

Part A

< __ December 2015 >>
<<Policyholder's Name>>
<<Policyholder's Address>>
<<Policyholder's Contact Number>>

Dear <<Policyholder's Name>>,

Sub: Your Rider document no. << >>

We are glad to inform you that your proposal for Rider has been accepted and the HDFC Life Critical Illness Plus Rider ("Rider") being this Rider, has been issued. We have made every effort to design your Rider document in a simple format. We have highlighted items of importance so that you may recognise them easily.

Rider Document:

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

Cancellation in the Free-Look Period:

In case you are not agreeable to any of the provisions stated in the Rider, you have the option to return the Rider document to us stating the reasons thereof, within 15 days from the date of receipt of the Rider document. If you have purchased your Rider document through Distance Marketing mode, this period will be 30 days.

The Rider can be cancelled in the free-look period even if the Main Policy to which it is attached is continued.

The Rider shall automatically be cancelled if the Main Policy to which it is attached is cancelled.

If the Rider is cancelled, on receipt of your letter along with the original Rider document, we shall arrange to refund the Premium paid by you, subject to deduction of the proportionate risk charges for the period of cover and the expenses incurred by us for medical examination (if any) and stamp duty, (if any).

A Rider 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 Rider.

Contacting us:

The address for correspondence is specified below. To enable us to serve you better, you are requested to quote your Rider document 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 Rider. 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 Standard Life Insurance Company Limited and looking forward to serving you in the years ahead,

Yours sincerely,

<< Designation of the Authorised Signatory >>

Branch Address: <<Branch Address>>

Agency Code: <<Agency Code>>

Agency Name: <<Agency Name>>

Agency Telephone Number: <<Agency mobile & landline number>>

Agency Contact Details: <<Agency address>>

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

Registered Office: HDFC Standard 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)

SAMPLE

RIDER DOCUMENT- HDFC LIFE <<CRITICAL ILLNESS PLUS RIDER>>**Unique Identification Number: << >>**

In addition to the Main Policy terms and conditions, the terms of this Rider shall apply when selected by the Policyholder. This document is the evidence of a contract between HDFC Standard Life Insurance Company Limited and the Policyholder as described in the Rider Schedule given below. This Rider is based on the Proposal made by the within named Policyholder and submitted to the Company along with the required documents, declarations, statements, any response given to Short Medical Questionnaire (SMQ) by the Life Assured, applicable medical evidence and other information received by the Company from the Policyholder, Life Assured or on behalf of the Policyholder ("Proposal"). This Rider is effective upon receipt and realisation, by the Company, of the consideration payable as first Premium under the Rider. This Rider 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.

RIDER SCHEDULE

Rider number: << >>

Client ID: << >>

Policyholder Details

Name	<< >>
Address	<< >>

Life Assured Details

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

Main Policy Details

Product name	<<insert name>>
Date of Commencement of Policy	<<Date>>
Date of Risk Commencement	<< RCD >>
Sum Assured	Rs.<<>>
Annual Premium	Rs. <<>>

Rider Details

Date of Risk Commencement	<< RCD >>
Date of Issue/Inception of Rider	<< First Issue Date>>
Rider Sum Assured	Rs.<< >>
Premium	Rs.<< >>
Rider Term	<< >> years
Premium Paying Term	<< >> years
Frequency of Premium Payment	<< Annual/Half-yearly/ Quarterly/ Monthly >>

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

NOMINATION SCHEDULE

Nomination for this Rider shall be as per the Nomination Schedule under the Main Policy.

Signed at Mumbai on <<>>

For HDFC Standard Life Insurance Company Limited

Authorised Signatory

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

SPACE FOR ENDORSEMENTS

Part B
Definitions

In this Rider document, the following definitions shall be applicable:

- 1) *Benefit* - means the Critical Illness Benefit provided as per terms and conditions mentioned under this Rider;
- 2) *Company, company, Insurer, Us, us, We, we, Our, our* - means or refers to HDFC Standard Life Insurance Company Limited;
- 3) *Critical Illness(es)* - The Critical Illnesses covered under this Rider are as follows:

S. No	Name of Disease	<u>Definitions of Critical Illnesses</u>
1	Cancer of specified severity	<p>A malignant tumour characterised by the uncontrolled growth & spread of malignant cells with invasion & destruction of normal tissues. This diagnosis must be supported by histological evidence of malignancy & confirmed by a pathologist. The term cancer includes leukemia, lymphoma and sarcoma.</p> <p>The following are excluded -</p> <ol style="list-style-type: none"> i. Tumours showing the malignant changes of carcinoma in situ & tumours which are histologically described as premalignant or non invasive, including but not limited to: Carcinoma in situ of breasts, Cervical dysplasia CIN-1, CIN -2 & CIN-3. ii. Any skin cancer other than invasive malignant melanoma iii. All tumours of the prostate unless histologically classified as having a Gleason score greater than 6 or having progressed to at least clinical TNM classification T2N0M0 iv. Papillary micro - carcinoma of the thyroid less than 1 cm in diameter v. Chronic lymphocytic leukaemia less than RAI stage 3 vi. Microcarcinoma of the bladder vii. All tumours in the presence of HIV infection.
2	Open Chest CABG	<p>The actual undergoing of open chest surgery for the correction of one or more coronary arteries, which is/are narrowed or blocked, by coronary artery bypass graft (CABG). The diagnosis must be supported by a coronary angiography and the realization of surgery has to be confirmed by a specialist medical practitioner.</p> <p>The following are excluded:</p> <ol style="list-style-type: none"> i. Angioplasty and/or any other intra-arterial procedures ii. any key-hole or laser surgery.
3	First Heart Attack – of specified severity	<p>The first occurrence of 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 this will be evidenced by all of the following criteria:</p> <ol style="list-style-type: none"> 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. <p>The following are excluded:</p> <ol style="list-style-type: none"> i. Non-ST-segment elevation myocardial infarction (NSTEMI) with elevation of Troponin I or T ii. Other acute Coronary Syndromes iii. Any type of angina pectoris.
4	Kidney Failure requiring regular dialysis	<p>End stage renal disease presenting as chronic irreversible failure of both kidneys to function, as a result of which either regular renal dialysis (hemodialysis or peritoneal dialysis) is instituted or renal transplantation is carried out. Diagnosis has to be confirmed by a specialist medical practitioner.</p>
5	Major Organ/ Bone Marrow Transplant	<p>I. The actual undergoing of a transplant of:</p> <ol style="list-style-type: none"> 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.

		<p>II. The following are excluded:</p> <p>i. Other stem-cell transplants</p> <p>ii. Where only islets of langerhans are transplanted</p>
6	Stroke resulting in permanent symptoms	<p>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.</p> <p>The following are excluded:</p> <p>i. Transient ischemic attacks (TIA)</p> <p>ii. Traumatic injury of the brain</p> <p>iii. Vascular disease affecting only the eye or optic nerve or vestibular functions.</p>
7	Apallic Syndrome	<p>Universal necrosis of the brain cortex with the brainstem remaining intact. Diagnosis must be confirmed by a neurologist acceptable to the Company and the condition must be documented for at least one month.</p>
8	Benign Brain Tumour	<p>A benign tumour in the brain where all of the following conditions are met:</p> <ul style="list-style-type: none"> • It is life threatening; • It has caused damage to the brain; • It has undergone surgical removal or, if inoperable, has caused a permanent neurological deficit such as (but not restricted to) characteristic symptoms of increased intracranial pressure such as papilloedema, mental seizures and sensory impairment; and • Its presence must be confirmed by a neurologist or neurosurgeon acceptable to the Company and supported by findings on Magnetic Resonance Imaging, Computerised Tomography, or other reliable imaging technique. <p>The following are excluded:</p> <ul style="list-style-type: none"> • Cysts; • Granulomas; • Vascular malformations; • Haematomas; • Tumours of the pituitary gland or spinal cord; and • Tumours of acoustic nerve (acoustic neuroma).
9	Coma of specified severity	<p>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:</p> <p>i. No response to external stimuli continuously for at least 96 hours;</p> <p>ii. Life support measures are necessary to sustain life; and</p> <p>iii. Permanent neurological deficit which must be assessed at least 30 days after the onset of the coma.</p> <p>The condition has to be confirmed by a specialist medical practitioner. Coma resulting directly from alcohol or drug abuse is excluded.</p>
10	End Stage Liver Disease	<p>End-stage liver disease or cirrhosis means chronic end-stage liver failure that causes all of the following:</p> <ul style="list-style-type: none"> • Uncontrollable ascites; • Permanent jaundice; • Oesophageal or gastric varices; or • Hepatic encephalopathy. <p>Liver disease secondary to alcohol or drug abuse is excluded.</p>
11	End Stage Lung Disease	<p>Final or end-stage of lung disease, causing chronic respiratory failure, as demonstrated by all of the following:</p> <ul style="list-style-type: none"> • FEV1 test results consistently less than 1 litre; • Requiring permanent supplementary oxygen therapy for hypoxemia; • Arterial blood gas analyses with partial oxygen pressures of 55mmHg or less (PaO₂ < 55mmHg); and • Dyspnea at rest. <p>The diagnoses must be confirmed by a qualified pulmonologist acceptable to the Company.</p>

12	Open Heart Replacement or repair of heart valve	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.
13	Loss of Independent Existence	<p>Confirmation by a consultant physician acceptable to the Company of the loss of independent existence due to illness or trauma, which has lasted for a minimum period of 6 months and results in a permanent inability to perform at least three (3) of the 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 hope of recovery with current medical knowledge and technology.</p> <p>Activities of Daily Living are:-</p> <ol style="list-style-type: none"> 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. Dressing: the ability to put on, take off, secure and unfasten all garments and, as appropriate, any braces, artificial limbs or other surgical appliances. Transferring: the ability to move from a bed or an upright chair or wheelchair and vice versa. Mobility: The ability to move indoors from room to room on level surfaces. Toileting: the ability to use the lavatory or otherwise manage bowel and bladder functions so as to maintain a satisfactory level of personal hygiene. Feeding: the ability to feed oneself once food has been prepared and made available. <p>The following is excluded: Any injury or loss as a result of War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion</p>
14	Loss of Limbs	<p>The loss by severance of two or more limbs at or above the wrist or ankle.</p> <p>The following are excluded:</p> <ul style="list-style-type: none"> Loss of limbs resulting directly or indirectly from self-inflicted injury, alcohol or drug abuse is excluded. Any injury or loss as a result of War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.
15	Loss of Sight	<p>Total and irreversible loss of sight in both eyes as a result of illness or accident. The blindness must be confirmed by an ophthalmologist acceptable to the Company.</p> <p>The blindness must not be able to be corrected by medical procedure.</p> <p>The following is excluded: Any injury or loss as a result of War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.</p>
16	Major Burns	<p>Third degree (full thickness of the skin) burns covering at least 20% of the surface of the Life Assured's body. The condition should be confirmed by a consultant physician/specialist acceptable to the Company.</p> <p>The following is excluded: Any injury or loss as a result of War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.</p>
17	Major Head Trauma	<p>Accidental head injury resulting in permanent neurological deficit to be assessed no sooner than 6 weeks from the date of the accident. This diagnosis must be confirmed by a consultant neurologist acceptable to the Company and be supported by unequivocal findings on Magnetic Resonance Imaging, Computerised Tomography, or other reliable imaging techniques. The accident must be caused solely and directly by accidental, violent, external and visible means, independently of all other causes.</p> <p>The accidental head injury must result in a permanent inability to perform at least three (3) of the 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 hope of recovery with current medical knowledge and technology.</p>

		<p>The following are excluded:</p> <ul style="list-style-type: none"> • Spinal cord injury; • Head injury due to any other cause; and • Any injury or loss as a result of War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or taking part in a riot or civil commotion.
18	Permanent Paralysis of Limbs	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.
19	Surgery of Aorta	<p>The actual undergoing of surgery (including key-hole type) for a disease or injury of the aorta needing excision and surgical replacement of the diseased part of the aorta with a graft.</p> <p>The term "aorta" means the thoracic and abdominal aorta but not its branches. Stent-grafting is not covered.</p>

- 4) *Life Assured* - means the person as stated in the Rider Schedule on whose life the contingent events have to occur for the Benefits to be payable. The Life Assured may be the Policyholder.
- 5) *Main Policy* - means or refers to the Policy to which this Rider is annexed/ attached thereto.
- 6) *A Medical Practitioner* - means a person who holds a valid registration from the medical council of any state of India and is thereby entitled to practice medicine within its jurisdiction and is acting within the scope and jurisdiction of his license but excluding the practitioner who is:
- a) Insured/Policyholder himself or an agent of the Insured;
 - b) Insurance Agent, business partner(s) or employer/employee of the Insured; or
 - c) A member of the Insured's immediate family.
- 7) *Policyholder, You, you, your* - means or refers to the Policyholder stated in the Rider Schedule.
- 8) *Pre-existing condition* - means any condition, ailment or injury or related condition(s) for which the Life Assured had signs or symptoms, and / or were diagnosed, and / or received medical advice / treatment 48 months prior to the Date of Risk Commencement of the Rider. Any condition for which the Life Assured had signs or symptoms, and/or was diagnosed, and/or received medical advice/treatment between the period starting from the due date of the first unpaid premium till the date of reinstatement of Rider will also qualify as a Pre-existing condition.
- 9) *Rider Sum Assured* - means the absolute amount assured to be paid on diagnosis of any Critical Illnesses of the Life Assured during the Rider Term in accordance with the terms and conditions of the Rider.
- 10) The terms, conditions and provisions of the Main Policy document shall apply to this document also. Capitalized terms not defined under this document shall have the same meaning assigned to them under the Main Policy document.

Part C
Benefits

1. Benefits:

(1) Benefits on Critical Illness

- a) If the Life Assured is diagnosed with any of the specified Critical Illnesses listed as per Part B of this Rider, a lump sum benefit equal to the Rider Sum Assured shall be payable.
- b) Subject to other provisions, the Benefit shall be payable if and only if:
 - i. The Rider is in-force as on the date of diagnosis of such Critical Illness.
 - ii. The Main Policy to which this Rider is attached is in-force as on the date of diagnosis of such Critical Illness.
 - iii. Exclusions as per Clause 1 Part F are not attracted.
- c) The Life Assured must be alive for a period of 30 days from the date of diagnosis of any of the specified Critical Illnesses.
- d) A claim shall not be denied on the ground that the Rider was not in force during the 30 days survival period provided that the diagnosis of the specified Critical Illness(es) was made within the Rider Term.
- e) Waiting Period - A waiting period of 90 days will be applicable from the Date of Risk Commencement of this Rider. If the Life Assured is diagnosed with any of the specified Critical Illnesses and its onset falls within the waiting period, then the Policyholder will not be eligible for any Benefits.

On revival:

- If the Rider is revived within 60 days, only the remaining part of waiting period will apply.
 - If the Rider is revived after 60 days, full 90 day waiting period will apply afresh.
- f) Pre-existing conditions (defined in Part B) are excluded only for the first 48 months after Rider inception or after reinstatement of Rider, whichever is later.
 - g) The Rider shall cease once the Benefit has been paid and no further benefits will be payable under the Rider.
 - h) The Main Policy to which this Rider is attached continues to be in-force after a claim for Critical Illness is made under this Rider subject to other terms and conditions as applicable on the Main Policy and payment of Premiums due under the same.

(2) Benefits on Death

No benefit is payable on death under this Rider.

(3) Benefits on Maturity

No benefit is payable on maturity under this Rider.

(4) Premium Guarantee

Once the Rider is issued, the Premiums will be guaranteed to the Policyholder for a block of three years. Subsequently, the Premium may be revised subject to IRDAI's approval. Any revision in the tabular Premium rates shall be notified to the Policyholder at least three months prior to the date of such revision. If the Policyholder is not willing to continue the Rider with the revised Premium rates, the Rider will lapse. Premium rates, if and when revised, shall be guaranteed to the Policyholder for a subsequent block of three years. In addition to the above mentioned terms, the terms and conditions mentioned under Part C of the Main Policy document shall also apply.

Part D**Policy Servicing****1. Paid-Up Benefits of Rider**

If the Premium under the Rider is discontinued during the Premium Paying Term, the Rider will lapse without any value. For the avoidance of doubt, no paid-up Benefits will be payable under this Rider.

2. Revival of the Rider

In case of lapsed Rider, the same can be revived in accordance to the procedure laid under the Main Policy. However, this Rider cannot be revived independent of the Main Policy.

3. Surrender of Rider

No benefit is payable on surrender of this Rider.

4. Alterations

No alterations are permissible under the Rider except change in Frequency of Premium Payment if the Premium Payment Frequency under the Main Policy is being changed. The Premium Payment Frequency of the Rider cannot be changed independently from the Main Policy.

5. Loans

No loans are permissible under this Rider.

6. Cancellation after the Free-Look Period

This Rider can be cancelled at any time during the Rider Term without the cancellation of the Main Policy. Upon such a cancellation, no further Rider Premiums are payable. The Rider will be automatically cancelled if the Main Policy to which it is attached is cancelled.

7. Termination

Notwithstanding anything contained herein or in the Main Policy, this Rider shall automatically terminate on occurrence of the earliest of the following:

- a) Completion of the Rider Term
- b) Termination of the Main Policy
- c) Complete withdrawal/surrender of the Main Policy
- d) Main Policy not reinstated within 2 years from the date of discontinuance
- e) Death of the Life Assured
- f) On Policyholder's/Life Assured's request for cancellation at anytime during the Rider Term
- g) Payment of the Benefit under the Rider
- h) Free-look cancellation

Termination or cancellation of the Rider shall be without prejudice to any claim arising prior to such termination or cancellation unless otherwise specified.

Part E

Charges

No charges are applicable under the Rider.

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Part F**General Terms & Conditions****1. Exclusions**

No Benefit will be paid out if the Critical Illness is caused directly or indirectly as a result of any of the following:

- Any of the specified Critical Illness conditions where death occurs within 30 days of the diagnosis; or
- Any sickness related condition manifesting itself within 90 days of the commencement of the Rider/date of acceptance of risk or reinstatement of cover; or
- Intentionally self-inflicted injury or attempted suicide, irrespective of mental condition; or
- Alcohol or solvent abuse, or voluntarily taking or using any drug, medication or sedative unless it is an "over the counter" drug, medication or sedative taken according to package directions or as prescribed by a Medical Practitioner; or
- Taking part in any act of a criminal nature with criminal intent; or
- Any Pre-existing condition; or
- HIV or AIDS; or
- Failure to seek or follow medical advice (as recommended by a Medical Practitioner); or
- Radioactive contamination due to nuclear accident.

2. Claim Procedure

The documents usually required for processing a claim are:

- a) Completed claim form (including NEFT details and bank account proof as specified in the claim form; and
- b) Original Main Policy Document and Rider Document; and
- c) Medical reports or special reports by registered physician/doctor relevant to the Critical Illness and its treatment which may be further validated by a physician/doctor appointed by the Company; and
- d) Any other document/ information that the Insurer may decide in the circumstances of a particular case.

The claim is required to be intimated to us along with all necessary claim documents within a period of 60 days from the date of diagnosis. 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 as per the provisions of Authority's Circular No. IRDA/HLTH/MISC/CIR/216/09/2011, dated 20/09/2011.

3. Assignment and Transfer

Assignment for this Rider shall be as per the provisions of Section 38 of the Insurance Act, 1938 as amended from time to time. The simplified version of the provisions of Section 38 is enclosed in Annexure I for your reference.

4. Nomination

Nomination for this Rider shall be as per the Nomination Schedule under the Main Policy as per Section 39 of the Insurance Act, 1938 as amended from time to time. The simplified version of the provisions of Section 39 is enclosed in Annexure II for your reference.

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. The simplified version of the provisions of Section 45 is enclosed in Annexure III for your reference.

In addition to the above mentioned terms, the terms and conditions mentioned under Part F of the Main Policy document shall also apply.

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Part G
Grievance Redress Mechanism

The terms & conditions under Part G of the Main Policy shall apply to this Rider.

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Annexure I**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.

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.

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Annexure II**Section 39 - Nomination by policyholder**

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

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

(17) The provisions of Section 39 are not applicable to any life insurance policy to which Section 6 of Married Women's Property Act, 1874 applies or has at any time applied except where before or after Insurance Laws (Amendment) Act, 2015, a nomination is made in favour of spouse or children or spouse and children whether or not on the face of the policy it is mentioned that it is made under Section 39. Where nomination is intended to be made to spouse or children or spouse and children under Section 6 of MWP Act, it should be specifically mentioned on the policy. In such a case only, the provisions of Section 39 will not apply.

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

SAMPLE

Annexure III**Section 45 – Policy shall not be called in question on the ground of mis-statement after three years**

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. 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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