

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

LIC's Single Premium Group Micro Term Insurance Plan (UIN:512N359V01)
(A Non – Par, Non - Linked, Group, Pure Risk, Life Micro Insurance Plan)

PART– A

Ref: NB
Office:

Address & Email of Branch/P&GS Unit

Date:

Dear Master Policyholder,

Re: Your Master Policy No. _____

We have pleasure in forwarding herewith the above Policy Document (comprising of Part A to Part G) and Customer Information Sheet (CIS).

We would also like to draw your kind attention to the information mentioned in the Schedule of the Policy and the benefits to each Member 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 30 days from the date of receipt of the Policy Document stating the reasons for your objections and disagreement. On receipt of the policy, we shall cancel the same and the amount of premium deposited by you shall be refunded to you after deducting the **proportionate risk premium for the period of cover, and charges for stamp duty.**

This clause shall not be applicable for those policies where the Policy Term is less than a year.

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

Address of Grievance Redressal Officer:

Address and contact details of Insurance Ombudsman:

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

Thanking you.

Yours faithfully,

p. Manager (P&GS)

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

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

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

These measures will enable us to serve you better.

Preamble

THE LIFE INSURANCE CORPORATION OF INDIA (hereinafter called “the Corporation”) having received a Proposal and Declaration along with the Single 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 Scheme Rules of the aforesaid LIC’s Single Premium Group Micro Term Insurance Plan (certified copy of which Scheme Rules has been furnished to the Corporation by the Master Policyholder), which Scheme Rules together with the aforesaid proposal are hereby declared to be the basis of this policy.

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

The Master Policyholder have 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, Scheme Rules and all statements referred above and any other statements or information already furnished and to be furnished by the Master Policyholder as provided hereunder giving all the variations in the particulars of the Members in so far as such variations have any bearing on the Assurances effected hereunder from time to time, the Master Policyholder have agreed, shall be and are hereby declared to be the basis of this Policy. And WHEREAS the Corporation has received an amount of Rs. _____ being the premium due on the date of commencement of this Policy in respect of the Assurances effected hereunder, on the lives of persons, being the total eligible Members of the group on the date of commencement of policy, for the total Sum Assured of Rs.....

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

Any amendment to the terms and condition of this policy shall be given effect to by an endorsement to the policy signed by an authorized officer of the Corporation.

SCHEDULE**DIVISIONAL OFFICE:****P&GS UNIT OFFICE:**

1.	Proposal No	
2.	Proposal Date	DDMMYYYY
3.	Master Policy Number	
4.	Name of the Master Policyholder	
5.	Registered Address and email_ID of Master Policyholder	
6.	Name of the Scheme	
7.	Date of Commencement of Master Policy	DDMMYYYY
8.	Policy Term for Master Policyholder	----- Months Note: if the Master Policyholder does not opt for a Policy term, Policy shall remain in-force until terminated.
9.	Period of Coverage in respect of Member (as per Scheme Rules)	Minimum:----- Months Maximum:-----Months
10.	Type of group	Employer-Employee/ Non Employer-Employee
11.	Whether the Master Policyholder is a Financial Institution	Yes /No
12.	Age at Entry of Members	Minimum entry age :18 years (last birthday) Maximum entry age :-----years (nearer birthday)
13.	Maximum age at Maturity (Insurance Cover ceasing age)	---- years(nearer birthday)
14.	Sum Assured on death	Sum Assured in respect of each Member as per Scheme Rules
15.	Number of Members covered as on the Date of Commencement of Master Policy	
16.	Total Single Premium received towards Assured Benefit on Date of Commencement of Policy	

* Note: Provisions mentioned under Condition 9 of Part-F (Other Terms and Conditions) shall only apply if the the Master Policyholder is a Financial Institution.

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

Date: DDMMYYYY

Examined by:

Form No.:

p. Manager (P&GS)

PART – B: DEFINITIONS

The definitions of terms/words used in the Policy Document are as under:

1. **Accident** is a sudden unforeseen and involuntary event caused by external violent and visible means.
2. **Age** is the age nearer birthday of the Member on the Entry Date except for age 18 years for which the age is in completed years.
3. **Appointee** is the person to whom the proceeds/benefits secured under the Policy are payable if the benefit becomes payable to the nominee and nominee is minor as on the date of claim payment.
4. **Assignee** is the person to whom the rights and benefits are transferred by virtue of an Assignment.
5. **Assignment** is the process of transferring the rights and benefits to an "Assignee". Assignment should be in accordance with the provisions of Section 38 of Insurance Act, 1938, as amended from time to time.
6. **Beneficiary** means the person(s) / entity who is / are entitled to receive the benefits under this Policy. The Beneficiary to whom benefits are payable is the Nominee(s) under Section 39 of the Insurance Act, 1938, as amended from time to time or the proved Executors or Administrators or other Legal Representatives who should take out representation to his / her Estate or limited to the moneys payable under this Policy from any Court of any State or Territory of the Union of India, as applicable. In case of joint life cover, surviving life shall be the beneficiary.
7. **Certificate of Insurance** means a document issued to individual Members of Master Policyholder which contains the important terms and conditions of the policy. The Certificate of Insurance is applicable for non Employer- Employee group only.
8. **Corporation** means the Life Insurance Corporation of India established under Section 3 of the LIC Act, 1956.
9. **Cost and Benefit Schedule** includes the details of all the Members showing the level of insurance cover and the corresponding premium in respect of each Member covered under the scheme.
10. **Credit Account statement** is the document in respect of each Member under Non-Employer-Employee group where the Master Policyholder is a Financial Institution. It contains 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. This statement shall be provided at the time of submitting the claim.
11. **Date of commencement of policy** is the start date of this policy.
12. **Death Benefit** means the benefit, which is payable on death as specified in Condition 1.a) of Part C of this Policy Document.
13. **Employer-Employee group** means group where an employer-employee relationship exists between the Master Policyholder and the Member in accordance with the applicable laws.
14. **Entry Date** in respect of a Member is the date on which he/ she joins the scheme after receipt of premium in respect of that Member. It means (a) in relation to original Members, the Date of Commencement of Policy and (b) in relation to new Members admitted to the Scheme after the Date of Commencement of Policy, the date of their joining the Scheme after the payment of premium in respect of those Members.
15. **Endorsement** is the conditions attached /affixed to this Policy incorporating any additions, amendments or modifications agreed to or issued by the Corporation and forming part of the contract.
16. **Free Look Period** is the period of 30 days starting from the date of receipt of the Policy Document, whichever is earlier, by the Master Policyholder to review the terms and conditions of this policy and where the Master Policyholder disagrees to any of those terms and conditions, he/ she has the option to return this policy as detailed in Condition 5 of Part D of this Policy Document. Free Look Period is not applicable if the Policy Term / Period of Coverage is less than a year.
17. **IRDAI** means Insurance Regulatory and Development Authority of India earlier called Insurance Regulatory and Development Authority (IRDA).
18. **Master Policyholder** is the Institution/ Legal Entity which has entered into a contract with the Corporation for providing insurance cover to Members of this policy. It is a legal owner of this policy.
19. **Material information** is the information already known to the Individual Member at the time of obtaining a policy which has a bearing on underwriting or acceptance relevant to the individual Member as well as group.

20. **Maturity Benefit** means the benefit, which is payable on maturity, as specified in in Condition 1. b) of Part C of this Policy Document.
21. **Member** shall mean 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 Scheme rules.
22. **Nomination** is the process of nominating a person(s) who is named as “Nominee” by the Member at inception or subsequently included/changed by an endorsement. Nomination should be in accordance with provisions of Section 39 of the Insurance Act, 1938 as amended from time to time. The current provisions of Section 39 are enclosed in Annexure-1 for reference.
23. **Nominee(s)** means the person(s) nominated by the Member covered under this Policy who is (are) authorised to receive the claim benefit payable in respect of that Member under this Policy and give a valid discharge to the Corporation on settlement of the claim.
24. **Non Employer-Employee** group means group other than employer-employee, where a clearly evident relationship between the Member and the Master policyholder exists, for services / activities other than insurance .
25. **Non-Par policies** means policies which are not entitled for any share in surplus (profits) during the term of the policy. Under such non-participating policies, the benefits payable on death are guaranteed and fixed as per the terms and conditions of the policy.
26. **Period of Coverage:** It means the period (in months) starting from Entry date till Terminal Date, during which the benefits in respect of Member(s) shall be payable under this Policy.
27. **Policy/ Policy Document** means this document along with endorsements, if any, issued by the Corporation which is a legal contract between the Master Policyholder and the Corporation.
28. **Policy term** is the period, during which the contractual benefits are payable to the beneficiary / nominee as per the terms and conditions of the policy.
29. **Proposer** is a person who proposes the life insurance proposal.
30. **Pure risk products** means insurance products (without any savings element) where the payment of agreed amount is assured on the happening of death of the life assured within the term of the policy.
31. **Register** shall mean the Register of Members kept by the Corporation containing the name of Members covered under this Scheme communicated to the Corporation by the Master Policyholder. This Register shall be deemed to be incorporated in and to form part of this policy.
32. **Schedule** is the part of Policy Document that gives the specific details of policy contract.
33. **Scheme** refers to the name of Master Policyholder covered under this Policy. For example, “X” LIC’s Single Premium Group Micro Term Assurance, where X is the name of the Master Policyholder.
34. **Scheme Rules / Rules** means the rules of the scheme, for the time being in-force and as amended from time to time, governing the details of benefit structure, timing of benefit payments, eligibility conditions and other terms and conditions specific to the scheme.
35. **Sum Assured on Death** means an absolute amount of benefit which is guaranteed to become payable on death of a Member in accordance with scheme rules as mentioned in Condition 1. a) of Part C of this Policy Document.
36. **Single Premium** shall be the premium amount payable excluding extra premium and taxes if collected explicitly. Under joint life cover, Single Premium shall be the sum of premiums payable in respect of the Member and his/ her spouse who have jointly availed the loan.
37. **Surrender** means complete withdrawal or termination of the entire policy by the Master Policyholder / termination of insurance cover by member before expiry of policy term / Period of coverage in accordance with the provisions of this Policy Document.
38. **Surrender Value** means the amount, if any, that becomes payable in case of surrender in accordance with the terms and condition of this Policy
39. **Terminal Date** means the date on which Assurance in respect of a Member shall terminate as specified in this Condition 4 of Part-D of this Policy Document.
40. **Total Single Premium** is the contractual amount payable by the Master Policyholder as mentioned in the Schedule of this Policy Document to secure the benefits under the policy excluding any extra premium taxes, if collected explicitly. In case of Non-Employer-Employee group, this Total Single Premium shall be the sum total of Single Premiums in respect of all Member(s) if paid directly to the Corporation.
41. **UIN** means the Unique Identification Number allotted to this plan by the IRDAI.
42. **Underwriting** is the term used to describe the process of assessing risk and ensuring that the cost of the cover is proportionate to the risks faced by the individual concerned. Based on underwriting, a decision on acceptance or rejection of cover as well as applicability of suitable premium or modified terms, if any, is taken.

PART – C: BENEFITS

1. The following benefits are payable under this policy:

a) **Death Benefit:**

Under Single life cover:

On death of the Member during the Period of coverage, **Sum Assured on Death** in respect of the member as per the Scheme Rules of the Master Policyholder shall be payable.

However, on death (other than Accidental Death) of a Member within a period as mentioned below from the Entry Date of the member in to the scheme, 80% of the Single Premium paid (excluding extra premium and taxes if collected explicitly) in respect of that member shall be payable.

Period of Coverage (in month(s))	Period (in days) from Entry Date
1	5
2	10
3	15
4	20
5	25
6 to 120	30

This provision mentioned above shall be applicable for all the schemes under Non-Employer-Employee groups and only for Employer-Employee groups where participation is voluntary.

Under Joint life cover :

On first death of Member or Spouse or simultaneous death of Member and Spouse during the Period of coverage, **Sum Assured on Death** as per the Scheme Rules of the Master Policyholder shall be payable. Upon payment of death benefit, the cover for surviving life shall terminate.

However, on death (other than Accidental Death) of a Member/ spouse within a period as mentioned below from the Entry Date of the member in to the scheme, 80% of the Single Premium paid (excluding extra premium and taxes if collected explicitly) shall be payable.

Period of Coverage (in month(s))	Period (in days) from Entry Date
1	5
2	10
3	15
4	20
5	25
6 to 120	30

This provision mentioned above shall be applicable for all the schemes under Non-Employer-Employee groups.

Where “**Sum Assured on Death**” is defined as:

For age at entry less than 50 years

Higher of Sum Assured or 1.25 times of Single Premium paid (excluding extra premium and taxes if collected explicitly)

For age at entry 50 years and above

Higher of Sum Assured or 1.10 times of Single Premium paid (excluding extra premium and taxes if collected explicitly).

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

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

The Total Sum Assured under all in-force policies issued to a Spouse if joint Life Cover is opted for under all versions of this plan shall not exceed Rs 2 Lakh.

b) Maturity Benefits:

No Maturity Benefit shall be payable under this policy.

2. Payment of Premium:

The Single Premium shall be payable for the insurance cover in respect of each of the Member of the group on the Entry Date. The Single Premium payable for insurance cover in respect of new Member(s) joining the Scheme after the date of commencement of Policy shall depend on the actual past experience of the Scheme.

The Single Premium paid shall carry the life assurance benefit for the Members for the period in respect of which it is paid and no further.

If Joint life cover is opted for, Single Premium shall be the sum of premiums for both the lives (i.e. Member and Spouse) shall be payable at the Entry Date after allowing for applicable discount.

PART – D: CONDITIONS RELATED TO SERVICING ASPECTS

1. Proof of Age :

The Premium payable under the Policy has been calculated on the age of the Member as provided by the Master Policyholder.

In case, the age of Member is mis-stated and correct age is found to be different (higher or lower) than such age, without prejudice to the Corporation’s other rights and remedies, including the provisions under Insurance Act, 1938, as amended from time to time, Corporation shall check the eligibility of the Member on the correct age as on the date of commencement of policy/ Entry date and the following action shall be taken:

If the Member / Spouse if Joint Life Cover is opted for remain eligible for the insurance cover:

Subject to the then existing underwriting norms, the Single Premium for the Policy shall be recalculated on the Sum Assured for the correct age and the revised Single Premium shall be payable under the Policy. Further, accumulated difference between the single premium for the correct age and the original premium, from the commencement of the Policy/ Entry Date upto the date of payment of revised premium shall be paid to the Corporation with interest at such rate as fixed by the Corporation from time to time. Any outstanding premium and/or interest, if unpaid the same shall be recoverable from any claim proceeds payable under the policy.

If the correct age is found to be lower than the declared age, excess Single Premium collected shall be refunded without interest.

If the Member is ineligible for the insurance cover:

The insurance cover shall be terminated in respect of that Member and Spouse if Joint Life Cover is opted for and the Single Premiums paid towards shall be refunded without interest subject to deduction of all applicable expenses like proportionate risk premium for the period of cover, applicable taxes and stamp duty, incurred under the policy.

If the Spouse (in case Joint life cover is opted) is ineligible for the insurance cover:

The insurance cover shall be terminated in respect of the Spouse and the Premium applicable to the Spouse shall be refunded without interest subject to deduction of all applicable expenses like proportionate risk premium for the period of cover, applicable taxes and stamp duty, incurred under the policy. However, insurance cover for the Member shall continue.

2. Forfeiture and Non-forfeiture Regulations:

Forfeiture Regulations:

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.

Non –forfeiture Regulations:

Not applicable as there is no paid up value available under this plan.

3. Surrender Value:

No Surrender Value shall be available under this plan. However, in case of surrender of the policy by the Master Policyholder / surrender of Certificate of Insurance by Member through Master Policyholder an amount equal to Unexpired Risk Premium Value, if any, shall be payable as mentioned below provided it is atleast Rs100:

Surrender of Insurance Cover by a Member

Surrender of Insurance cover by a Member shall be allowed at any time after the entry of that Member into the policy. The unexpired Risk Premium Value, if any, shall be payable on the surrender of the policy, anytime during the Period of Coverage. Such surrender request shall be submitted through the Master Policyholder.

The Unexpired Risk Premium Value shall be calculated by using the following formula:

$$50\% * [(n - t)/n] * P_s * (\text{Sum assured}/1000)$$

Where;

n = Period of Coverage of the Member in days

t = Number of days from the Entry Date of member till the date of surrender

P_s = Single Premium for Rs 1000/- Sum Assured (Single Premium shall be the sum of premiums for both the lives (i.e. Member and Spouse) shall be payable at the Entry Date after allowing for applicable discount.

The Single premium mentioned above is exclusive of extra premium and taxes if collected explicitly.

Surrender of policy by the Master Policyholder:

No Surrender Value shall be available under this plan.

However, on surrender of policy, by the Master Policyholder at any time after the date of commencement of the policy, an amount equal to Sum Total of Unexpired Risk Premium Value of the Members, if any, shall be payable provided it is at least Rs.100 .

However, in case of surrender of the policy by the Master Policyholder, the individual Members of the group who are not interested in surrendering the insurance cover and expressly conveyed to continue the policy shall have an option to continue as an individual policy till their coverage is terminated.

4. Termination of Insurance Cover:

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

- a) On ceasing the group Membership of a Member
- b) On reaching the maximum cover ceasing age of Member. In case of Joint Life Cover opted for, on reaching the maximum cover ceasing age of Member or Spouse, whichever is earlier.
- c) On payment of Death Benefit as specified in Condition 1(a) of Part C of this Policy Document

- d) On surrender of policy by Master Policyholder and if the Member does not opt to continue the cover
- e) On surrender of cover by the Member
- f) On payment of free look cancellation amount
- g) On expiry of the Period of Coverage
- h) On event of Forfeiture as specified in Condition 2 of Part D of this Policy Document.

5. Free Look Period:

- (a) Applicable to Master Policyholder:

If the Master Policyholder is not satisfied with the “Terms and Conditions” of the policy, the policy may be returned to the Corporation within 30 days from the date of receipt of the Policy Bond, stating the reasons for objections and disagreement. On receipt of the same, the Corporation shall cancel the policy and refund the amount of premium deposited after deducting the proportionate risk premium for the period of cover, and charges for stamp duty.

This clause shall not be applicable for those policies where the Policy Term is less than a year.

- (b) Applicable to Member:

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

This clause shall not be applicable for those policies where the Period of Coverage is less than a year.

6. Options available under the plan .

- a) Option to Member to continue the insurance cover in case of surrender by Master Policyholder:

In case of surrender of the policy by the Master Policyholder, the insurance cover of the individual members of the group who are not interested in surrendering the insurance cover and expressly conveyed to continue the insurance cover shall have an option to continue as an individual policy till their coverage is terminated.

- b) Joint life cover option:

This plan provides an option to Member to include his/ her spouse for Joint life cover. This option is only available under Non-Employer-Employee group where Master Policyholder is a Financial Institution and loan is jointly availed by the Member with spouse. This option can be exercised at Entry Date only.

In case Joint life cover is opted for, premiums are charged for both lives separately with the 5% discount offered to the premium applicable to the younger of two lives. In such case, Single Premium shall be the sum of premiums for both the lives and shall be payable at the Entry Date after allowing for the applicable discount.

All the eligibility condition applicable to the Member shall also be applicable - to spouse. However, the Period of coverage and Sum Assured for Member and Spouse shall be same.

7. Policy Loan:

No loan shall be available under this plan.

PART E

Not Applicable

PART – F: OTHER TERMS AND CONDITIONS

1. Nomination:

Nomination by a Member is allowed as per Section 39 of the Insurance Act, 1938 as amended from time to time. The current provisions of Section 39 are contained in Annexure-1 of this policy document.

The Master Policyholder shall obtain the nomination details in respect of all the Members covered under this policy and ensure that the requisite nominations are updated in their records on a regular basis. The Master Policyholder shall provide the necessary information to the Corporation regarding nomination in respect of all the Members covered to the P&GS Unit of the Corporation where this policy is serviced. The Master Policyholder shall certify the correctness of the nomination made by the Members. In registering nomination the Corporation does not accept any responsibility or express any opinion as to its validity or legal effect.

2. Assignment:

Assignment shall be as per Section 38 of the Insurance Act, 1938 as amended from time to time. The current provisions of Section 38 are contained in Annexure-2 of this policy document.

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

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

4. Suicide clause:

In case of death of a Member/ spouse, if joint life cover is opted for, (whether sane or insane) due to suicide within 12 months from the Date of Commencement of the Policy or Entry date, whichever is later, nominee / beneficiary shall be entitled to 80% of the Single Premium paid (excluding extra premium and taxes if collected explicitly). The Corporation will not entertain any other claim and the insurance cover shall terminate for the Member and Spouse, if Joint Life is opted for.

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

5. Taxes:

Statutory Taxes, if any, imposed on such insurance plans 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 applicable taxes, as per the prevailing rates shall be payable by the Master Policyholder (Members, in case of Non-Employer-Employee group) on premiums including extra premiums if any, which shall be collected separately over and above in addition to the premiums payable by the Master Policyholder. The amount of Tax paid shall not be considered for the calculation of benefits payable under the plan.

In any case where the Corporation is liable to the revenue authorities for Income Tax or any other tax or duties on the benefits to be made under this policy or on any account in respect of the policy, the Corporation shall be entitled to deduct the appropriate amounts for that purpose from the respective payments and shall not be liable to the Master Policyholder/ Member for the sums so deducted.

6. General Conditions:

- i. The Master Policyholder shall provide the list of Members covered under the policy at the time of inception of the policy and at the time of entry of the new Member. Such list which should be in the format prescribed by the Corporation from time to time and shall be deemed to form part of the Policy Document.
- ii. For Non employer-employee scheme, the Master Policyholder shall obtain a Member enrolment form from an individual before admitting him/her to the policy. The Member enrolment form shall be submitted to the Corporation at the time of lodging of claim by the Master Policyholder.
- iii. Every Member of this scheme shall become entitled to the benefits under the Policy as from the Date of commencement of policy on which he becomes a Member of this Scheme or (subject to the consent of the Master Policyholder and the Corporation and to the production at his own cost, if so required by the Corporation, of evidence of health in the form and manner prescribed by the Corporation) or from any subsequent Entry Date.
- iv. An existing eligible individual who has not become Member of the Master Policy may join the Scheme within 6 months 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.
- v. It shall be a condition of Membership of the Master Policyholder that they must become Members of the scheme and the Master Policyholder shall take effective steps to ensure that relevant information as required by the Corporation is furnished to the Corporation immediately but not later than period as specified by the Corporation from time to time and that appropriate Insurance cover are effected hereunder from Entry date in respect of such Members subject to the Condition (iii) mentioned above and to the satisfaction of the Corporation. In the event of breach of this condition, the Corporation reserves the right to decide the date of effecting the insurance and if required, shall be entitled to give written notice to the Master Policyholder of termination of this Policy.
- vi. Cost and benefit Schedule (C & B Schedule) in respect of the Members who become entitled to the benefits under this policy shall be issued to the Master Policyholder from time to time which shall be deemed to form part of the Policy Document.
- vii. The Corporation reserves the right to vary from time to time, as decided by the Corporation, the premium rates, terms and provisions of this Policy including the general conditions and Schedule upon giving to the Master Policyholder 30 days' notice in writing in respect of the new Members, of its intention to do so and any such variations will apply only to Assurance hereunder effected or to be effected on or after the date of expiry of such notice.
- viii. The Master Policyholder shall furnish to the Corporation all such data, information and evidence as the Corporation may reasonably require upon or with regard to any matter affecting the Assurances effected or to be effected hereunder and the Corporation shall not be liable for any action taken in good faith upon any data, information, or evidence so furnished which shall be or shall prove to have been erroneous or inaccurate. These records in original (or certified photo state copies thereof) as in the opinion of the Corporation have bearing on the benefits to be provided or the premiums payable hereunder shall be open for inspection by the Corporation at all times.
- ix. The Master Policyholder shall at the request of the Corporation produce the Policy whenever necessary for the purpose of stamping, reference or inspection.
- x. On proof of happening of the contingency stated herein, the Corporation shall pay to the beneficiary the benefit of the person or persons concerned the sum assured in accordance with the terms and conditions of this policy.

- xi. No changes in the insurance cover shall be allowed after the issuance of the policy. Hence, any alteration in the following parameters shall not be allowed:
 - a) Period of Coverage in respect of the Member
 - b) Sum Assured
 - c) Any other terms and conditions which may impact the premium or Sum Assured calculation

7. Corporation's right to restrict assurance.

Evidence of insurability satisfactory to the Corporation in the form and manner prescribed by the Corporation shall be furnished in respect of the Member before the insurance cover is effected. If the evidence submitted in respect of the Member is not satisfactory or the insurance cover on his life involves special risk or hazard of a medical or other nature, the Corporation shall modify the terms of acceptance of the Assurance.

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

8. Normal requirements for a claim:

For claiming the benefits as laid down in the Certificate of Insurance/ Policy Schedule the Master Policyholder, at the earliest possible time, will have to submit to the Corporation:

- i. Original Death Certificate.
- ii. In case of unnatural death or death on account of or arising from an accident, the Corporation may call for the copies of First Information Report (FIR), Panchnama and Post Mortem report. The Corporation may also call for additional documents as may be required by them.
- iii. Claims forms as prescribed by the Corporation along-with original Certificate of Insurance of the Member in case of Non-Employer – Employee group, Member Enrollment Form, Records of medical treatment prior to the death (if any).
- iv. Proof of Existence, identity and Evidence of age of the Member / Spouse if Joint Life is opted for and of the beneficiary whenever required to the satisfaction of the Corporation.
- v. NEFT mandate from the claimant for direct credit of the claim amount to the bank account, whichever is applicable, to the satisfaction of the Corporation.

As soon as a Member/ beneficiary becomes entitled to receive the benefits under the Scheme, the Master Policyholder shall send the relevant particulars to the Corporation whereupon the Corporation shall pay appropriate benefits to the Member/ beneficiary.

9. Additional provisions for claim in case the insurance is effected to cover the outstanding loan under Non-Employer-Employee group where the Master Policyholder is Financial Institution are as under:

- (i) The Member must effect valid assignment at Entry Date in favour of the Master Policyholder for deduction of the outstanding loan amounts from the claim proceeds and payment to the Master Policyholder in case of death of the Member.
- (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) The Credit Account Statement should contain the following details:
 - i. Name of the Group Master Policyholder
 - ii. Group Master Policy Number
 - iii. Name of the Member
 - iv. Date of Commencement of Risk
 - v. Sum Assured for which the Member of the Group Insurance Policy was insured.
 - vi. Original Amount of Loan

- vii. Particulars of the recoveries made by the Master Policyholder towards the Loan.
 - viii. Outstanding loan Balance as on the date death.
 - ix. Balance Claim Amount (Difference between the Sum Assured on Death and Outstanding Loan Balance as mentioned in the Credit Account Statement) payable to the nominee/beneficiary of the deceased Member in case of death claim.
 - x. A declaration that the information/ details furnished in the Credit Account statement are verified for accuracy.
- (iv) 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.
- (v) 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 favor of nominee/ beneficiary of the deceased Member of this policy, as the case may be.
- (vi) 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.
- (vii) 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.

10. Obligations of the Master Policyholder and the Corporation

- i. The Master Policyholder shall hold the Policy and all benefits payable hereunder UPON TRUST for the benefit of the persons to whom the said benefits are payable in accordance with the Rules and the Schedule hereto and the Master Policyholder shall have no beneficial interest hereunder.
- ii. As soon as a Member of this scheme becomes entitled to the benefits of this Policy and is intimated - by the Master Policyholder whereupon an Assurance has been effected on his life in accordance with the provisions hereof, the Corporation will enter his name in the register.
- iii. On proof of the happening of the contingency stated herein, the Corporation will pay the benefits directly to the beneficiary except the cases where there is valid assignment in favour of the Master Policyholder who is a Financial Institution.
- iv. All moneys payable to or by the Corporation hereunder shall be paid at the P&GS Unit of the Corporation in _____, in Indian Rupees and the Assurances effected hereunder shall be expressed in Indian Rupees.
- v. A discharge or receipt of the Master Policyholder / Beneficiary or on their behalf of any person or persons duly authorised in writing by the Master Policyholder / Beneficiary shall be a good, valid and sufficient discharge to the Corporation in respect of any payment made by the Corporation hereunder.
- vi. It is hereby expressly agreed between the Master Policyholder and the Corporation that this Policy is effected in accordance with the provisions of the Rules of the Scheme and in the event of the Rules being amended, such amendments, if they have any bearing on or affect in any way, the terms and conditions of this policy or any of the Assurances effected hereunder, shall become effective only if the said amendments are approved by the Corporation. Any -alteration or

amendment that may become necessary in the terms and conditions of this Policy on account of amendment or -alteration, approved by the Corporation in the provisions of the Rules shall be given effect to by appropriate endorsements to the Policy signed by the authorised Officer of the Corporation. Any alteration or amendment in the terms and conditions of this Policy will be done with prospective effect with appropriate approval .

- vii. The Corporation may conduct a surprise inspection of the books and records of the Master Policyholder 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.

11. Legislative Changes:

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

12. Issuance of Duplicate Policy:

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

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

13. Governing Law and Jurisdiction:

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

PART – G: STATUTORY PROVISIONS

Section 45 of the Insurance Act 1938:

The provisions of Section 45 of the Insurance Act 1938, as amended from time to time, shall be applicable. The current provisions are contained in Annexure-3 of this Policy Document.

Grievance Redressal Mechanism:

Of the Corporation:

The Corporation has Grievance Redressal Officers (GROs) at Branch/ Divisional/ Zonal/ Central Office to redress grievances of customers. The customers can visit our website (<https://licindia.in/web/guest/grievances>) for names and contact details of the GROs and other information related to grievances.

For ensuring quick redressal of customer grievances the Corporation has introduced Customer friendly Integrated Complaint Management System through our Customer Portal (website) <http://www.licindia.in>, where a registered policy holder can directly register complaint/ grievance and track its status. Customers can also contact at e-mail id co_complaints@licindia.com for redressal of any grievances.

Claimants not satisfied with the decision of death claim repudiation have the option of referring their cases for review to Zonal Office Claims Dispute Redressal Committee or Central Office Claims Dispute Redressal Committee. A retired High Court/ District Court Judge is Member of each of the Claims Dispute Redressal Committees.

Of IRDAI:

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

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

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

Of Ombudsman:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Explanation – Except where the endorsement referred to in sub-section (1) expressly indicates that the assignment or transfer is conditional in terms of subsection (10) hereunder, every assignment or transfer

shall be deemed to be an absolute assignment or transfer and the assignee or transferee, as the case may be, shall be deemed to be the absolute assignee or transferee respectively.

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

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

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

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

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

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

Nomination - As Section 39 of the Insurance Act 1938 as amended from time to time.

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

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

(2) Any such nomination in order to be effectual shall, unless it is incorporated in the text of the policy itself, be made by an endorsement on the policy communicated to the insurer and registered by him in the records relating to the policy and any such nomination may at any time before the policy matures for payment be cancelled or changed by an endorsement or a further endorsement or a will, as the case may be, but unless notice in writing of any such cancellation or change has been delivered to the insurer, the insurer shall not be liable for any payment under the policy made bona fide by him to a nominee mentioned in the text of the policy or registered in records of the insurer.

(3) The insurer shall furnish to the policy holder a written acknowledgement of having registered a nomination or a cancellation or change thereof, and may charge such fee as may be specified by regulations for registering such cancellation or change.

(4) A transfer or assignment of a policy made in accordance with section 38 shall automatically cancel a nomination:

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

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

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

(5) Where the policy matures for payment during the lifetime of the person whose life is insured or where the nominee or, if there are more nominees than one, all the nominees die before the policy matures for payment, the amount secured by the policy shall be payable to the policyholder or his heirs or legal representatives or the holder of a succession certificate, as the case may be.

(6) Where the nominee or if there are more nominees than one, a nominee or nominees survive the person whose life is insured, the amount secured by the policy shall be payable to such survivor or survivors.

(7) Subject to the other provisions of this section, where the holder of a policy of insurance on his own life nominates his parents, or his spouse, or his children, or his spouse and children, or any of them, the nominee or nominees shall be beneficially entitled to the amount payable by the insurer to him or them under sub-section (6) unless it is proved that the holder of the policy, having regard to the nature of his title to the policy, could not have conferred any such beneficial title on the nominee.

(8) Subject as aforesaid, where the nominee, or if there are more nominees than one, a nominee or nominees, to whom sub-section (7) applies, die after the person whose life is insured but before the amount

secured by the policy is paid, the amount secured by the policy, or so much of the amount secured by the policy as represents the share of the nominee or nominees so dying (as the case may be), shall be payable to the heirs or legal representatives of the nominee or nominees or the holder of a succession certificate, as the case may be, and they shall be beneficially entitled to such amount.

(9) Nothing in sub-sections (7) and (8) shall operate to destroy or impede the right of any creditor to be paid out of the proceeds of any policy of life insurance.

(10) The provisions of sub-sections (7) and (8) shall apply to all policies of life insurance maturing for payment after the commencement of the Insurance Laws (Amendment) Act, 2015.

(11) Where a policyholder dies after the maturity of the policy but the proceeds and benefit of his policy has not been made to him because of his death, in such a case, his nominee shall be entitled to the proceeds and benefit of his policy.

(12) The provisions of this section shall not apply to any policy of life insurance to which section 6 of the Married Women's Property Act, 1874, applies or has at any time applied;

Provided that where a nomination made whether before or after the commencement of the Insurance Laws (Amendment) Act, 2015, in favour of the wife of the person who has insured his life or of his wife and children or any of them is expressed, whether or not on the face of the policy, as being made under this section, the said section 6 shall be deemed not to apply or not to have applied to the policy.

Section 45 as per the Insurance Act 1938 as amended from time to time.

(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.