

Part A

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

Dear <<Policyholder's Name>>,

Sub: Your Policy no. << >>

We are glad to inform you that your proposal has been accepted and the HDFC Life Click 2 Protect Plus Policy ("Policy") being this document, has been issued. We have made every effort to design your Policy Document in a simple format. We have highlighted items of importance so that you may recognize them easily.

Policy document:

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

Cancellation in the Free-Look Period:

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

Contacting us:

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

To contact us in case of any grievance, please refer to Part G. In case you are not satisfied with our response, you can also approach the Insurance Ombudsman in your region. Thanking you for choosing HDFC Life Insurance Company Limited and looking forward to serving you in the years ahead,

Yours sincerely,

<<Designation of the Authorised Signatory >>

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

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

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

POLICY DOCUMENT- HDFC Life Click 2 Protect Plus

Unique Identification Number: << >>

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

POLICY SCHEDULE

Policy number: << >>

Client ID: << >>

Policyholder Details

Name	<< >>
Address	<< >>

Life Assured Details

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

Policy Details

Date of Risk Commencement	<< RCD >>
Date of Issue/Inception	<< First Issue Date >>
Premium Due Date(s)	<< dd / month >>
Product Option chosen	<< Life Option / Extra Life Option/Income Option /Income Plus Option >>
Monthly Instalment under Income Plus Option (if applicable)	<Level/ increasing at a simple rate of 10% p.a>
Sum Assured	Rs. << >>
Annualised Premium	Rs. << >>>
Policy Term	<< >> years
Premium Paying Term	<<<Single / Limited < > years/ Regular < > years>>>
Frequency	<< Single/Annual/Half-yearly/ Quarterly/ Monthly >>
Premium per Frequency	Rs. << >>
Underwriting Extra Premium per Frequency	Rs. << >>
Total Premium per Frequency	Rs. << >>
Grace Period	<< 15 (for Monthly mode) / 30 (for other modes) /NA (for Single Pay) >> Days
Final Premium Due Date	<< dd/mm/yyyy >>
Maturity Date	<< dd/mm/yyyy >>

The Premium amount is excluding any applicable Taxes and levies leviable on the Premium. Amount of Taxes and levies will be charged at actuals as per prevalent rate.

NOMINATION SCHEDULE

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

Signed at Mumbai on << >>

For HDFC Life Insurance Company Limited

Authorised Signatory

Note: Kindly note that name of the Company has changed from "HDFC Standard Life Insurance Company Limited" to "HDFC Life Insurance Company Limited".

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

SPACE FOR ENDORSEMENTS

Part B

Definitions

In this Policy, the following definitions shall be applicable:

- 1) *Accident-* means a sudden, unforeseen and involuntary event caused by external, visible and violent means.
- 2) *Accidental Death-* means death by or due to a bodily injury caused by an Accident, independent of all other causes of death. Accidental Death must be caused within 180 days of any bodily injury.
- 3) *Appointee* – means the person named by You and registered with Us in accordance with the Nomination Schedule, who is authorized to receive the Sum Assured under this Policy on the death of the Life Assured while the Nominee is a minor;
- 4) *Assignee* – means the person to whom the rights and benefits under this Policy are transferred by virtue of assignment under section 38 of the Insurance Act, 1938;
- 5) *Authority/IRDAI* – means Insurance Regulatory and Development Authority of India;
- 6) *Company, company, Insurer, Us, us, We, we, Our, our* – means or refers to HDFC Life Insurance Company Limited.
- 7) *Date of Risk Commencement* - means the date, as stated in the Policy Schedule, on which the insurance coverage under this Policy commences;
- 8) *Frequency* – means the period, as stated in the Policy Schedule, between two consecutive Premium due dates for the Policy;
- 9) *Life Assured* - means the person as stated in the Policy Schedule on whose life the contingent events have to occur for the Benefits to be payable. The Life Assured may be the Policyholder.
- 10) *Maturity Date* - means the date stated in the Policy Schedule, on which the Policy Term expires and this Policy terminates;
- 11) *Nominee-* means the person named by You and registered with Us in accordance with the Nomination Schedule, who is authorized to receive the Sum Assured under this Policy, on the death of the Life Assured;
- 12) *Policy Anniversary-* means the annual anniversary of the Date of Risk Commencement;
- 13) *Policyholder, You, you, your* – means or refers to the Policyholder stated in the Policy Schedule.
- 14) *Policy Term* - means the term of the Policy as stated in the Policy Schedule;
- 15) *Premium(s)* - means an amount stated in the Policy Schedule, payable by You to Us for every Policy Year by the due dates, and in the manner stated in the Policy Schedule, to secure the benefits under this Policy, excluding applicable Taxes and levies;
- 16) *Premium Paying Term* – means the period as stated in the Policy Schedule, in years, over which Premiums are payable;
- 17) *Sum Assured* - means the absolute amount of benefit which is guaranteed to become payable on death of the Life Assured as per the terms and conditions specified in the Policy.

Part C

1. Benefits

- (1) *Maturity Benefit* - The life insurance cover under this Policy ceases upon expiry of the Policy Term. No Maturity Benefit is payable under this Policy.
- (2) *Death Benefit* - On death of the Life Assured before the Maturity Date and provided all Premiums which have fallen due have been paid, the following Benefits shall become payable on the basis of the option chosen by the Policyholder:

Single Premium Policies	Other than Single Premium Policies
Higher of : <ul style="list-style-type: none">• 125% of Single Premium• Sum Assured	Highest of : <ul style="list-style-type: none">• 10 times the annualized premium• 105% of all the premiums paid as on date of death• Sum Assured

Under Life Option, the Death Benefit specified above shall be payable in the form of a lump sum upon death.

Under Extra Life Option, the Death Benefit specified above shall be payable in the form of a lump sum and an additional benefit equal to the Sum Assured shall be payable in case of accidental death.

Under Income Option, the Death Benefit specified above is paid in the following manner:

- 10% of the Death Benefit paid as a lump sum upon death
- remaining 90% of the Death Benefit shall be paid as monthly income over next 15 years (0.5% of Death Benefit every month for 15 years)

Under Income Plus Option:

- 100% of the Death Benefit specified above shall be paid as a lump sum upon death
- In addition, a monthly income equal to 0.5% of the Sum Assured shall be payable for a period of 10 years. The monthly income can be level or increasing at a simple rate of 10% p.a. as chosen by the policyholder.

For the purpose of the computation of the Death Benefit, the annualized premium shall exclude the underwriting extra premiums and loadings for modal premiums, if any.

- (3) The Death Benefit payable under this Policy as per the option chosen are subject to the exclusions set out in Part F Clause 3 (Exclusions).
- (4) Upon the payment of the Death Benefit and Accidental Death Benefit (if applicable), the Policy terminates and no further Benefits are payable.
- (5) The recipients of Benefits under this Policy shall be as specified below:
 - (i) Death Benefit shall be payable to the registered Nominee(s), if the Policyholder and the Life Assured are the same; or to the Policyholder if the Life Assured is other than the Policyholder.
 - (ii) If the Policy has been assigned, all Benefits shall be payable to the Assignee.

2. Payment and cessation of Premiums

- (1) The first Premium must be paid along with the submission of your completed application. Subsequent Premiums are due in full on the due dates as per the Frequency set out in your Policy Schedule.
- (2) Premiums under the Policy can be paid as single Premium or on yearly, half-yearly, quarterly or monthly basis as per the chosen Frequency and as set out in the Policy Schedule or as amended subsequently.
- (3) If you have chosen monthly Premium payment Frequency, we may collect first 3 months Premium along with the Proposal Form.
- (4) The Premiums that fall due in the same financial year can be paid in advance. However, where the Premium due in one financial year is paid in advance in earlier financial year, we may collect the same for a maximum period of three months in advance of the due date of the Premium.
- (5) Any Regular Premiums paid before the Due Date will be deemed to have been received on the Due Date for that Regular Premium.
- (6) A grace period of not more than 30 days, where the mode of payment of Premium is other than monthly and single pay policies, and not more than 15 days in case of monthly mode, is allowed for the payment of each renewal Premium after the first Premium. We will not accept part payment of the Premium.
- (7) For other than single pay policies, if any Premium remains unpaid after the expiry of the grace period, your Policy may lapse as described in Part D Clause 2 (Lapsed Policies), with effect from the due date of the first unpaid Premium. In that event, the Benefits under such Policy shall be payable in accordance with Part D Clause 2 (Lapsed Policies) as stated below.
- (8) Premiums are payable by You without any obligation on us to issue a reminder notice to You.
- (9) Where the Premiums have been remitted otherwise than in cash, the application of the Premiums received is conditional upon the realization of the proceeds of the instrument of payment, including electronic mode.
- (10) The Benefits payable under this Policy will be paid after deduction of the Premium fallen due during the then current Policy year, if such Premium has remained unpaid.
- (11) If you suspend payment of Premium for any reason whatsoever, Part D Clause 2 (Lapsed Policies) may apply and we shall not be held liable for any loss of Benefits.

Part D

1. Surrender Value

- (1) No surrender benefit is payable for policies other than Single Premium Policy.
- (2) For a Single Premium Policy, a Surrender Value calculated based on following formula will be payable:
 $70\% \times \text{Single Premium} \times (\text{Number of Complete Outstanding Policy Years} / \text{Policy Term in Years})$
- (3) For the purpose of computation of Surrender Value, the Premiums shall exclude any applicable taxes and levies paid.

2. Lapsed Policies

- (1) For other than single pay policies, if any Premium remains unpaid after the expiry of the grace period, your Policy's status will be altered to lapsed status and the cover will cease.
- (2) No Benefits shall be payable under a lapsed Policy.
- (3) A lapsed Policy may be revived subject to the terms and conditions contained in Clause 3.

3. Revival of the Policy

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

4. Alterations

- (1) If Life Option is chosen, the Policyholder has the option to increase the Sum Assured(Life Stage Protection Feature) without undergoing any further underwriting upon the occurrence of any of the following events in his life or in the life of the Life Assured, in case the Policyholder is different from the Life Assured:
 - (i) 1st Marriage:- 50% of basic Sum Assured subject to a maximum of Rs. 50 lakhs,
 - (ii) Birth of 1st child:- 25% of basic Sum Assured subject to a maximum of Rs. 25 lakhs and
 - (iii) Birth of 2nd child:- 25% of basic sum assured subject to a maximum of Rs. 25 lakhs.
- (2) The Sum Assured may be increased under Clause 4(1) above subject to the following conditions:
 - (i) The Life Assured is less than 45 years of age; and
 - (ii) The Policy is underwritten as a standard life (at policy inception).
 - (iii) This option will be available only for a period of six months from the date of occurrence of the events specified in Clause 4(1) above.
 - (iv) Additional Premium will be charged for the increased Sum Assured based on the following factors:
 - i. Sum Assured band applicable at the Date of Risk Commencement,
 - ii. Age attained by the Life Assured, and
 - iii. The outstanding Policy Term subject to the minimum Policy Term available under this Policy at the time of exercising this option.
 - (v) If any Rider is attached to Your Policy and the Rider Benefit has been paid during the Policy Term, then this Option will not be available.
 - (vi) This Option is available only if you have chosen Regular Premium Paying Policy.

- (3) The increased Sum Assured as per Clause 4(1), may be subsequently decreased by the Policyholder provided the following conditions are met:
- The Life Assured is above 45 years of age,
 - The proposed Sum Assured is equal to or greater than the Sum Assured on the Date of Risk Commencement.
- (4) The Premium payable for the remainder of the Premium Paying Term will be recalculated based on the revised Sum Assured and communicated to the Policyholder.
- (5) The Premium paying Frequency can be changed subject to the minimum Premium conditions.
- (6) The Policyholder may choose to terminate/cancel a Rider (if opted for) subject to terms and conditions specified by the Insurer.
- (7) The Policy Term and Premium Paying Term may not be altered during the Policy Term.
- 5. Bonus**
No Bonus is payable under this Policy.
- 6. Loans**
No loans are available under this Policy.
- 7. Free Look Cancellation**
In case the Policyholder is not agreeable to any of the terms and conditions stated in the Policy, the Policyholder has an option to return the Policy to the Company stating the reasons thereof, within 15 days from the date of receipt of the Policy. If the Policy has been purchased through Distance Marketing mode this period will be 30 days. On receipt of the Policyholder's letter along with the original Policy document, the Company shall arrange to refund the Premium paid, subject to deduction of the proportionate risk Premium for the period on cover and the expenses incurred by the Company for medical examination and stamp duty. A Policy once returned shall not be revived, reinstated or restored at any point of time and a new proposal will have to be made for a new Policy.

Part E

1. Additional Servicing Charges

Any additional servicing request initiated by the Policyholder will attract a charge of Rs. 250 per request. This charge may be increased to allow for inflation. The list of additional services eligible under this product is given below. Any administrative servicing that we may introduce at a later date would be included to this list:

- Cheque bounce/cancellation of cheque.
- Request for duplicate documents such as duplicate policy document etc.
- Failure of ECS/SI due to an error at policyholder's end.

Part F

1. Nomination

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

2. Assignment

The Policyholder can assign or transfer of a policy in accordance with Section 38 of the Insurance Act, 1938 as amended from time to time. Simplified version of the provisions of Section 38 is enclosed in Annexure II for reference.

3. Exclusions

- (1) **Suicide claim provisions**
In case of death of Life Assured due to suicide within 12 months from the Date of Inception of the Policy, the Death Benefit shall be equal to 80% of the Premiums paid provided the Policy is in-force. In case of death of Life Assured due to suicide within 12 months from the date of revival the Death Benefit payable shall be at least equal to 80% of the Premiums paid. No suicide exclusion / provision will apply if suicide is after one year from Date of Inception or date of revival.
- (2) **Exclusions, if any (e.g. occupational hazard ,travel)**
For Extra Life Option, the additional Sum Assured payable on an Accidental Death shall not be payable if the death is caused directly or indirectly from any of the following:
- If the death occurs after 180 days from the date of the accident,
 - Intentionally self-inflicted injury or suicide, irrespective of mental condition,
 - Alcohol or solvent abuse, or the taking of drugs except under the direction of a registered medical practitioner,
 - War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion,
 - Taking part in any flying activity, other than as a passenger in a commercially licensed aircraft,
 - Taking part in any act of a criminal nature with criminal intent,
 - Taking part or practising for any hazardous hobby, pursuit or race unless previously agreed to by us in writing.

4. Age Admitted

The Company has calculated the Premiums under the Policy on the basis of the age of the Life Assured as declared in the Proposal. In case You have not provided proof of age of the Life Assured with the Proposal, You will be required to furnish such proof of age of the Life Assured as is acceptable to us and have the age admitted. In the event the age so admitted ("Correct Age") during the Policy Term is found to be different from the age declared in the Proposal, without prejudice to our rights and remedies including those under the Insurance Act, 1938, we shall take one of the following actions (i) if the Correct Age makes the Life Assured ineligible for this Policy, we will offer him suitable plan as per our underwriting norms. If you do not wish to opt for the alternative plan or if it is not possible for us to grant any other plan, the Policy will stand cancelled from the date of issuance and the Premiums paid under the Policy will be returned subject to the deduction of expenses incurred by the Company and the Policy will terminate thereafter; or (ii) if the Correct Age makes the

Life Assured eligible for the Policy, the difference between the revised Premium, as per the Correct Age and the original Premium, with interest, will be due on the next Policy Anniversary date and the revised Premium will continue for the rest of the Premium Payment Term. The provisions of Section 45 of the Insurance Act, 1938 shall be applicable.

5. Incorrect Information and Non-Disclosure

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

6. Policy on the life of a Minor

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

7. Taxes and levies

As per the current laws, Taxes and levies are applicable on life insurance Premium and is payable in addition to the Premium amount specified in the Policy Schedule. Any other Taxes and levies leviable in future including changes in the rate of any of the above may become payable by you by any method we deem appropriate including by levy of an additional monetary amount in addition to the Premium.

8. Pre-requisites for payment of Benefits

Death Benefit - The Death Benefit will be paid if and only if:

- The death of the Life Assured has occurred before the Maturity Date,
- The provisions specified in Part F Clause 3 (Exclusions) and Part F Clause 5 (Incorrect Information and Non Disclosure) are not attracted,
- The Policy has not been surrendered or cancelled or terminated; and
- All relevant documents in support of the claim have been provided to the Company. These would normally include the following:
 - Fully completed claim form,
 - Original Policy document,
 - Original or certified copy of death registration certificate,
 - Original or certified copy of certificate of doctor certifying death,
 - Original or certified copy of medical reports at the time of death and past medical records,
 - Claimant's identity and residence proof
- Further, in case of Accidental Death, Originals or certified copy of Police records and Post Mortem Report would normally need to be submitted to the Company.
- Depending on the circumstances of the death, further documents may be called for as we deem fit.
- The claim is required to be intimated to us within a period of three years from the date of death. However, we may condone the delay in claim intimation, if any, where the delay is proved to be for reasons beyond the control of the claimant.

9. Modification, Amendment, Re-enactment of or to the Insurance laws and rules, regulations, guidelines, clarifications, circulars etc. thereunder

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

10. Jurisdiction:

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

11. Notices

Any notice, direction or instruction given to Us, under the Policy, shall be in writing and delivered by hand, post, facsimile or from registered electronic mail ID to: HDFC Life Insurance Company Limited, 11th Floor, Lodha Excelus, Apollo Mills Compound, N.M. Joshi Marg, Mahalaxmi, Mumbai - 400011.

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

Helpline number: 18602679999 (Local charges apply)

E-mail: service@hdfclife.com

Or such other address as may be informed by Us.

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

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

Annexure I - Section 39 - Nomination by policyholder

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

- The policyholder of a life insurance on his own life may nominate a person or persons to whom money secured by the policy shall be paid in the event of his death.

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

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

Annexure II - Section 38 - Assignment or Transfer of Insurance Policies

Assignment or transfer of a policy should be in accordance with Section 38 of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Act, 2015 dated 23.03.2015. The extant provisions in this regard are as follows:

- (1) This policy may be transferred/assigned, wholly or in part, with or without consideration.
- (2) An Assignment may be effected in a policy by an endorsement upon the policy itself or by a separate instrument under notice to the Insurer.
- (3) The instrument of assignment should indicate the fact of transfer or assignment and the reasons for the assignment or transfer, antecedents of the assignee and terms on which assignment is made.
- (4) The assignment must be signed by the transferor or assignor or duly authorized agent and attested by at least one witness.
- (5) The transfer or assignment shall not be operative as against an insurer until a notice in writing of the transfer or assignment and either the said endorsement or instrument itself or copy thereof certified to be correct by both transferor and transferee or their duly authorised agents have been delivered to the insurer.
- (6) Fee to be paid for assignment or transfer can be specified by the Authority through Regulations.
- (7) On receipt of notice with fee, the insurer should Grant a written acknowledgement of receipt of notice. Such notice shall be conclusive evidence against the insurer of duly receiving the notice.
- (8) If the insurer maintains one or more places of business, such notices shall be delivered only at the place where the policy is being serviced.
- (9) The insurer may accept or decline to act upon any transfer or assignment or endorsement, if it has sufficient reasons to believe that it is **a.** not bonafide or **b.** not in

the interest of the policyholder or **c.** not in public interest or **d.** is for the purpose of trading of the insurance policy.

- (10) Before refusing to act upon endorsement, the Insurer should record the reasons in writing and communicate the same in writing to Policyholder within 30 days from the date of policyholder giving a notice of transfer or assignment.
- (11) In case of refusal to act upon the endorsement by the Insurer, any person aggrieved by the refusal may prefer a claim to IRDAI within 30 days of receipt of the refusal letter from the Insurer.
- (12) The priority of claims of persons interested in an insurance policy would depend on the date on which the notices of assignment or transfer is delivered to the insurer; where there are more than one instruments of transfer or assignment, the priority will depend on dates of delivery of such notices. Any dispute in this regard as to priority should be referred to Authority.
- (13) Every assignment or transfer shall be deemed to be absolute assignment or transfer and the assignee or transferee shall be deemed to be absolute assignee or transferee, except **a.** where assignment or transfer is subject to terms and conditions of transfer or assignment OR **b.** where the transfer or assignment is made upon condition that **i.** the proceeds under the policy shall become payable to policyholder or nominee(s) in the event of assignee or transferee dying before the insured OR **ii.** the insured surviving the term of the policy
Such conditional assignee will not be entitled to obtain a loan on policy or surrender the policy. This provision will prevail notwithstanding any law or custom having force of law which is contrary to the above position.
- (14) In other cases, the insurer shall, subject to terms and conditions of assignment, recognize the transferee or assignee named in the notice as the absolute transferee or assignee and such person **a.** shall be subject to all liabilities and equities to which the transferor or assignor was subject to at the date of transfer or assignment and **b.** may institute any proceedings in relation to the policy **c.** obtain loan under the policy or surrender the policy without obtaining the consent of the transferor or assignor or making him a party to the proceedings.
- (15) Any rights and remedies of an assignee or transferee of a life insurance policy under an assignment or transfer effected before commencement of the Insurance Laws (Amendment) Act, 2015 shall not be affected by this section.

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

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

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