



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

LIC's SARAL PENSION (UIN: 512N342V05)
(A Non-Par, Non-Linked, Single Premium, Individual Immediate Annuity Plan)

PART - A

Ref: NB

(Address and e-mail id of Branch Office):

Space for Name and Address of
Policyholder

Space for Address and e-mail id of
Branch Office

Dear Policyholder,

Date:

Re: Your Policy No. _____

We have pleasure in forwarding herewith the above policy document comprising of Part A to Part G, Customer Information Sheet (CIS), Benefit Illustration and Need Analysis documents.

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

Some of our Plans have certain options available under them. It is important that the options, if any, available under this Plan and mentioned in the Policy Document are noted carefully as it will be helpful to you, in case you decide to exercise any of the available options. It is also essential to note that such option, if available and mentioned in the document of this Plan has to be exercised in the right manner and during the stipulated time limit as prescribed herein.

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 electronic or physical mode of the Policy Document, whichever is earlier, 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 charges for stamp duty and Annuity paid (if any).

In case you have any Complaint/Grievance, you may approach the Branch 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. Chief/Sr./Branch Manager

Agent's/ Intermediary's/ POSP-LI's Code	Agent's/ Intermediary's/ POSP-LI's Name	Agent's/Intermediary's/ POSP-LI's Mobile Number/ Landline Number

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

- 1) Change of Address: In case you change your residence, kindly ensure that you inform the change in address to the servicing Branch Office.
- 2) Submission of the Existence Certificate: The Existence Certificate must be submitted by the Annuitant/spouse (as applicable) in the prescribed formats and when required by the Corporation. The Annuity payments shall be released only on receipt of the Existence Certificate.
- 3) 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.
- 4) Nomination: Nomination should be in accordance with the provisions of Section 39 of the Insurance Act, 1938, as amended from time to time. The current provisions of Section 39 are enclosed as Annexure-2 for reference.
- 5) Within 90 days from the date of death, intimation of death along with death certificate must be notified in writing to the office of the Corporation where the policy is serviced for any claims to be admissible. However, delay in intimation of the genuine claim by the claimant may be condoned by the Corporation on merit and where delay is proved to be for the reasons beyond his/her control.
- 6) The provisions of Section 45 of Insurance Act, 1938, as amended from time to time shall be applicable.: The current provisions of Section 45 are enclosed as Annexure-3.
- 7) Various Sections of the Insurance Act, 1938, applicable to LIC to apply as amended from time to time.
- 8) The approved version of Policy Document in respect of this Plan is available on our website: www.licindia.in
- 9) Please visit our website: www.licindia.in to avail LIC's e-services.
- 10) For Customer Services, you can contact LIC call centre at +91-02268276827 whose services are available 24*7 in English, Hindi and 8 Regional Languages.

These measures will enable us to serve you better.

PREAMBLE

Whereas the LIFE INSURANCE CORPORATION OF INDIA (hereinafter called "the Corporation") has received a Proposal and Declaration for the purchase of an Immediate Annuity under the "LIC's Saral Pension" and the said Proposal and Declaration with the statements contained and referred to therein, which the Annuitant(s) named in the Schedule referred to herein below has agreed shall be and are hereby declared to be the basis of this Annuity Contract and has received the Premium for an Annuity amount and on the terms stated in the said Schedule.

Now this policy Witnesseth that in consideration of the Premium paid, the Corporation will pay the Annuity as specified in the said Schedule and Death Benefit, but without interest, to the person/persons to whom the same is / are therein expressed to be payable upon proof to the satisfaction of the Corporation being furnished, in respect of each Annuity payment, that the Annuity payment in question has become payable and also in respect of the happening of the event on which the Death Benefit is to become payable as set out in this Policy Document and the title of the person/persons claiming to receive the Annuity /Death Benefit.

But where the Annuity ceases or determines on the death of the annuitant, no part of the said Annuity shall be payable or paid for such time as may elapse between the date of payment immediately preceding the death of annuitant and the day of his/her death, the subsistence of life of the annuitant at twelve o'clock on the day on which the said Annuity falls due being duly certified from time to time in such manner as the Corporation may require.

And it is hereby declared that this policy shall be subject to the Definitions, Benefits, Conditions Related To servicing aspects, other terms and conditions and Statutory Provisions printed in this policy and that the Schedule and every endorsement placed on the Policy by the Corporation shall be deemed to be part of the Policy.

SCHEDULE

DIVISIONAL OFFICE:**BRANCH OFFICE:**

Policy No.: Date of Commencement of Policy: Date of Issuance of policy: Plan No.: UIN: Proposal No.: Date of proposal:	Purchase Price: (Rs.) Premium: (Rs.) Amount of annuity payment: (Rs.) Mode of payment of annuity: Date of 1 st annuity payment: Due date:
Annuity Option Chosen:	Address of Annuitant:

Particulars	Annuitant	Spouse
Name		
Date of Birth		
Age		
Whether age admitted		
Gender		

Unless otherwise stated, all dates described and used in this Schedule are in dd/mm/yyyy formats

Details of Nominee(s) under Section 39 of the Insurance Act, 1938:

Type of Nomination: Single / Multiple

Nominee(s) Name	Nominee's Age	Percentage Share	Relationship to the Annuitant	Appointee Name (in case the Nominee is a minor /Divyangjan)

Appointee Name (if Spouse is Divyangjan):

Signed on behalf of the Corporation at the above-mentioned branch office whose address and e-mail ID are given on the first page and to which all communications relating to the policy should be addressed.

Date:

Examined by:

Form No.:

p. Chief/Sr./Branch Manager

PART- B: DEFINITIONS

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

1. **Age** is the age last birthday of the Annuitant(s) on the date of commencement of the policy.
2. **Annuitant(s)** being person(s) on whose life this policy has been taken and who become entitled to receive the annuity benefits as stated in Policy Schedule.
3. **Annuity** means a specified amount payable under this policy at specified regular intervals as mentioned in the Schedule and payable as per the specification under the option chosen by the Annuitant as evidenced in the Schedule of the policy. Annuity option once chosen cannot be altered.
4. **Appointee** is the person to whom the proceeds/benefits secured under the Policy are payable on behalf of the nominee if the benefit becomes payable to the nominee and nominee is minor (as on the date of claim payment) / dependant person with disability (Divyangjan). Appointee is also the person to whom the proceeds/benefits secured under the Policy are payable on behalf of the dependant person with disability, if dependant person with disability is the spouse.
5. **Assignee** is the person to whom the rights and benefits are transferred by virtue of an Assignment.
6. **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.
7. **Assignor** means the person who transfers the rights of the life insurance policy to the Assignee.
8. **Beneficiary/Claimant** means the person(s)/ entity who is/are entitled to receive benefits under this Policy. The Beneficiary to whom Benefits shall be payable is the Annuitant or surviving named spouse or his Assignee under Section 38 of the Insurance Act, 1938 as amended from time to time or Nominees under Section 39 of the Insurance Act 1938 as amended from time to time or Proved Executors or Administrators or other legal representatives of the Annuitant(s) who should take out representation to his / her estate or limited to the monies payable under this policy from any court of any State or territory of the Union of India, as applicable.
9. **Corporation** means the Life Insurance Corporation of India established under Section 3 of the Life Insurance Corporation Act, 1956.
10. **Date of commencement of policy** is the start date of this Policy and is also the same as mentioned in the schedule of the policy.
11. **Date of issuance of policy** means the date as specified in the Policy Schedule.
12. **Death Benefit** means the benefit, agreed at the commencement of the contract, and means the amount as specified in this Policy Document and is payable on death of the annuitant as per the terms and conditions of the policy.
13. **Discharge form** is the form to be filled by Annuitant /Claimant to claim the Surrender/Death benefit under the policy.
14. **Due Date** means a fixed date on which the Annuity is due and payable.
15. **Endorsement** means conditions attached/ affixed to this Policy incorporating any amendments or modifications agreed to or issued by the Corporation.
16. **Free Look Period** is the period of 30 days from the date of receipt of the electronic or physical mode of Policy Document, whichever is earlier, by the Policyholder to review the terms and conditions of this policy and where the 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.
17. **Government Security (G-Sec)** in this Policy Document refers to the tradeable instruments issued by Central Government for various durations, declared as benchmark securities corresponding to the stated tenors, by Reserve Bank of India.
18. **IRDAI** means Insurance Regulatory and Development Authority of India earlier called as Insurance Regulatory and Development Authority (IRDA).
19. **Joint Life annuity** refers to an annuity policy taken jointly on the lives of Annuitant and his/her named spouse.
20. **Loan** is the interest bearing repayable amount granted by the Corporation against the Surrender Value

payable to the policyholder.

21. **Minor** is a person who has not completed 18 years of age.
22. **Mode** refers to the frequency of Annuity payment as chosen by the Annuitant from the available modes of annuity i.e. yearly, half-yearly, quarterly, and monthly. The Annuity shall be payable in arrears i.e. the annuity payment shall commence after 1 year, 6 months, 3 months and 1 month from the Date of Commencement of Policy depending on whether the mode of annuity payment is Yearly, Half yearly, Quarterly and Monthly respectively.
23. **Nomination** is the process of nominating a person(s) in accordance with provisions of Section 39 of the Insurance Act, 1938 as amended from time to time.
24. **Nominee(s)** means the person(s) nominated by the policyholder (who is also the Annuitant) under this policy and who is (are) authorized to receive the claim benefit payable under this policy, on the death of the Annuitant/ spouse, wherever applicable as per the annuity option chosen.
25. **Non-Par products** means products where policies are not entitled for any share in surplus (profits) during the term of the policy.
26. **Policy/ Policy Document** means this document along with endorsements, if any, issued by the Corporation which evidences the contract of Insurance between the Policyholder and the Corporation.
27. **Policyholder** is the legal owner of this policy.
28. **Premium** is the amount paid by the Policyholder as mentioned in the Schedule of this Policy Document (excluding any taxes which is payable separately) to secure the benefits under the policy.
29. **Purchase Price** is an amount mentioned in the Schedule of this Policy Document as opted by the policyholder which is considered to determine the benefits under the policy.
30. **Schedule** is the part of policy document that gives the specific details of this policy.
31. **Surrender** means complete withdrawal / termination of the entire Policy.
32. **Surrender Value** means an amount, if any, that becomes payable in case of surrender in accordance with the terms and conditions of this policy.
33. **UIN** means the Unique Identification Number allotted to this Plan by the IRDAI.

PART- C: BENEFITS

The following benefits are payable under the policy:

1. Benefits payable on Survival or on Death: The benefits payable are as under:

Annuity Option	Single / Joint Life	Benefit Payable on survival	Benefit payable on death
Option I : Life Annuity with Return of 100% of Purchase Price	Single life	Annuity Payments will be made in arrears for as long as Annuitant is alive, as per the chosen mode of annuity payment	On death of the Annuitant, the annuity payment shall cease immediately and 100% of Purchase Price shall be payable to nominee(s) / legal heirs.
Option II : Joint Life Last Survivor Annuity with Return of 100% of Purchase Price (ROP) on death of the last survivor.	Joint Life	Annuity will be made in arrears for as long as the Annuitant and/or spouse are alive, as per the chosen mode of annuity payment.	On first death (of either of the covered lives): 100% of the annuity amount shall continue to be paid as long as one of the Annuitants is alive. On death of the last survivor: The annuity payments will cease immediately. The Purchase Price shall be payable to the Nominee(s) / legal heirs.

Note: For the purpose of the death benefits, the Purchase Price excludes taxes, if any.

2. Maturity Benefit: There is no maturity benefit under this policy.

PART- D: CONDITIONS RELATED TO SERVICING ASPECTS

1) Proof of Age:

The purchase price having been calculated on the age of the Annuitant(s) as declared in the Proposal Form, in case the age is found different (lower/higher) than such age, without prejudice to the Corporation's other rights and remedies, including those under the Insurance Act, 1938, as amended from time to time the following action shall be taken:

- If the Annuitant's correct age is found to be different from the age declared in the Proposal Form, the Annuity payments payable under the Policy shall be altered corresponding to the correct age of the Annuitant from the next Annuity due date and the total of the excess paid, if any, due to difference between the original Annuity amounts paid and the corrected Annuity, from the commencement of the Policy up to the date of such excess payment, shall be paid to the Corporation with interest at such rate as fixed by the Corporation from time to time. The difference arising out of incorrect annuities paid in the past along with interest shall be collected from the Annuitant or would be adjusted from the following Annuity payments.
- If the correct age is such as would have made the Annuitant uninsurable under this Policy, then this policy shall be cancelled and the Premium paid may be refunded after deducting the charges for stamp duty, taxes and Annuity paid (if any).

2) Forfeiture in certain events:

In case any condition herein contained or endorsed hereon shall be contravened, or in case it shall hereafter appear that any untrue or incorrect averment is contained in the proposal and declaration herein mentioned, or in the statements referred to therein, have not been truly and fairly stated or that any material information has been withheld, then and in every such case this policy shall be void and all claims to any benefit in virtue of this policy shall be subject to the provisions of Section 45 of the Insurance Act, 1938 as amended from time to time.

3) Surrender:

The policy can be surrendered at any time after six months from the date of commencement of policy, if the annuitant or spouse or any of the children of the annuitant is diagnosed as suffering from any of the critical illnesses as defined Annexure-4 to the policy document, based on the documents produced to the satisfaction of the medical examiner of the Corporation. On approval of the surrender, 95% of the Purchase Price shall be paid to the annuitant, subject to deduction of any outstanding loan amount and loan interest, if any. On payment of the surrender value, the policy stands terminated. For the purpose of surrender value calculation, the Purchase Price excludes taxes, if any. Any change in the surrender value calculation method shall be applicable only after prior approval of IRDAI.

4) Policy Loan:

The Policy loan can be availed at any time after six months from the date of commencement of the policy. Maximum amount of loan that can be granted under the policy shall be such that the effective annual interest amount payable on loan does not exceed 50% of the annual annuity amount payable under the policy. Under joint life option, the loan can be availed by the annuitant and on death of the annuitant, it can be availed by the spouse.

- a) The interest on loan shall be annual effective rate equal to 10 year G-Sec rate p.a. as at 1st April of the relevant financial year, as published by M/s. FBIL, plus 200 basis points and shall be applicable for all loans granted during the period of twelve months, beginning 1st May of the relevant financial year. For the loan sanctioned during the 12 months' period commencing from 1st May, 2024 to 30th April, 2025, the applicable interest rate is 9.24% p.a. effective for entire term of the loan.
- b) The loan interest will be recovered from the annuity amount payable under the policy. The loan interest will accrue as per the frequency of annuity payment under the policy and it will be due on the date of annuity. The loan outstanding shall be recovered from the claim proceeds under the policy. However, the annuitant has the flexibility to repay the loan principal at any time during the currency of the annuity payments.

5) Free Look period:

- a) This is an option to review the Policy following receipt of Policy Document. The Policyholder has a free look period of 30 days from the date of receipt of the electronic or physical mode of the Policy Document, whichever is earlier, to review the terms and conditions of the policy and where the policyholder disagrees to any of those terms and conditions, the policyholder has the option to return the policy to the Corporation for cancellation, stating the reasons for his objection. Then the policyholder shall be entitled to a refund of the premium subject only to deduction of stamp duty charges and annuity paid, if any.
- b) The treatment of the policy shall be as below:
 - i. For standalone immediate annuity policies: The proceeds from cancellation shall be returned to the policyholder.
 - ii. If this policy is purchased out of proceeds of a deferred pension plan of any other insurance company: The proceeds from cancellation will be transferred back to that insurance company.

PART- E

Not Applicable.

PART- F: OTHER TERMS AND CONDITIONS

1) Assignment:

Assignment is allowed under this Plan as per Section 38 of the Insurance Act, 1938, as amended from time to time. The current provisions of Section 38 are contained in Annexure-1 of this Policy Document. The notice of assignment should be submitted for registration to the office of the Corporation, where the policy is serviced.

2) Nomination:

Nomination 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-2 of this Policy Document. The notice of nomination or change of nomination should be submitted for registration to the office of the Corporation, where the policy is serviced. In registering nomination the Corporation does not accept any responsibility or express any opinion as to its validity or legal effect.

3) Plan purchased through POSP-LI:

In case the Plan is purchased through Point of Sales Persons-Life Insurance (POSP-LI) the eligibility conditions and other terms and conditions shall be as per the Regulations, Circulars and Guidelines etc. issued by the IRDAI applicable to POS Plans and POSP-LI from time to time.

4) 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.

5) Taxes:

- a) 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.
- b) The amount of any applicable taxes payable as per the prevailing rates, shall be payable by the policyholder on the premium payable under the policy, which shall be collected separately in addition to the premium payable by the policyholder. The amount of tax paid shall not be considered for the calculation of benefits payable under the Policy.

6) Normal requirements for benefit payable:

a) For annuities in payment:

The Existence Certificate in the format prescribed by the Corporation is to be submitted by the Annuitant / spouse as and when required by the Corporation. In case of Joint Life Last Survivor Annuity with Return of 100% of Purchase Price on death of the last survivor, after the death of the Annuitant, the Existence Certificate of the surviving spouse will be required. The Annuity payments shall be released only on receipt of the Existence Certificate.

b) On death of the Annuitant(s):

The normal documents which the claimants shall submit while lodging the claim in case of death of the Annuitant/spouse shall be the claim form, as prescribed by the Corporation, accompanied with original policy document, NEFT mandate from the claimant for direct credit of the claim amount to the bank account, proof of title, proof of death, whichever is applicable, to the satisfaction of the Corporation. If the age is not admitted under the policy, the proof of age of the Annuitant/spouse shall also be submitted.

Intimation of death along with death certificate must be notified within 90 days from the date of death, in writing to the office of the Corporation where the policy is serviced for any claim to be admissible. However, delay in intimation of the genuine claim by the claimant, may be condoned by

the Corporation, on merit and where delay is proved to be for reasons beyond his/her control.

c) On Surrender:

In case of surrender of a policy, the Annuitant/spouse shall submit the discharge form along with the original policy document, evidence of critical illnesses as per **Annexure-4** to the policy document, NEFT mandate from the claimant for direct credit of the claim amount to the bank account besides proof of age, if the age is not admitted earlier. In addition to above, any requirement mandated under any statutory provision or as may be required as per law shall also be required to be submitted.

7) Legislative Changes:

The Terms and conditions under this policy are subject to variation in accordance with the relevant Legislation & Regulations.

8) Need Analysis:

Your need analysis document under suitability assessment is enclosed to this Policy Document.

9) Issuance of duplicate Policy:

The 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 charges is Rs. 75. In addition, Indemnity Bond notarized as per requisite stamp value is also required and the stamp fee for the same shall be borne by the Policyholder.

10) 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 at Branch/ Divisional/ Zonal/ Central Office to redress grievances of customers. The customers can visit our website (<https://licindia.in/web/quest/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) which is <http://www.licindia.in>, where a registered policy holder can directly register complaint/ grievance and track its status. Customers can also contact at e-mail id co_complaints@licindia.com for redressal of any grievances.

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

Of IRDAI:

In case the policyholder is not satisfied with the response or does not receive a response from us within 15 days, then the customer may approach the Policyholder's Protection and Grievance Redressal Department through any of the following modes:

- i. Calling Toll Free Number 155255 / 18004254732 (i.e. IRDAI Grievance Call Centre --BIMA BHAROSA SHIKAYAT NIVARAN KENDRA)
- ii. Sending an email to complaints@irdai.gov.in
- iii. Register the complaint online at [http:// bimabharosa.irdai.gov.in](http://bimabharosa.irdai.gov.in)
- iv. Address for sending the complaint through courier / letter: General Manager, Policyholder's Protection and Grievance Redressal Department, Insurance Regulatory and Development Authority of India, SurveyNo. 115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad-500032, Telangana.

Ombudsman:

- a. For redressal of Claims related grievances, claimants can also approach Insurance Ombudsman who provides for low cost and speedy arbitration to customers.
- b. The Ombudsman, as per Insurance Ombudsman Rules, 2017, can receive and consider complaints or disputes relating to the matters such as:
 - i.Delay in settlement of claims, beyond the time specified in the regulations, framed under the Insurance Regulatory and Development Authority of India Act, 1999;
 - ii.Any partial or total repudiation of claims by the life insurer, General insurer or the health insurer;
 - iii.Disputes over premium paid or payable in terms of insurance policy;
 - iv.Misrepresentation of policy terms and conditions at any time in the policy document or policy contract;
 - v.Legal construction of insurance policies in so far as the dispute relates to claim;
 - vi.Policy servicing related grievances against insurers and their agents and intermediaries;
 - vii.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;
 - viii.Non-issuance of insurance policy after receipt of premium in life insurance and general insurance including health insurance; and
 - ix. Any other matter resulting from the violation of provisions of the Insurance Act, 1938, as amended from time to time, 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 (i) to (vi)

Note: In case of dispute in respect of interpretation of these terms and conditions and special provisions/conditions the English version shall stand valid.

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

Assignment - As per Section 38 of the Insurance Act 1938

- (1) A transfer or assignment of a policy of insurance, wholly or in part, whether with or without consideration, may be made only by an endorsement upon the policy itself or by a separate instrument, signed in either case by the transferor or by the assignor or his duly authorised agent and attested by at least one witness, specifically setting forth the fact of transfer or assignment and the reasons thereof, the antecedents of the assignee and the terms on which the assignment is made.
- (2) An insurer may, accept the transfer or assignment, or decline to act upon any endorsement made under sub-section(1), where it has sufficient reason to believe that such transfer or assignment is not bonafide or is not in the interest of the policyholder or in public interest or is for the purpose of trading of insurance policy.
- (3) The insurer shall, before refusing to act upon the endorsement, record in writing the reasons for such refusal and communicate the same to the policyholder not later than thirty days from the date of the policy-holder giving notice of such transfer or assignment.
- (4) Any person aggrieved by the decision of an insurer to decline to act upon such transfer or assignment may within a period of thirty days from the date of receipt of the communication from the insurer containing reasons for such refusal, prefer a claim to the Authority.
- (5) Subject to the provisions in sub-section (2), the transfer or assignment shall be complete and effectual upon the execution of such endorsement or instrument duly attested but except, where the transfer or assignment is in favour of the insurer, shall not be operative as against an insurer, and shall not confer upon the transferee or assignee, or his legal representative, any right to sue for the amount of such policy or the moneys secured thereby until a notice in writing of the transfer or assignment and either the said endorsement or instrument itself or a copy thereof certified to be correct by both transferor and transferee or their duly authorised agents have been delivered to the insurer:

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

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

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

- (7) Upon the receipt of the notice referred to in sub-section (5), the insurer shall record the fact of such transfer or assignment together with the date thereof and the name of the transferee or the assignee and shall, on the request of the person by whom the notice was given, or of the transferee or assignee, on payment of such fee as may be specified by the regulations, grant a written acknowledgement of the receipt of such notice; and any such acknowledgement shall be conclusive evidence against the insurer that he has duly received the notice to which such acknowledgment relates.
- (8) Subject to the terms and conditions of the transfer or assignment, the insurer shall, from the date of the receipt of the notice referred to in sub-section (5), recognize the transferee or assignee named in the notice as the absolute transferee or assignee entitled to benefit under the policy, and such person shall be subject to all liabilities and equities to which the transferor or assignor was subject at the date of the transfer or assignment and may institute any proceedings in relation to the policy, obtain a loan under the policy or surrender the policy without obtaining the consent of the transferor or assignor or making him a party to such proceedings.

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

- (9) Any rights and remedies of an assignee or transferee of a policy of life insurance under an assignment or transfer effected prior to the commencement of the Insurance Laws (Amendment) Act, 2015 shall not be affected by the provisions of this section.
- (10) Notwithstanding any law or custom having the force of law to the contrary, an assignment in favour of a person made upon the condition that-
- a. The proceeds under the policy shall become payable to the policyholder or the nominee or nominees in the event of either the assignee or transferee predeceasing the insured; or
 - b. The insured surviving the term of the policy, shall be valid:

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

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

Nomination - As per section 39 of the Insurance Act, 1938

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

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

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

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

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

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

5. Where the policy matures for payment during the lifetime of the person whose life is insured or where the nominee or, if there are more nominees than one, all the nominees die before the policy matures for payment, the amount secured by the policy shall be payable to the policyholder or his heirs or legal representatives or the holder of a succession certificate, as the case may be.
6. Where the nominee or if there are more nominees than one, a nominee or nominees survive the person whose life is insured, the amount secured by the policy shall be payable to such survivor or survivors.
7. Subject to the other provisions of this section, where the holder of a policy of insurance on his own life nominates his parents, or his spouse, or his children, or his spouse and children, or any of them, the nominee or nominees shall be beneficially entitled to the amount payable by the insurer to him or them under sub-section (6) unless it is proved that the holder of the policy, having regard to the nature of his title to the policy, could not have conferred any such beneficial title on the nominee.

8. Subject as aforesaid, where the nominee, or if there are more nominees than one, a nominee or nominees, to whom sub-section (7) applies, die after the person whose life is insured but before the amount secured by the policy is paid, the amount secured by the policy, or so much of the amount secured by the policy as represents the share of the nominee or nominees so dying (as the case may be), shall be payable to the heirs or legal representatives of the nominee or nominees or the holder of a succession certificate, as the case may be, and they shall be beneficially entitled to such amount.
9. Nothing in sub-sections (7) and (8) shall operate to destroy or impede the right of any creditor to be paid out of the proceeds of any policy of life insurance.
10. The provisions of sub-sections (7) and (8) shall apply to all policies of life insurance maturing for payment after the commencement of the Insurance Laws (Amendment) Act, 2015.
11. Where a policyholder dies after the maturity of the policy but the proceeds and benefit of his policy has not been made to him because of his death, in such a case, his nominee shall be entitled to the proceed and benefit of his policy.
12. The provisions of this section shall not apply to any policy of life insurance to which section 6 of the Married Women's Property Act, 1874, applies or has at any time applied:

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

Section- 45 as per Insurance Act, 1938

1. No policy of life insurance shall be called in question on any ground whatsoever after the expiry of three years from the date of the policy, i.e. from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later.
2. A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later on the ground of fraud:

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

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

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

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

3. Notwithstanding anything contained in 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.

List of Critical Illnesses

1. CANCER OF SPECIFIED SEVERITY

- I. A malignant tumor characterized by the uncontrolled growth and spread of malignant cells with invasion and destruction of normal tissues. This diagnosis must be supported by histological evidence of malignancy. The term cancer includes leukemia, lymphoma and sarcoma.
- II. The following are excluded –
 - i. All tumors which are histologically described as carcinoma in situ, benign, pre- malignant, borderline malignant, low malignant potential, neoplasm of unknown behavior, or non-invasive, including but not limited to: Carcinoma in situ of breasts, Cervical dysplasia CIN-1, CIN -2 and CIN-3.
 - ii. Any non-melanoma skin carcinoma unless there is evidence of metastases to lymph nodes or beyond;
 - iii. Malignant melanoma that has not caused invasion beyond the epidermis;
 - iv. All tumors of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM classification T2N0M0
 - v. All Thyroid cancers histologically classified as T1N0M0 (TNM Classification) or below;
 - vi. Chronic lymphocytic leukaemia less than RAI stage 3
 - vii. Non-invasive papillary cancer of the bladder histologically described as TaN0M0 or of a lesser classification,
 - viii. All Gastro-Intestinal Stromal Tumors histologically classified as T1N0M0 (TNM Classification) or below and with mitotic count of less than or equal to 5/50 HPFs;

2. MYOCARDIAL INFARCTION

(First Heart Attack of specific severity)

- I. The first occurrence of heart attack or myocardial infarction, which means the death of a portion of the heart muscle as a result of inadequate blood supply to the relevant area.
The diagnosis for Myocardial Infarction should be evidenced by all of the following criteria:
 - i. A history of typical clinical symptoms consistent with the diagnosis of acute myocardial infarction (For e.g. typical chest pain)
 - ii. New characteristic electrocardiogram changes
 - iii. Elevation of infarction specific enzymes, Troponins or other specific biochemical markers.
- II. The following are excluded:
 - i. Other acute Coronary Syndromes
 - ii. Any type of angina pectoris
 - iii. A rise in cardiac biomarkers or Troponin T or I in absence of overt ischemic heart disease OR following an intra-arterial cardiac procedure.

3. OPEN CHEST CABG

- I. The actual undergoing of heart surgery to correct blockage or narrowing in one or more coronary artery(s), by coronary artery bypass grafting done via a sternotomy (cutting through the breast bone) or minimally invasive keyhole coronary artery bypass procedures. The diagnosis must be supported by a coronary angiography and the realization of surgery has to be confirmed by a cardiologist.
- II. The following are excluded:
 - i. Angioplasty and/or any other intra-arterial procedures

4. OPEN HEART REPLACEMENT OR REPAIR OF HEART VALVES

- I. The actual undergoing of open-heart valve surgery is to replace or repair one or more heart valves, as a consequence of defects in, abnormalities of, or disease-affected cardiac valve(s). The diagnosis of the valve abnormality must be supported by an echocardiography and the realization of surgery has to be confirmed by a specialist medical practitioner. Catheter based techniques including but not limited to, balloon valvotomy/valvuloplasty are excluded.

5. COMA OF SPECIFIED SEVERITY

- I. A state of unconsciousness with no reaction or response to external stimuli or internal needs. This diagnosis must be supported by evidence of all of the following:
 - i. no response to external stimuli continuously for at least 96 hours;
 - ii. life support measures are necessary to sustain life; and
 - iii. permanent neurological deficit which must be assessed at least 30 days after the onset of the coma.
- II. The condition has to be confirmed by a specialist medical practitioner. Coma resulting directly from alcohol or drug abuse is excluded.

6. KIDNEY FAILURE REQUIRING REGULAR DIALYSIS

- I. End stage renal disease presenting as chronic irreversible failure of both kidneys to function, as a result of which either regular renal dialysis (haemodialysis or peritoneal dialysis) is instituted or renal transplantation is carried out. Diagnosis has to be confirmed by a specialist medical practitioner.

7. STROKE RESULTING IN PERMANENT SYMPTOMS

- I. Any cerebrovascular incident producing permanent neurological sequelae. This includes infarction of brain tissue, thrombosis in an intracranial vessel, haemorrhage and embolisation from an extracranial source. Diagnosis has to be confirmed by a specialist medical practitioner and evidenced by typical clinical symptoms as well as typical findings in CT Scan or MRI of the brain. Evidence of permanent neurological deficit lasting for at least 3 months has to be produced.
- II. The following are excluded:
 - i. Transient ischemic attacks (TIA)
 - ii. Traumatic injury of the brain
 - iii. Vascular disease affecting only the eye or optic nerve or vestibular functions.

8. MAJOR ORGAN /BONE MARROW TRANSPLANT

- I. The actual undergoing of a transplant of:
 - i. One of the following human organs: heart, lung, liver, kidney, pancreas, that resulted from irreversible end-stage failure of the relevant organ, or
 - ii. Human bone marrow using haematopoietic stem cells. The undergoing of a transplant has to be confirmed by a specialist medical practitioner.
- II. The following are excluded:
 - i. Other stem-cell transplants
 - ii. Where only islets of langerhans are transplanted

9. PERMANENT PARALYSIS OF LIMBS

- I. Total and irreversible loss of use of two or more limbs as a result of injury or disease of the brain or spinal cord. A specialist medical practitioner must be of the opinion that the paralysis will be permanent with no hope of recovery and must be present for more than 3 months.

10. MOTOR NEURON DISEASE WITH PERMANENT SYMPTOMS

- I. Motor neuron disease diagnosed by a specialist medical practitioner as spinal muscular atrophy, progressive bulbar palsy, amyotrophic lateral sclerosis or primary lateral sclerosis. There must be progressive degeneration of corticospinal tracts and anterior horn cells or bulbar efferent neurons. There must be current significant and permanent functional neurological impairment with objective evidence of motor dysfunction that has persisted for a continuous period of at least 3 months.

11. MULTIPLE SCLEROSIS WITH PERSISTING SYMPTOMS

- I. The unequivocal diagnosis of Definite Multiple Sclerosis confirmed and evidenced by all of the following:
 - i. investigations including typical MRI findings which unequivocally confirm the diagnosis to be multiple sclerosis and
 - ii. there must be current clinical impairment of motor or sensory function, which must have persisted for a continuous period of at least 6 months.
- II. Neurological damage due to Systemic lupus erythematosus (SLE) is excluded.

12. BENIGN BRAIN TUMOR

- I. Benign brain tumor is defined as a life threatening, non-cancerous tumor in the brain, cranial nerves or meninges within the skull. The presence of the underlying tumor must be confirmed by imaging studies such as CT scan or MRI.
- II. This brain tumor must result in at least one of the following and must be confirmed by the relevant medical specialist.
 - i. Permanent Neurological deficit with persisting clinical symptoms for a continuous period of at least 90 consecutive days or
 - ii. Undergone surgical resection or radiation therapy to treat the brain tumor.
- III. The following conditions are excluded:

Cysts, Granulomas, malformations in the arteries or veins of the brain, hematomas, abscesses, pituitary tumors, tumors of skull bones and tumors of the spinal cord.

13. BLINDNESS

- I. Total, permanent and irreversible loss of all vision in both eyes as a result of illness or accident.
- II. The Blindness is evidenced by:
 - i. corrected visual acuity being 3/60 or less in both eyes or ;
 - ii. the field of vision being less than 10 degrees in both eyes.
- III. The diagnosis of blindness must be confirmed and must not be correctable by aids or surgical procedure.

14. END STAGE LUNG FAILURE

- I. End stage lung disease, causing chronic respiratory failure, as confirmed and evidenced by all of the following:
 - i. FEV1 test results consistently less than 1 litre measured on 3 occasions 3 months apart; and
 - ii. Requiring continuous permanent supplementary oxygen therapy for hypoxemia; and
 - iii. Arterial blood gas analysis with partial oxygen pressure of 55mmHg or less ($\text{PaO}_2 < 55\text{mmHg}$); and
 - iv. Dyspnea at rest.

15. END STAGE LIVER FAILURE

- I. Permanent and irreversible failure of liver function that has resulted in all three of the following:
Permanent jaundice; and
Ascites; and
Hepatic encephalopathy.
- II. Liver failure secondary to drug or alcohol abuse is excluded.

16. LOSS OF SPEECH

- I. Total and irrecoverable loss of the ability to speak as a result of injury or disease to the vocal cords. The inability to speak must be established for a continuous period of 12 months. This diagnosis must be supported by medical evidence furnished by an Ear, Nose, Throat (ENT) specialist.

17. LOSS OF LIMBS

- I. The physical separation of two or more limbs, at or above the wrist or ankle level limbs as a result of injury or disease. This will include medically necessary amputation necessitated by injury or disease. The separation has to be permanent without any chance of surgical correction. Loss of Limbs resulting directly or indirectly from self-inflicted injury, alcohol or drug abuse is excluded.

18. MAJOR HEAD TRAUMA

- I. Accidental head injury resulting in permanent Neurological deficit to be assessed no sooner than 3 months from the date of the accident. This diagnosis must be supported by unequivocal findings on Magnetic Resonance Imaging, Computerized Tomography, or other reliable imaging techniques. The accident must be caused solely and directly by accidental, violent, external and visible means and independently of all other causes.
- II. The Accidental Head injury must result in an inability to perform at least three (3) of the following Activities of Daily Living either with or without the use of mechanical equipment, special devices or other aids and adaptations in use for disabled persons. For the purpose of this benefit, the word "permanent" shall mean beyond the scope of recovery with current medical knowledge and technology.
- III. The Activities of Daily Living are:
 - i. Washing: the ability to wash in the bath or shower (including getting into and out of the bath or shower) or wash satisfactorily by other means;
 - ii. Dressing: the ability to put on, take off, secure and unfasten all garments and, as appropriate, any braces, artificial limbs or other surgical appliances;
 - iii. Transferring: the ability to move from a bed to an upright chair or wheelchair and vice versa;
 - iv. Mobility: the ability to move indoors from room to room on level surfaces;
 - v. Toileting: the ability to use the lavatory or otherwise manage bowel and bladder functions so as to maintain a satisfactory level of personal hygiene;
 - vi. Feeding: the ability to feed oneself once food has been prepared and made available.
- IV. The following are excluded:
 - i. Spinal cord injury;

19. PRIMARY (IDIOPATHIC) PULMONARY HYPERTENSION

- I. An unequivocal diagnosis of Primary (Idiopathic) Pulmonary Hypertension by a Cardiologist or specialist in respiratory medicine with evidence of right ventricular enlargement and the pulmonary artery pressure above 30 mm of Hg on Cardiac Catheterization. There must be permanent irreversible physical impairment to the degree of at least Class IV of the New York Heart Association Classification of cardiac impairment.
- II. The NYHA Classification of Cardiac Impairment are as follows:
 - i. Class III: Marked limitation of physical activity. Comfortable at rest, but less than ordinary activity causes symptoms.
 - ii. Class IV: Unable to engage in any physical activity without discomfort. Symptoms may be present even at rest.
- III. Pulmonary hypertension associated with lung disease, chronic hypoventilation, pulmonary thromboembolic disease, drugs and toxins, diseases of the left side of the heart, congenital heart disease and any secondary cause are specifically excluded.

20. THIRD DEGREE BURNS

- I. There must be third-degree burns with scarring that cover at least 20% of the body's surface area. The diagnosis must confirm the total area involved using standardized, clinically accepted, body surface area charts covering 20% of the body surface area.