - (8) For details on the annuitisation of the Death Benefit and the Vesting Benefit, please refer to Clause 11.
  - (9) The recipients of benefits under this policy shall be as specified below:
    - Death Benefit shall be payable to the nominee(s), if the Policyholder and the Life Assured are the same; or to the Policyholder if the Life Assured is other than the Policyholder
    - All other Benefits shall be payable to the Policyholder.
- 4. Pre-requisites for payment of benefits**
  - (1) Vesting Benefit - The Vesting Benefit will be paid if and only if
    - The Policy has vested and the Life Assured is alive on the Vesting Date,
    - No claim has been made on the Policy,
    - The Policy has not been surrendered, cancelled or terminated; and
    - All relevant documents including the original Policy document in support of your claim have been provided to the Company.
  - (2) Death Benefit - The Death Benefit will be paid if and only if
    - The death of the Life Assured has occurred before the Vesting Date,
    - The Standard Policy Provisions specified in Clause 14 (Exclusions) and Clause 15 (Incorrect Information and Non Disclosure) are not attracted,
    - The Policy has not been surrendered, cancelled or terminated; and
    - All relevant documents in support of the claim have been provided to the Company. These would normally include the following:
      - o Fully completed claim form
      - o Original Policy document,
      - o Original or certified copy of death registration certificate,
      - o Original or certified copy of certificate of doctor certifying death,
      - o Original or certified copy of certificate of cremation or burial, and
      - o Originals or certified copy of any medical reports that we consider relevant to the death.
    - Depending on the circumstances of the death, further documents may be called for as we deem fit.
    - The claim is required to be intimated to us within a period of three years from the date of death. However, we may condone the delay in claim intimation, if any, where the delay is proved to be for reasons beyond the control of the claimant.
- 5. Payment and cessation of Premiums**
  - (1) The first Premium must be paid along with the submission of your completed application. Subsequent Premiums are due in full on the due dates as per the frequency set out in your Policy Schedule.
  - (2) Premiums under the Policy can be paid on yearly, half-yearly, quarterly or monthly basis as per the chosen frequency and as set out in the Policy Schedule or as amended subsequently.
  - (3) If you have chosen monthly premium payment frequency, we may collect first 3 months premium along with the proposal form.
  - (4) The Premiums that fall due in the same financial year can be paid in advance. However, where the premium due in one financial year is paid in advance in earlier financial year, we may collect the same for a maximum period of three months in advance of the due date of the premium.
  - (5) Any Regular Premiums paid before the Due Date will be deemed to have been received on the Due Date for that Regular Premium.
  - (6) A grace period of not more than 30 days, where the mode of payment of Premium is other than monthly, and not more than 15 days in case of monthly mode, is allowed for the payment of each renewal Premium after the first Premium. We will not accept part payment of the premium.
- (7) If any Premium remains unpaid after the expiry of the grace period, your Policy may lapse or become Paid-Up, as described in Clause 7, with effect from the due date of the first unpaid Premium. In that event, the benefits under such Policy shall be payable in accordance with Clause 7 as stated below.
- (8) Premiums are payable by You without any obligation on us to issue a reminder notice to You.
- (9) Where the Premiums have been remitted otherwise than in cash, the application of the Premiums received is conditional upon the realization of the proceeds of the instrument of payment, including electronic mode.
- (10) The Benefits payable under this Policy will be paid after deduction of the Premium fallen due during the then current Policy year, if such Premium has remained unpaid.
- (11) If you suspend payment of Premium for any reason whatsoever, Clause 7 (Lapsed Policies and Paid-Up Policies) may apply and we shall not be held liable for any loss of benefits.

### **6. Surrender Value**

- (1) The Policy will acquire a minimum Guaranteed Surrender Value (GSV) upon the payment of:
  - The first two years' Premiums, if the Premium paying term is less than 10 years; or
  - The first three years' Premiums, if the Premium paying term is 10 years or more.
- (2) The minimum GSV shall be the sum of:
  - Applicable GSV factors on the Premiums paid at the time of surrender multiplied to the total Premiums paid to date.
  - Applicable GSV factors on Guaranteed Additions at the time of surrender multiplied to the Guaranteed Additions already accrued to the Policy. The GSV factors applicable for Premiums paid and accrued Guaranteed Additions are as specified in Appendix 1.
- (3) The Company may pay a Surrender Value higher than the minimum Guaranteed Surrender Value in the form of a Special Surrender Value (SSV).
- (4) For the purpose of calculation of Surrender Value, Premium will exclude any taxes paid.
- (5) For details on the annuitisation of the Surrender Benefit, please refer to Clause 11.

### **7. Lapsed Policies and Paid-Up policies**

- (1) If any Premium remains unpaid after the expiry of the grace period and your Policy has not acquired a minimum GSV, your Policy's status will be altered to lapsed status and the cover will cease.
- (2) No benefits would be payable under a lapsed Policy.
- (3) If any Premium remains unpaid after the expiry of the grace period and your Policy has acquired a minimum GSV, your Policy's status will be altered to paid-up status.
- (4) Once your Policy is altered to paid-up status, the 'Sum Assured on Vesting' will reduce to paid-up Sum Assured and your Policy will cease to qualify for any future Guaranteed Additions. The paid-up Sum Assured will be calculated as the 'Sum Assured on Vesting' multiplied by the ratio of the Premiums paid to the Premiums payable under the Policy.
- (5) A lapsed or paid-up Policy may be revived subject to the terms and conditions as described under Clause 8.
- (6) The Vesting Benefit for a paid-up Policy shall be the sum of:
  - Paid-up Sum Assured,
  - Guaranteed Additions (accrued before the Policy became paid-up) and
  - Vesting Addition (calculated based on the paid-up Sum Assured).
- (7) The Death Benefit for a paid-up Policy shall be the total Premiums paid, accumulated at a guaranteed rate of 6% per annum compounded annually.
- (8) The Death Benefit payable shall be at least equal to 105% of the total premiums paid till the date of death.
- (9) For the purpose of computation of Death Benefit, the Premiums shall exclude any taxes paid such as Service Tax, swachh bharat cess and any other statutory tax or duty.
- (10) If a paid-up Policy is subsequently surrendered, the Surrender Benefit shall be the Vesting Benefit for such paid-up Policy multiplied by the applicable SSV factor.

### **8. Revival of the Policy**

- If your Policy has been paid-up or lapsed, it may be revived subject to the IRDA(Non-Linked Insurance Products) Regulations, 2013 as amended from time to time and the terms and conditions that we may specify from time to time. Currently, the application for the revival should be made within two years from the due date of the first unpaid Premium and before the expiry of the Policy Term. The revival will be subject to satisfactory evidence of continued insurability of the Life Assured and payment of outstanding Premiums with interest. Once the Policy is revived, you are entitled to receive all contractual benefits.

### **9. Guaranteed Additions and Vesting Addition**

- (1) Subject to Premiums being paid as and when due under the Policy, the Policyholder shall receive at vesting annual Guaranteed Additions at a rate of 3% of the 'Sum Assured on Vesting', accrued at the end of every Policy year, throughout the Policy Term.
- (2) Upon Vesting, the Policyholder shall receive a Vesting Addition based on the Policy Term as described below.

Policy Term	Vesting Addition (% of Sum Assured on Vesting)	Policy Term	Vesting Addition (% of Sum Assured on Vesting)
10 years	30%	16 years	48%
11 years	33%	17 years	51%
12 years	36%	18 years	54%
13 years	39%	19 years	57%
14 years	42%	20 years	60%
15 years	45%		

## HDFC Life Guaranteed Pension Plan

- (3) If your Policy is in paid-up status, it will cease to qualify for any future Guaranteed Additions. Guaranteed Additions accrued to the Policy on the date the Policy is altered to paid-up status, will continue to be attached. Upon Vesting, the Policyholder shall receive a Vesting Addition calculated based on the paid-up Sum Assured.

### 10. Alterations

The Premium paying frequency can be changed subject to the minimum Premium conditions. The Annualised Premium cannot be decreased or increased at any point of time except due to a change in Premium paying frequency and only to that extent.

### 11. Annuitisation Provisions

- (1) Death Benefit – The nominee shall have the following options:
  - To utilise the Death Benefit, fully or partly, for purchasing an immediate annuity product from us at the then prevailing annuity rate offered; or
  - To withdraw the entire Death Benefit.
- (2) Vesting Benefit – The Policyholder shall have the following options:
  - To commute to the extent allowed under the Income Tax laws and to utilise the residual amount to purchase an immediate annuity product from us at the then prevailing annuity rate offered; or
  - To utilise the Vesting Benefit to purchase a single premium deferred pension product from us.
- (3) Surrender Benefit – The Policyholder shall have the following options:
  - To commute to the extent allowed under the Income Tax laws and to utilise the residual amount to purchase an immediate annuity product from us at the then prevailing annuity rate offered; or
  - To utilise the Surrender Benefit to purchase a single premium deferred pension product from us.

### 11.A) Access to benefits/payout if this product is purchased as QROPS (Qualifying Recognized Overseas Pension Scheme), through transfer of UK tax relieved assets

Notwithstanding anything stated under this document, the following terms & conditions shall apply to QROPS Policyholders:

- **Benefits on Surrender**  
If this product is purchased as QROPS through transfer of UK tax relieved assets, access to benefits from policy proceeds both in the form of tax free commutation and Annuitisation, would be restricted till the Policyholder attains 55 years of age or the policy acquires GSV whichever is later
- **Cancellation in the Free-Look Period**  
If this product is purchased as QROPS through transfer of UK tax relieved assets, the proceeds from cancellation in free look period shall only be transferred back to the Fund House from where the money was received.

### 12. Loans

Loans are not available under this Policy.

### 13. Nomination

The Policyholder can nominate a person/ persons in accordance with Section 39 of the Insurance Act, 1938 as amended from time to time. Simplified version of the provisions of Section 39 is enclosed in Annexure I for reference.

### 14. Exclusions

There are no exclusions in this Policy.

### 15. Incorrect Information and Non-Disclosure

Fraud, misrepresentation and forfeiture would be dealt with in accordance with provisions of Section 45 of the Insurance Act 1938 as amended from time to time. Simplified version of the provisions of Section 45 is enclosed in Annexure II for reference.

### 16. Policy on the life of a Minor

The Policy cannot be taken for the benefit of the Life Assured who is a minor.

### 17. Service Tax and Swachh Bharat Cess

As per the current laws, Service Tax and Swachh Bharat Cess as applicable on life insurance Premium and is payable in addition to the Premium amount specified in the Policy Schedule. Any other indirect tax, statutory levy or duty leviable in future including changes in the rate of any of the above may become payable by you by any method we deem appropriate including by levy of an additional monetary amount in addition to the Premium.

### 18. Modification, Amendment, Re-enactment of or to the Insurance laws and rules, regulations, guidelines, clarifications, circulars etc there under

- (1) This Policy is subject to
  - The Insurance Act 1938, as amended by the Insurance Regulatory and Development Authority Act, 1999.
  - Amendments, modifications (including re-enactment) as may be made from time to time, and
  - Other such relevant Regulations, Rules, Laws, Guidelines, Circulars, Enactments etc as may be introduced there under from time to time.
- (2) We reserve the right to change any of these Policy Provisions / terms and conditions in accordance with changes in applicable Regulations or Laws or if it becomes impossible or impractical to enact the provision / terms and conditions.
- (3) We are required to obtain prior approval from the IRDAI or any successor body before making any material changes to these provisions, except for changes of regulatory / statutory nature.
- (4) We reserve the right to require submission of such documents and proof at all life stages of the Policy as may be necessary to meet the requirements under Anti- money Laundering/ Know Your Customer norms and as may be laid down by IRDAI and other regulators from time to time.

### 19. Age Admitted

The Company has calculated the Premiums under the Policy on the basis of the age of the Life Assured as declared in the Proposal. In case You have not provided proof of age of the Life Assured with the Proposal, You will be required to furnish such proof of age of the Life Assured as is acceptable to us and have the age admitted. In the event the age so admitted ("Correct Age") during the Policy term is found to be different from the age declared in the Proposal, without prejudice to our rights and remedies including those under the Insurance Act, 1938, we shall take one of the following actions (i) if the Correct Age makes the Life Assured ineligible for this

Policy, we will offer him suitable plan as per our underwriting norms. If you do not wish to opt for the alternative plan or if it is not possible for us to grant any other plan, the Policy will stand cancelled from the date of issuance and the Premiums paid under the Policy will be returned subject to the deduction of expenses incurred by the Company and the Policy will terminate thereafter; or (ii) if the Correct Age makes the Life Assured eligible for the Policy, the difference between the revised premium, as per the Correct Age and the original premium, with interest, will be due on the next Policy anniversary date and the revised premium will continue for the rest of the Premium payment term. The provisions of Section 45 of the Insurance Act, 1938 shall be applicable.

### 20. Additional Servicing Charges

- (1) A charge of Rs. 250 per request will be levied for any additional servicing requests. This charge may be increased to allow for inflation. The list of services where this charge is applicable is specified below.
- (2) The following lists the services on which Additional Servicing Charge is applicable. Any administrative servicing that we may introduce at a later date would be added to this list:
  - Cheque bounce/cancellation of cheque.
  - Request for duplicate documents such as duplicate Policy Document etc.
  - Failure of ECS/SI due to an error at Policyholder's end.

### 21. Notices

Any notice, direction or instruction given to Us, under the Policy, shall be in writing and delivered by hand, post, facsimile or from registered electronic mail ID to:

HDFC Standard Life Insurance Company Limited, 11th Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai - 400011.

Registered Office: Lodha Excelus, 13th Floor, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai - 400011.

Helpline number: 18602679999 (Local charges apply)

E-mail: service@hdfclife.com

Or such other address as may be informed by Us.

Similarly, any notice, direction or instruction to be given by Us, under the Policy, shall be in writing and delivered by hand, post, courier, facsimile or registered electronic mail ID to the updated address in the records of the Company.

You are requested to communicate any change in address, to the Company supported by the required address proofs to enable the Company to carry out the change of address in its systems. The onus of intimation of change of address lies with the Policyholder. An updated contact detail of the Policyholder will ensure that correspondences from the Company are correctly addressed to the Policyholder at the latest updated address.

### Appendix 1: Guaranteed Surrender Value Factors

#### Guaranteed Surrender Value Factors as percentage of Premiums paid

Policy Year	Premium Paying Term of 5 years and 7 years	Premium Paying Term of 10 years
2	30%	n/a
3	30%	30%
4 to 7	50%	50%
Last 2 years	90%	90%

After the seventh Policy year, the % of Premiums paid for Guaranteed Surrender Value calculation shall be interpolated such that it smoothly progresses from 50% at the end of the seventh Policy year to 90% two years before Vesting.

#### Guaranteed Surrender Value Factors for accrued Guaranteed Additions

No. of years Premiums paid	Policy Term										
	10	11	12	13	14	15	16	17	18	19	20
2	32.7%	28.4%	24.7%	21.5%	18.7%	16.3%	14.1%	12.3%	10.7%	9.3%	8.1%
3	37.6%	32.7%	28.4%	24.7%	21.5%	18.7%	16.3%	14.1%	12.3%	10.7%	9.3%
4	43.2%	37.6%	32.7%	28.4%	24.7%	21.5%	18.7%	16.3%	14.1%	12.3%	10.7%
5	49.7%	43.2%	37.6%	32.7%	28.4%	24.7%	21.5%	18.7%	16.3%	14.1%	12.3%
6	57.2%	49.7%	43.2%	37.6%	32.7%	28.4%	24.7%	21.5%	18.7%	16.3%	14.1%
7	65.8%	57.2%	49.7%	43.2%	37.6%	32.7%	28.4%	24.7%	21.5%	18.7%	16.3%
8	75.6%	65.8%	57.2%	49.7%	43.2%	37.6%	32.7%	28.4%	24.7%	21.5%	18.7%
9	87.0%	75.6%	65.8%	57.2%	49.7%	43.2%	37.6%	32.7%	28.4%	24.7%	21.5%
10		87.0%	75.6%	65.8%	57.2%	49.7%	43.2%	37.6%	32.7%	28.4%	24.7%
11			87.0%	75.6%	65.8%	57.2%	49.7%	43.2%	37.6%	32.7%	28.4%
12				87.0%	75.6%	65.8%	57.2%	49.7%	43.2%	37.6%	32.7%
13					87.0%	75.6%	65.8%	57.2%	49.7%	43.2%	37.6%
14						87.0%	75.6%	65.8%	57.2%	49.7%	43.2%
15							87.0%	75.6%	65.8%	57.2%	49.7%
16								87.0%	75.6%	65.8%	57.2%
17									87.0%	75.6%	65.8%

## HDFC Life Guaranteed Pension Plan

18									87.0%	75.6%
19										87.0%

Note: For Premium Payment Term of 10 years, the GSV is acquired only upon the payment of first three years' Premiums and therefore the factors corresponding to the second policy year do not apply.

### Annexure I

#### Section 39 - Nomination by policyholder

Nomination of a life insurance Policy is as below in accordance with Section 39 of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 dated 23.03.2015. The extant provisions in this regard are as follows:

- (1) The policyholder of a life insurance on his own life may nominate a person or persons to whom money secured by the policy shall be paid in the event of his death.
- (2) Where the nominee is a minor, the policyholder may appoint any person to receive the money secured by the policy in the event of policyholder's death during the minority of the nominee. The manner of appointment to be laid down by the insurer.
- (3) Nomination can be made at any time before the maturity of the policy.
- (4) Nomination may be incorporated in the text of the policy itself or may be endorsed on the policy communicated to the insurer and can be registered by the insurer in the records relating to the policy.
- (5) Nomination can be cancelled or changed at any time before policy matures, by an endorsement or a further endorsement or a will as the case may be.
- (6) A notice in writing of Change or Cancellation of nomination must be delivered to the insurer for the insurer to be liable to such nominee. Otherwise, insurer will not be liable if a bonafide payment is made to the person named in the text of the policy or in the registered records of the insurer.
- (7) Fee to be paid to the insurer for registering change or cancellation of a nomination can be specified by the Authority through Regulations.
- (8) On receipt of notice with fee, the insurer should grant a written acknowledgement to the policyholder of having registered a nomination or cancellation or change thereof.
- (9) A transfer or assignment made in accordance with Section 38 shall automatically cancel the nomination except in case of assignment to the insurer or other transferee or assignee for purpose of loan or against security or its reassignment after repayment. In such case, the nomination will not get cancelled to the extent of insurer's or transferee's or assignee's interest in the policy. The nomination will get revived on repayment of the loan.
- (10) The right of any creditor to be paid out of the proceeds of any policy of life insurance shall not be affected by the nomination.
- (11) In case of nomination by policyholder whose life is insured, if the nominees die before the policyholder, the proceeds are payable to policyholder or his heirs or legal representatives or holder of succession certificate.
- (12) In case nominee(s) survive the person whose life is insured, the amount secured by the policy shall be paid to such survivor(s).
  - (13) Where the policyholder whose life is insured nominates his **a.** parents or **b.** spouse or **c.** children or **d.** spouse and children **e.** or any of them the nominees are beneficially entitled to the amount payable by the insurer to the policyholder unless it is proved that policyholder could not have conferred such beneficial title on the nominee having regard to the nature of his title.
- (14) If nominee(s) die after the policyholder but before his share of the amount secured under the policy is paid, the share of the expired nominee(s) shall be payable to the heirs or legal representative of the nominee or holder of succession certificate of such nominee(s).
- (15) The provisions of sub-section 7 and 8 (13 and 14 above) shall apply to all life insurance policies maturing for payment after the commencement of Insurance Laws (Amendment) Act, 2015 (i.e 23.03.2015).
- (16) If policyholder dies after maturity but the proceeds and benefit of the policy has not been paid to him because of his death, his nominee(s) shall be entitled to the proceeds and benefit of the policy.
- (17) The provisions of Section 39 are not applicable to any life insurance policy to which Section 6 of Married Women's Property Act, 1874 applies or has at any time applied except where before or after Insurance Laws (Amendment) Act, 2015, a nomination is made in favour of spouse or children or spouse and children whether or not on the face of the policy it is mentioned that it is made under Section 39. Where nomination is intended to be made to spouse or children or spouse and children under Section 6 of MWP Act, it should be specifically mentioned on the policy. In such a case only, the provisions of Section 39 will not apply.

**Disclaimer: This is not a comprehensive list of amendments of Insurance Laws (Amendment) Act, 2015 and only a simplified version prepared for general information. Policy Holders are advised to refer to Insurance Laws (Amendment) Act, 2015 dated 23.03.2015 for complete and accurate details.**

### Annexure II

Provisions regarding policy not being called into question in terms of Section 45 of the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Act, 2015 dated 23.03.2015 are as follows:

- (1) No Policy of Life Insurance shall be called in question **on any ground whatsoever** after expiry of 3 yrs from **a.** the date of issuance of policy or **b.** the date of commencement of risk or **c.** the date of revival of policy or **d.** the date of rider to the policy whichever is later.
  - (2) On the ground of fraud, a policy of Life Insurance may be called in question within 3 years from **a.** the date of issuance of policy or **b.** the date of commencement of risk or **c.** the date of revival of policy or **d.** the date of rider to the policy whichever is later.
- For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which such decision is based.
- (3) Fraud means any of the following acts committed by 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 specifically declares to be fraudulent.
  - (4) Mere silence is not fraud unless, depending on circumstances of the case, it is the duty of the insured or his agent keeping silence to speak or silence is in itself equivalent to speak.
  - (5) No Insurer shall repudiate a life insurance Policy on the ground of Fraud, if the Insured / beneficiary can prove that the misstatement was true to the best of his knowledge and there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of material fact are within the knowledge of the insurer. Onus of disproving is upon the policyholder, if alive, or beneficiaries.
  - (6) Life insurance Policy can be called in question within 3 years on the ground that any statement of or suppression of a fact material to expectancy of life of the insured was incorrectly made in the proposal or other document basis which policy was issued or revived or rider issued. For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which decision to repudiate the policy of life insurance is based.
  - (7) In case repudiation is on ground of mis-statement and not on fraud, the premium collected on policy till the date of repudiation shall be paid to the insured or legal representative or nominee or assignees of insured, within a period of 90 days from the date of repudiation.
  - (8) Fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer. The onus is on insurer to show that if the insurer had been aware of the said fact, no life insurance policy would have been issued to the insured.
  - (9) The insurer can call 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 of age of life insured. So, this Section will not be applicable for questioning age or adjustment based on proof of age submitted subsequently.

**Disclaimer: This is not a comprehensive list of amendments of Insurance Laws (Amendment) Act, 2015 and only a simplified version prepared for general information. Policy Holders are advised to refer to Insurance Laws (Amendment) Act, 2015 dated 23.03.2015 for complete and accurate details.**