

## Part A

<<16 December 2014>>  
<<Policyholder's Name>>  
<<Policyholder's Address>>  
<<Policyholder's Contact Number>>

Dear <<Policyholder's Name>>,

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

We are glad to inform you that your proposal for Rider has been accepted and the HDFC Life Income Benefit on Accidental Disability Rider-Non Linked ("Rider Policy") being this Rider Policy, has been issued. We have made every effort to design your Rider 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 Rider Policy 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 is also enclosed 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 Rider, you have the option to return the Rider document to us for cancellation stating the reasons thereof, within 30 days from the date of receipt of the Rider document. 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 Base Policy to which it is attached, is cancelled. On receipt of your letter for cancellation of the rider along with the original Rider document (original Rider Document is not required for policies in dematerialised form), we shall arrange to

- a) Refund the Premium paid by you, subject to deduction of the expenses incurred by us for medical examination (if any) and stamp duty charges( if any);
- b) Deduct the proportionate risk premium for the period on cover;

The terms and conditions mentioned above are only for the Rider document. For terms and conditions related to refund under the Base Policy please refer to your Base Policy.

A Rider once cancelled 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:**

In case you wish to contact us, our correspondence address is specified below. We kindly request you to quote your Policy number as it helps us serve you better. If you are keen to know more about our products and services, you may reach out 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 also listed below. Or you may call us on our toll-free number 1800 266 9777 or email us @ [onlinequery@hdfclife.in](mailto:onlinequery@hdfclife.in). You can also get in touch with us via social media:

<https://www.youtube.com/user/hdfclife10>

<http://www.linkedin.com/company/19117>

<https://twitter.com/HDFCLife>

<https://www.facebook.com/HDFCLife>

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/Intermediary Code:** <<Agency/Intermediary Code>>

**Agency/Intermediary Name:** <<Agency/Intermediary Name>>

**Agency/Intermediary Telephone Number:** <<Agency/Intermediary mobile & landline number>>

**Agency/Intermediary Contact Details:** <<Agency/Intermediary address>>

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

Registered Office: HDFC Life Insurance Company Limited, Lodha Excelus, 13<sup>th</sup> Floor, Apollo Mills Compound, Mahalaxmi, Mumbai-400011. Help line: 022-68446530 (STD charges apply) Available Mon-Sat 10 am to 7 pm IST. DO NOT prefix any country code e.g. +91 or 00. | Website: [www.hdfclife.com](http://www.hdfclife.com). | Email – [service@hdfclife.com](mailto:service@hdfclife.com) | [NRIservice@hdfclife.com](mailto:NRIservice@hdfclife.com) (For NRI customers only)

CIN: L65110MH2000PLC128245.

Help line: 022-68446530 (STD charges apply)

**RIDER POLICY DOCUMENT- HDFC LIFE <<INCOME BENEFIT ON ACCIDENTAL DISABILITY RIDER-NON  
LINKED>>**

**Unique Identification Number: <<101B041V01>>**

Your Rider is a Non-Linked, Non- Participating/ Participating, Pure risk premium, Individual Life rider and can be availed at the inception or may opt for the rider during the premium paying term of Base Policy. In addition to the Base Policy terms and conditions, the terms of this Rider shall apply when selected by the Policyholder. It is the evidence of a contract between HDFC Life Insurance Company Limited ('We'/ 'Company') and the Policyholder ('You') 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 in the proposal form 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. 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 POLICY SCHEDULE**

Rider Policy number: << >>  
 Client ID: << >>

**Policyholder Details**

<b>Name</b>	<< >>
<b>Address</b>	<< >>

**Life Assured Details**

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

**Policy Details**

<b>Product name</b>	<<insert name>>
<b>Date of Risk Commencement</b>	<< RCD >>
<b>Sum Assured On maturity</b>	Rs.<<>>
<b>Sum Assured On Death</b>	Rs.<<>>
<b>Premium</b>	Rs. <<>>

**Rider Details**

<b>Date of Risk Commencement</b>	<< RCD >>
<b>Date of Issue</b>	<< First Issue Date>>
<b>Rider Sum Assured</b>	Rs.<< >>
<b>Annualized Premium (excl taxes)</b>	Rs.<< >>
<b>Policy Term</b>	<< >> years
<b>Premium Paying Term</b>	<< >> years
<b>Frequency of Premium Payment</b>	<< Annual/Half-yearly/ Quarterly/ Monthly >>
<b>Grace Period</b>	<<15 (for monthly mode) / 30 (for other modes)>> Days

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

**NOMINATION SCHEDULE**

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

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

Authorised Signatory

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

SPACE FOR ENDORSEMENTS

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## Part B Definitions

In this Rider, the following definitions shall be applicable:

- 1) *Accident-* means a sudden, unforeseen and involuntary event caused by external, visible and violent means;
- 2) *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;as amended from time to time
- 3) *Assignment-* means a provision wherein the Policyholder can assign or transfer a Policy in accordance with Section 38 of the Insurance Act, 1938 as amended from time to time;
- 4) *Authority*— means Insurance Regulatory and Development Authority of India established under the provisions of section 3 of the Insurance Regulatory and Development Authority Act, 1999
- 5) *BAUP* – means Board Approved Underwriting Policy, basis which underwriting the proposal or other underwriting decisions are taken by the Company
- 6) *Company, company, Insurer, Us, us, We, we, Our, our* - means or refers to HDFC Life Insurance Company Limited;
- 7) *Free Look period* - means the period specified under Part D clause 6 from the receipt of the Rider Policy during which Policyholder can review the terms and conditions of this Rider and where if the Policyholder is not agreeable to any of the provisions stated in the Rider, he/ she has the option to return this Rider.
- 8) *Grace Period* - means the specified period of time, immediately following the premium due date during which premium payment can be made to renew or continue a policy in force without loss of continuity benefits pertaining to waiting periods and coverage of pre-existing diseases. Coverage need not be available during the period for which no premium is received. The grace period for payment of the premium for all types of insurance policies shall be: fifteen days where premium payment mode is monthly and thirty days in all other cases.
- 9) *Injury-* means accidental physical bodily harm excluding illness and disease. It must be solely and directly caused by external, violent, visible and evident means which is verified and certified by a Medical Practitioner.
- 10) *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.
- 11) *Main / Base Policy-* means or refers to the Policy to which this Rider Policy is annexed/attached thereto;
- 12) *Medical Practitioner* - means a person who holds a valid registration from the Medical Council of any State or Medical Council of India or Council for Indian Medicine or for Homeopathy set up by the Government of India or a State Government 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

- 13) *Nomination* - is the process of nominating a person(s) who is (are) named as “Nominee(s)” in the proposal form or subsequently included/ changed by an endorsement. Nomination should be in accordance with provisions of Section 39 of the Insurance Act, 1938 as amended from time to time.
- 14) *Nominee*—means the person named by the Policyholder under this policy and registered with us in accordance with the Nomination Schedule, who is authorized to receive the Death Benefit under this Policy, on the death of the Life Assured.
- 15) *Non-par products or Products without participation in profits* - means products where policies are not entitled for any share in surplus (profits) during the term of the policy
- 16) *Policyholder, You, you, your* - means or refers to the Policyholder stated in the Rider Schedule.
- 17) *Pre-existing Disease(PED)*- means any condition, ailment, injury or disease: a) that is/are diagnosed by a physician not more than 36 months prior to the date of commencement of the policy issued by the insurer or its reinstatement, or; b) for which medical advice or treatment was recommended by, or received from, a physician, not more than 36 months prior to the date of commencement of the policy, or its reinstatement
- 18) *Pure risk products* - means insurance products (without any savings element) where the payment of agreed amount is assured on the happening of death of life assured or on happening of insured health related contingency within the term of the policy.
- 19) *Revival period* - means the period of five consecutive complete years from the date of first unpaid premium
- 20) *Rider* - means the insurance cover(s) added to a base product for additional premium or charge
- 21) *Rider benefits* - means an amount of benefit payable on occurrence of a specified event covered under the rider, and is an additional benefit to the benefit under the base product, and may include waiver of premium benefit on other applicable riders
- 22) *Rider Sum Assured*- means the Rider Sum Assured specified in the Rider Schedule and payable in accordance with the terms and conditions of Part C – Benefits
- 23) *Rider Term* – means the term of the Rider as stated in the Rider Schedule.
- 24) *Surrender* - means complete withdrawal or termination of the entire policy contract.
- 25) *Surrender value* - means an amount, if any, that becomes payable on surrender of a policy during its term, in accordance with the terms and conditions of the policy.
- 26) *Total Rider Premiums Paid* - means total of all the rider premiums received, excluding any extra premium and taxes.
- 27) *Total Permanent Disability*- means when the Life Assured is totally, continuously and permanently disabled and meets either of the two definitions below:

**Part A: Unable to work:**

Disability as a result of injury or Accident and the Life Assured is thereby rendered totally incapable of being engaged in any work or any occupation or employment for any compensation, remuneration or profit and he/she is unlikely to ever be able to do so.

The above disabilities must have lasted, without interruption, for at least six consecutive months and must, in the opinion of a Medical Practitioner, be deemed permanent. The Benefit will commence upon the completion of this uninterrupted period of 6 months.

**Part B: Physical Impairments:**

The Life Assured suffers an injury/Accident and the Life Assured suffers from total and irrecoverable loss of:

- a) The use of two limbs; or
- b) The sight of both eyes; or
- c) The use of one limb and the sight of one eye; or
- d) Loss by severance of two or more limbs at or above wrists or ankles; or
- e) The total and irrecoverable loss of sight of one eye and loss by severance of one limb at or above wrist or ankle.

The above disabilities must have lasted, without interruption, for at least six consecutive months and must, in the opinion of a Medical Practitioner, be deemed permanent. For disabilities defined in point d) and e) above such 6 months period would not be applicable and the benefit will commence immediately.

The terms, conditions and provisions of the Main / Base Policy shall apply to this Rider also. Terms not defined under this document shall have the same meaning assigned to them under the Main / Base Policy document.

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## Part C Benefits

### 1. Benefits:

#### (1) Benefits on Total Permanent Disability/Income Benefit

- a) This Rider Policy provides a regular income on disability.
- b) On the Total Permanent Disability of the Life Assured due to an Accident, a regular monthly benefit equal to 1% of Rider Sum Assured, is payable to the Life Assured for a period of 10 years, upon receipt of a valid claim. Subject to other provisions, the Benefit shall be payable if and only if:
  - i. The Rider Policy is in-force.
  - ii. The Main Policy to which this Rider Policy is attached is in-force and
  - iii. Exclusions as per Clause 1 Part F are not attracted.
- c) If the Life Assured dies while Benefit payments are outstanding then the Nominee will continue to receive the monthly Benefit payments.
- d) Once a claim has been accepted and the regular monthly Benefits start, the Rider Policy coverage terminates.

#### (2) Benefits on Death

No benefit is payable on death.

### 3. Cover during Grace Period

The Rider is considered to be in-force with risk cover without any interruption during the Grace Period. Should a valid claim arise under the Rider during the grace period, but before the payment of due premium, the claim shall be honoured as per the terms of the Rider post deduction of the due and unpaid premium for the policy year from any benefit payable.

## Part D

### Policy Servicing

#### 1. Surrender Value

Surrender value shall be payable subject to following conditions:

Surrender Value is acquired as follows:

Single Pay	Immediately upon payment of Premium
Limited Pay	Upon payment of Premiums for 1year and at the end of 1st policy year
Regular Pay	No surrender value is payable

Surrender Value for Single and Limited Pay :

Surrender Value = SV Factor × Total Rider Premiums Paid<sup>1</sup> × Unexpired Rider Term ÷ Original Rider Term

#### Surrender Value (SV) Factors:

Single Pay	50%
	a) 1 full year premium is paid - 30%
Limited Pay	b) At least 2 full year premiums are paid - 50%

<sup>1</sup> Total Rider Premiums Paid means total of all the rider premiums received, excluding any extra premium and taxes.

On failure to pay premiums during the premium paying term the rider cover shall cease immediately and if not revived within the applicable revival period, the rider will terminate post payment of surrender value (if any)

#### 2. Paid-Up Benefits

Not applicable

#### 3. Revival of the Rider Policy

Revival period shall be as per the Base Policy. The revival shall be subject to the Board Approved Underwriting Policy of the Company ("BAUP") and payment of unpaid premiums with interest. In case the rider is not revived within the revival period as mentioned under the Base Policy, the rider shall terminate and surrender value, if any, shall be paid to the Policyholder.

**4. Renewal of Rider**

As this is a rider benefit, as long as the premium due is paid along with the base premium, the rider benefit is renewed.

**5. Rider Addition/Deletion**

The following Addition/Removal options are available to the Policyholder(s) subject to Board Approved Underwriting Policy (BAUP):

- a) If not opted at inception of the Base Policy, the Policyholder(s) may opt for the rider during the premium paying term of Base Policy.
- b) At any policy anniversary of the Base Policy, the Policyholder(s) can opt out/terminate their existing rider.

**6. Alterations**

No alterations are permissible under the Rider Policy 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.

**7. Loans**

No loans are permissible under this Rider Policy.

**8. Free Look Cancellation**

a) Cancellation in the Free-Look Period:

- The Policyholder shall have the option of cancelling the rider, stating the reasons thereof, by returning the Rider Document to company, within 30 days from the date of receipt of the rider in case policyholder is not agreeable to any rider terms and conditions.
- The rider can be cancelled in the free-look period even if the Base Policy to which it is attached is continued.
- The rider shall be automatically cancelled if the Base Policy to which it is attached is cancelled.
- The rider shall be cancelled, on receipt of letter along with original policy documents., Pursuant to which the company shall arrange to refund the rider premiums paid by policyholder, subject to deduction of the proportionate risk premium for the period on cover and the expenses incurred for medical examination (if any) and stamp duty, (if any).
- The terms and conditions mentioned above are only for the Rider. For terms and conditions related to refund under the Base Policy please refer to your Base Policy.
- A rider once cancelled 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.

b) Cancellation after the free look period:

- The rider can be cancelled at any time during the Rider Term. Upon such a cancellation, the rider will lapse and the surrender value (if any) will be payable as specified under part D
- The rider shall be automatically cancelled if the Base Policy to which it is attached is cancelled.

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**Part E**

**Charges**

No charges are applicable under the Rider Policy.

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## Part F

### General Terms & Conditions

#### 1. Exclusions

- (1) Benefit on Total Permanent Disability /Income Benefit will not be paid out if the disability has occurred directly or indirectly as a result of any of the following:
- a) Pre-existing Disease
  - b) Taking part in any hazardous sport or pastimes (including hunting, mountaineering, racing, steeple chasing, bungee jumping, etc)
  - c) Self-inflicted injury or attempted suicide-whether sane or insane
  - d) Nuclear reaction, radiation or nuclear or chemical contamination
  - e) Life Assured flying in any kind of aircraft, other than as a bona fide passenger (whether fare – paying or not) on an aircraft of a licensed airline
  - f) Under influence or abuse of drugs, alcohol, narcotics or psychotropic substance not prescribed by a registered Medical Practitioner
  - g) War, civil commotion, invasion, terrorism , hostilities (whether war be declared or not)
  - h) The Life Assured taking part in any strike, industrial dispute , riot etc
  - i) The Life Assured taking part in any criminal or illegal activity with criminal intent or committing any breach of law.

#### 2. Document/ Information to be submitted in support of claim

The documents usually required for processing a claim are:

- (i) Claim form
- (ii) Original Main Policy Document and Rider Policy Document
- (iii) 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.
- (iv) 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 within a period of 90 days from the date of accident. 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.

The Company shall settle the claim within 30 days from the date of receipt of last necessary document. In case of delay in the payment of a claim, the Company shall be liable to pay interest from the date of receipt of last necessary document to the date of payment of claim at a rate 2% (or such rate as may be notified by the Authority, from time to time) above the bank rate.

#### 3. Nomination

Nomination for this Rider Policy 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 I for your reference.

#### **4. Assignment and Transfer**

. This Rider can be assigned as per section 38 of the Insurance Act, 1938 as amended from time to time. However, this Rider cannot be assigned independently. The Rider can be assigned jointly with the Main/Base Policy. The simplified version of the provisions of Section 38 is enclosed in Annexure I for your reference.

#### **5. Incorrect Information and Non-Disclosure**

Fraud and misstatement would be dealt with in accordance with provisions of Section 45 of the Insurance Act 1938 as amended from time to time. Please refer the Main Policy document for the same. 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. Further, the disclosure to information norm under Master Circular on Standardization of Health Insurance Products stating that 'the policy shall be void and all premiums paid thereon shall be forfeited to the company in the event of misrepresentation, mis – description or non – disclosure of any material fact' shall also apply.

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 Policy.

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## Annexure I

### Section 39 - Nomination by policyholder

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

- (1) The policyholder of a life insurance on his own life may nominate a person or persons to whom money secured by the policy shall be paid in the event of his death.
- (2) Where the nominee is a minor, the policyholder may appoint any person to receive the money secured by the policy in the event of policyholder's death during the minority of the nominee. The manner of appointment to be laid down by the insurer.
- (3) Nomination can be made at any time before the maturity of the policy.
- (4) Nomination may be incorporated in the text of the policy itself or may be endorsed on the policy communicated to the insurer and can be registered by the insurer in the records relating to the policy.
- (5) Nomination can be cancelled or changed at any time before policy matures, by an endorsement or a further endorsement or a will as the case may be.
- (6) A notice in writing of Change or Cancellation of nomination must be delivered to the insurer for the insurer to be liable to such nominee. Otherwise, insurer will not be liable if a bonafide payment is made to the person named in the text of the policy or in the registered records of the insurer.
- (7) Fee to be paid to the insurer for registering change or cancellation of a nomination can be specified by the Authority through Regulations.
- (8) On receipt of notice with fee, the insurer should grant a written acknowledgement to the policyholder of having registered a nomination or cancellation or change thereof.
- (9) A transfer or assignment made in accordance with Section 38 shall automatically cancel the nomination except in case of assignment to the insurer or other transferee or assignee for purpose of loan or against security or its reassignment after repayment. In such case, the nomination will not get cancelled to the extent of insurer's or transferee's or assignee's interest in the policy. The nomination will get revived on repayment of the loan.
- (10) The right of any creditor to be paid out of the proceeds of any policy of life insurance shall not be affected by the nomination.
- (11) In case of nomination by policyholder whose life is insured, if the nominees die before the policyholder, the proceeds are payable to policyholder or his heirs or legal representatives or holder of succession certificate.
- (12) In case nominee(s) survive the person whose life is insured, the amount secured by the policy shall be paid to such survivor(s).
- (13) Where the policyholder whose life is insured nominates his
  - a. parents or

- b. spouse or
- c. children or
- d. spouse and children
- e. or any of them

the nominees are beneficially entitled to the amount payable by the insurer to the policyholder unless it is proved that policyholder could not have conferred such beneficial title on the nominee having regard to the nature of his title.

- (14) If nominee(s) die after the policyholder but before his share of the amount secured under the policy is paid, the share of the expired nominee(s) shall be payable to the heirs or legal representative of the nominee or holder of succession certificate of such nominee(s).
- (15) The provisions of sub-section 7 and 8 (13 and 14 above) shall apply to all life insurance policies maturing for payment after the commencement of Insurance Laws (Amendment) Act, 2015 (i.e 23.03.2015 ).
- (16) If policyholder dies after maturity but the proceeds and benefit of the policy has not been paid to him because of his death, his nominee(s) shall be entitled to the proceeds and benefit of the policy.
- (17) The provisions of Section 39 are not applicable to any life insurance policy to which Section 6 of Married Women's Property Act, 1874 applies or has at any time applied except where before or after Insurance Laws (Amendment) Act, 2015, a nomination is made in favour of spouse or children or spouse and children whether or not on the face of the policy it is mentioned that it is made under Section 39. Where nomination is intended to be made to spouse or children or spouse and children under Section 6 of MWP Act, it should be specifically mentioned on the policy. In such a case only, the provisions of Section 39 will not apply.

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

## Annexure II

### 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 there of 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 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 policywhichever 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 policywhichever is later.

For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which such decision is based.
- (3) Fraud means any of the following acts committed by insured or by his agent, with the intent to deceive the insurer or to induce the insurer to issue a life insurance policy:
  - a. The suggestion, as a fact of that which is not true and which the insured does not believe to be true;
  - b. The active concealment of a fact by the insured having knowledge or belief of the fact;
  - c. Any other act fitted to deceive; and
  - d. Any such act or omission as the law specifically declares to be fraudulent.
- (4) Mere silence is not fraud unless, depending on circumstances of the case, it is the duty of the insured or his agent keeping silence to speak or silence is in itself equivalent to speak.
- (5) No Insurer shall repudiate a life insurance Policy on the ground of Fraud, if the Insured / beneficiary can prove that the misstatement was true to the best of his knowledge and there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of material fact are within the knowledge of the insurer. Onus of disproving is upon the policyholder, if alive, or beneficiaries.
- (6) Life insurance Policy can be called in question within 3 years on the ground that any statement of or suppression of a fact material to expectancy of life of the insured was incorrectly made in the proposal or other document basis which policy was issued or revived or rider issued. For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which decision to repudiate the policy of life insurance is based.
- (7) In case repudiation is on ground of mis-statement and not on fraud, the premium collected on policy till the date of repudiation shall be paid to the insured or legal representative or nominee or assignees of insured, within a period of 90 days from the date of repudiation.

- (8) Fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer. The onus is on insurer to show that if the insurer had been aware of the said fact, no life insurance policy would have been issued to the insured.
- (9) The insurer can call for proof of age at any time if he is entitled to do so and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof of age of life insured. So, this Section will not be applicable for questioning age or adjustment based on proof of age submitted subsequently.

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

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