

**PART A**  
**Canara HSBC Oriental Bank of Commerce Life Insurance Smart Monthly Income Plan**  
**An Individual Non – Linked Par Life Insurance Savings cum Protection Plan**

**UIN - 136N029V04**  
**WELCOME LETTER**

Date: {{DATE\_OF\_ENTRY}}

{{OWNER\_NAME}}  
{{GUARDIAN}}  
{{PO\_M\_ADD\_1}}  
{{PO\_M\_ADD\_2}}  
{{PO\_M\_ADD\_3}}  
{{PO\_M\_ADD\_CITY}}  
{{PO\_M\_ADD\_STATE}} - {{PO\_M\_ADD\_PINCODE}}  
{{PO\_M\_ADD\_COUNTRY}}  
Contact No.: {{OWNER\_CONTACT}}

Your Policy Details:		Representative Details:	
Client ID.	{{OWNER_CLIENT_ID}}	Name	{{AGENT_NAME}}
Policy No.	{{POLICY_NUMBER}}	Code	{{AGENT_CODE}}
Proposal No.	{{PROPOSAL_NUMBER}}	Contact No.	{{AGENT_CONTACT}}

Dear {{OWNER\_NAME}},

Welcome to the Canara HSBC Oriental Bank of Commerce Life family. We would like to congratulate you on purchasing Canara HSBC Oriental Bank of Commerce Life Insurance Smart Monthly Income Plan. Please note that this is a Regular Premium plan.

This document is your policy contract and contains important information related to your policy. We would recommend that you read this document carefully to ascertain if the details mentioned are accurate.

If you wish to rectify any of the details provided by you in the policy, then please get in touch with our **Resolution center: 1800-103-0003 / 1800-180-0003 (BSNL/MTNL users) or your representative**. You can also SMS us at **9779030003** or write to us at [customerservice@canarahsbclife.in](mailto:customerservice@canarahsbclife.in) and our representative will contact you at your convenience.

We are confident that our product will meet your requirements, however in case the policy terms and conditions are not agreeable to you then you can opt for a cancellation and discontinue your policy. If you decide to opt for cancellation, we would request you to send back this policy contract along with the reason for non-acceptance within 15 days from receipt of this document. In case you opt for cancellation within the said 15 days, we shall refund the premium paid by You received by Us on receipt of the letter. The paid premium will be subject to deduction of the proportionate risk premium for the period of life cover and expenses incurred by us if any, on medical examination of the Life Assured, and stamp duty charges, as per applicable regulatory guidelines. Please note that this facility is available only at the first instance, on receipt of the original policy pack, and will not apply to duplicate policy packs issued by the Company on your request.

As an added convenience for you, we offer an easy-to-navigate online system to manage your policy. Log on to our website [www.canarahsbclife.com](http://www.canarahsbclife.com) and register to start using this service.

In case of any claim related matters you or the nominee may contact us at **Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited**, 2nd Floor, Orchid Business Park (Near Subhash Chowk), Sector-48, Sohna Road, Gurugram 122018, Haryana, India. You can also get in touch with us on 1800-103-0003 /1800-180-0003 (BSNL/MTNL) or SMS us at 9779030003 or write to us at [customerservice@canarahsbclife.in](mailto:customerservice@canarahsbclife.in)

We request you to pay your premiums on time (within 30 days of the due dates) to enjoy uninterrupted policy benefits. Thank you for giving us the opportunity to service your Insurance needs and we will ensure we are here to fulfill all your policy servicing needs.

Yours Sincerely,

**Chief Operating Officer**

**Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited**

**Policy Preamble :**

This Policy document evidences a legal contract between You and Us which has been concluded on the basis of Your statements and declarations in the proposal form and other documents evidencing insurability of the Life Assured. This is an individual, non –linked, par life insurance savings cum protection limited premium payment endowment policy which provides for a death benefit on the Life Assured's death and on his/her survival a regular monthly income to provide a supplemental income or support old age in order to finance life-stage milestones. The Policy also entitles You to participate in profits in the form of bonuses that will be declared by Us in accordance with the terms of the Policy, but does not otherwise give You any right over Our assets or to participate otherwise in Our profits, surplus or business.

The terms and conditions are divided into numbered clauses for ease of reference and reading only. These divisions and the corresponding clause headings do not limit the Policy or its interpretation in any way. References to any statute or other law shall include subsequent changes to the same.

## POLICY SCHEDULE

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited (the Company) has received a Proposal and first premium from the Policyholder. The Proposal and declaration along with statements, reports or other documents leading to the issuance of this policy has been accepted by the Company and the Policyholder as the basis of this contract. This contract will be valid in consideration of and subject to receipt of subsequent premiums mentioned below, the terms and conditions of this Policy or any riders attached and any endorsements made. The Company shall pay relevant benefits and other amounts that become payable upon occurrence of one or more events mentioned in this Policy on receipt of proof that is satisfactory to the Company. The date of commencement of risk under this policy is as mentioned below.

	Policy Holder Details	Life Assured Details
Name	{{OWNER_NAME}}	{{ASSURED_NAME}}
Date of Birth	{{OWNER_BIRTH_DATE}}	{{ASSURED_BIRTH_DATE}}
Age	{{OWNER_AGE}}	{{ASSURED_AGE}}
Gender	{{OWNER_GENDER}}	{{ASSURED_GENDER}}
Address	{{OWNER_ADDRESS}}	{{ASSURED_ADDRESS}}

Policy Schedule Details	
Proposal Number	{{PROPOSAL_NUMBER}}
Policy Number	{{POLICY_NUMBER}}
Plan Name	{{PLAN_NAME}}
Plan Type	{{PLAN_TYPE}}
Policy Term (Years)	{{POLICY_TERM}}
Premium Paying Term (Years)	{{PREMIUM_PAYING_TERM}}
Installment Premium (₹) <sup>1</sup>	{{INSTALLMENT_PREMIUM}}
Age Admitted	{{AGE_ADMITTED}}
Risk Commencement Date	{{RISK_COMMENCEMENT_DATE}}
Policy Commencement Date	{{POLICY_COMMENCEMENT_DATE}}
Maturity Date	{{MATURITY_DATE}}
Premium Payment Frequency	{{POLICY_PAYMENT_FREQUENCY}}
Next Premium Due Date	{{NEXT_PREMIUM_DUE_DATE}}
Last Premium Due Date	{{LAST_PREMIUM_DUE_DATE}}
Monthly Income Start Date	{{MONTHLY_INCOME_START_DATE}}
Monthly Income End Date	{{MONTHLY_INCOME_END_DATE}}

Benefit Coverage Details	
Sum Assured (₹)	{{SUM_ASSURED}}
Death Benefit (₹)	{{DEATH_BENEFIT_AMOUNT}}
Chosen Monthly income <sup>2</sup>	{{MONTHLY_INCOME_AMOUNT}}
Set-Off option	{{SET_OFF_OPTION}}

Nominee Details*			
Name	Gender	Age	Relationship with Life Assured
{{NOMINEE_NAME_1}}	{{NOMINEE_GENDER_1}}	{{AGE IN YEARS}}	{{R'SHIP}}
{{NOMINEE_NAME_2}}	{{NOMINEE_GENDER_2}}	{{AGE IN YEARS}}	{{R'SHIP}}
{{NOMINEE_NAME_3}}	{{NOMINEE_GENDER_3}}	{{AGE IN YEARS}}	{{R'SHIP}}
{{NOMINEE_NAME_4}}	{{NOMINEE_GENDER_4}}	{{AGE IN YEARS}}	{{R'SHIP}}
{{NOMINEE_NAME_5}}	{{NOMINEE_GENDER_5}}	{{AGE IN YEARS}}	{{R'SHIP}}
{{NOMINEE_NAME_6}}	{{NOMINEE_GENDER_6}}	{{AGE IN YEARS}}	{{R'SHIP}}
{{NOMINEE_NAME_7}}	{{NOMINEE_GENDER_7}}	{{AGE IN YEARS}}	{{R'SHIP}}

\*Nominee details under section 39 of Insurance Act, 1938.

Appointee Name (in case nominee is minor)	{{APPOINTEE_NAME}}
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<sup>1</sup>Goods and Services Tax or any other levy by whatever name called under Goods and Services Tax Scheme as applicable from time to time, will be charged over and above this premium and will be borne by the policyholder.

<sup>2</sup>The Chosen monthly income will be directly credited to the bank account as per details provided in Proposal form. Please inform the company immediately in case of any change in bank account details. Please note that the policy benefits mentioned above are available, provided all premiums are paid as and when due.

"On Examination of the Policy, if the Policyholder notices any mistake, the Policy Bond is to be returned for correction to the Insurer"

Canara HSBC Oriental Bank of Commerce Life Insurance Co Ltd. (IRDA Registration no: 136)

**Registered Office:** Unit No. 208, 2nd Floor, Kanchenjunga Building, 18 Barakhamba Road, New Delhi - 110001, India

**Corporate Office:** 2nd Floor, Orchid Business Park (Near Subhash Chowk), Sector-48, Sohna Road, Gurugram 122018, Haryana, India

Corporate Identity No.: U66010DL2007PLC248825

**Canara HSBC Oriental Bank of Commerce Life Insurance Smart Monthly Income plan is an Individual Non-Linked Par Life Insurance Savings cum Protection Plan**

## FIRST PREMIUM RECEIPT

Receipt Number :

Date of Issue : {{FPR\_DATE}}

Name of the Company	{{NAME_OF_THE_COMPANY}}
Hub Address	{{HUB_ADDRESS}}
Goods and Services Tax Identification Number	{{GOODS_AND_SERVICES_TAX_IDENTIFICATION_NUMBER_OF_HUB}}
HSN Code	{{SERVICE_ACCOUNTING_CODE}}
Policy Number	{{POLICY_NUMBER}}
Plan Name	{{PLAN_NAME}}
Policyholder	{{OWNER_NAME_FPRCT}}
Policyholder Current Residential Address	{{POLICY_HOLDER_CURRENT_RESIDENTIAL_ADDRESS}}
Policyholder State/ Union Territory & Code	{{POLICY_HOLDER_STATE_CODE}}
Goods and Services Tax Identification Number	{{GOODS_AND_SERVICES_TAX_IDENTIFICATION_NUMBER}}
Life Assured	{{ASSURED_NAME}}
Premium Payment Frequency	{{POL_BILL_MODE_CD_FPRCT}}
Sum Assured (₹)*	{{CVG_FACE_AMT_FPRCT}}

### Payment Related Information

Base Premium Payable (₹)	{{BASE_PREMIUM_PAYABLE}}
Underwriting Extra Premiums, if any (₹)	{{UW_EXTRA_PREMIUM}}
Goods and Services Tax* (₹)	{{GOODS_AND_SERVICES_TAX}}
Total Amount Payable (₹)	{{TOTAL_PREMIUM_PAYABLE}}
Total Amount Received (₹)	{{TOTAL_PREMIUM_RECEIVED}}
Balance Amount (₹)	{{BALANCE_PREMIUM}}
Next Premium Due Date	{{DV_POL_NXT_PRMT_DT_FPRCT}}
Taxable Value	{{Taxable Value}}

*Break-up of Goods and Services Tax on Taxable Value	(%) Rate	(₹) Amount
Central Goods and Services Tax		
State Goods and Services Tax/ Union Territory Goods and Services Tax		
Integrated Goods and Services Tax		
Cess (es)/Other levy		

“The death benefit will be "Higher of (Sum Assured chosen or 10 times of Annualised Premium excluding rider premiums, underwriting extra premiums, if any and applicable Goods and Services Tax or any other levy by whatever name called under Goods and Services Tax Scheme) along with Accrued bonuses, if any subject to at least 105% of Total Premiums Paid less underwriting extra premiums paid, if any”

\*Total Premiums payable for the policy is equal to Base Premium Payable plus underwriting extra premiums, if any and applicable Goods and Services Tax or any other levy by whatever name called under Goods and Services Tax Scheme. You may be entitled for tax benefits under Section 80C as per the Income tax Act, 1961. Tax Benefits under the policy will be as per the prevailing Income Tax laws and are subject to amendments from time to time. For tax related queries, contact your independent tax advisor. The amount indicated as Balance Amount, if any, will not earn any interest and will be adjusted towards future premiums on the due date.

Permanent Account Number AADCC1881F.

"Goods and Services Tax as above is not payable on reverse charge basis"

"Address of Delivery is same as that of place of supply"

The Stamp Duty is paid on the death benefit arrived on monthly mode premium.

The commencement of risk in the policy is subject to realization of funds by the company

<<Digital Signature>>

Chief Operating Officer

## ENDORSEMENTS

**Total Stamp Value (₹) {{STAMP\_DUTY}} /-**

“The appropriate stamp duty towards this policy is paid vide CRN {{CRN\_NUMBER}}”

**PART B**  
**GLOSSARY OF IMPORTANT TECHNICAL TERMS IN**  
**AN INSURANCE POLICY**

This document aims to explain certain technical terms of the insurance policy in a simple and easy language

- 1. Assignment & Assignee:** Assignment is a method by which the Policy Holder can transfer his/her interest in the Policy to another person. An assignment can be made by an endorsement on the policy document or as a separate deed. Assignment can either be conditional or absolute. Assignee is the person to whom the rights and benefit are transferred by virtue of assignment in accordance with Section 38 of the Insurance Act, 1938
- 2. Annualized Premium:** The Annualized Premium shall be the Premium payable in a year chosen by the policyholder excluding the taxes, rider premiums, underwriting extra premiums, if any.
- 3. Free-Look Period:** The Policyholder has the right to cancel the policy within 15 days from the date of receipt of the policy document, in case he/she does not agree with the terms and conditions of the policy. If the policyholder cancels the policy during free look period, the Company will refund the Premium received after deducting proportionate risk premium for the period of insurance cover and expenses incurred on medicals (if any) and stamp duty
- 4. Grace period:** Policyholders are expected to pay premium on due dates. A period, as given in the terms & conditions of the policy, from the premium due date is allowed as grace to make payment of due premium. This duration is known as grace period
- 4. Last Birth Day (l.b.d) :** Age at last Birthday as on date of issuance of policy
- 5. Life Assured:** Life Assured is the person on whose life the Policy has been issued
- 6. Misrepresentation:** Act of making any kind of statement that does not in fact reflect its true nature
- 7. Nomination:** An act by which the Life Assured authorizes another person to receive the policy proceeds in the event of his/her death. The person so authorized is called the "Nominee".
- 8. Nominee:** The person(s) named in the policy who is/are entitled to receive the insurance proceeds upon the death of the Life Insured
- 9. Policyholder:** Policyholder is the owner of the Policy at any given point in time
- 10. Policy Term:** Policy term is the period for which insurance coverage is given
- 11. Premium:** The amount payable by the Policyholder to the Insurance Company in exchange for the insurer's obligation to pay benefits upon the occurrence of the contractually-specified contingency (e.g., death).
- 12. Total Premiums Paid:** Total Premiums Paid means total of all the premiums received, excluding any rider premiums and taxes.
- 13. Proposal Form:** It is an application form which is to be completed and signed by the proposer/Life Assured for securing an insurance policy and forms the basis for issuance of the Policy.
- 14. Risk:** The obligation assumed by the insurer when it issues a policy
- 15. Surrender value:** The value payable to the policy holder in the event of his/her deciding to terminate the policy before the maturity of the policy, subject to terms and conditions of the policy
- 16. Underwriting:** The process of evaluating risks for insurance and determining in what amounts and on what terms the insurance company will accept the risk

**PART C**

**1. Terms of reference:**

In this Policy, unless the context requires otherwise, the following words and expressions shall have the meaning ascribed to them respectively herein below:

**DEFINITIONS**

- a) **Age** means age at last birthday;
- b) **Death Benefit Sum Assured** is defined as higher of (Sum Assured or 10 times the Annualised Premium);
- c) **Financial Year** means 12 months period commencing from April 1<sup>st</sup> every year;
- d) **Interim Bonus** means the bonus that may be applied by Us, as a percentage of the Sum Assured, for the part of the Financial Year in which the Death Benefits are payable.
- e) **Lapse** means a stage where no benefits (other than the Early Exit Benefit if any) are payable on account of non payment of due premium as per the terms of the policy.
- f) **Monthly Income Payout Period** means the period between the monthly income start date and monthly income end date as specified in the Policy Schedule.
- g) **Policy** means these Terms and Conditions, the attached Policy Schedule, the proposal form and all endorsements issued by Us from time to time;
- h) **Policy In force** means all the due premiums till date are paid under this Policy.
- i) **Policy Month** means 1 month period commencing from the Policy Commencement Date and each subsequent month thereafter during the Policy Term. The Policy Month may be different from the calendar month.
- j) **Policy Year** means the 12 calendar months period commencing from the Policy Commencement Date and ending on the day immediately preceding the first policy anniversary and each subsequent period of 12 consecutive months thereafter during the Policy Term;
- k) **Simple Reversionary Bonus (Annual Bonus)** means the bonus that may be declared by Us, as a percentage of the Sum Assured, at the end of each Financial Year based on the surplus emerging in Our with-profit fund. Any Reversionary Bonus declared by Us will accrue to the Policy and once accrued shall be guaranteed;
- l) **Surrender Value** means the higher of the Guaranteed Surrender Value (GSV) or the Special Surrender Value (SSV), as defined in Clause 2.4
- m) **Terminal Bonus (Final Bonus)** means a bonus that may be declared by Us based on the performance of Our with-profit fund.

The terms 'Maturity Date', 'Policy Commencement Date', 'Risk Commencement Date', 'Policy Term', 'Monthly Income Payout Period', 'Monthly Income', 'Installment Premium', 'Sum Assured', 'Appointee', 'Life Assured' and

**2. BENEFITS**

**2.1 Monthly Income Benefit**

We will pay the Monthly Income amount (subject to deduction of any outstanding loan amount including interest) every month after the commencement of the Monthly Income Payout Period and until the Maturity Date, provided that the Policy is in force and all due Regular Premium until each due date of payment of the Monthly Income amount has been received in full, except where set-off option has been applied to this Policy.

**Note:** Please note that, subject to any provision mentioned herein, if the monthly payout post deductions (if any) is less than Rs. 2000, the payout frequency will be reduced to next level (i.e. quarterly or semi-annual or annual) such that the minimum amount of income paid is greater than or equal to Rs. 2000.

**2.2 Maturity Benefit**

If the Life Assured is alive and the Policy is in force on the Maturity Date, We will pay the following to You:

- (a) All accrued Simple Reversionary Bonuses;
- (b) Terminal Bonus (if any)

**2.3 Death Benefit**

If the Life Assured's death occurs on or after the Risk Commencement Date and before the Maturity Date when the Policy is in force, We will pay the following amounts, irrespective of the Monthly Income benefit paid till date of death after deducting any outstanding loan amounts and interest thereon:

A Death Benefit equal to the Death Benefit Sum Assured plus accrued annual bonuses plus Interim Bonus and final bonus (if any) accrued till the date of death, subject to at least 105% of [Total Premiums Paid till the date of death less the underwriting extra premiums (if any)].

**Note:** The claim shall be paid to the Nominee specified under the Policy. If there is no nominee or nominee is not alive at the time of death of the life assured then the claim shall be paid to the legal heir/s of the deceased Life Assured as per the court directions.

**2.4 Surrender Benefit**

You may surrender the Policy any time during the Policy Term, provided that the Regular Premiums for at least two (2) Policy Years has been paid. We will pay the Surrender Value applicable on the date of receipt of the request for surrender and on surrender, no other benefit will be payable under the Policy.

- 2.4.1 Guaranteed Surrender Value shall accrue after payment of at least 2 (two) annual premiums. The Guaranteed Surrender Value shall be calculated as "GSV Factor at the rate specified in **Table - 1**" times (Total Premiums Paid excluding underwriting extra premiums, if any) plus "GSV Factor for Bonus at the rate specified in **Table - 1**" times (Sum of Bonuses accrued before acquiring paid-up status) less sum of all Monthly Income already paid under the Policy;

**Table - I**

Year of Surrender	(A) GSV Factor (As % of Total Premiums Paid, excluding underwriting extra premium, if any)	(B) GSV Factor for Bonus (To be multiplied with Sum of Bonuses accrued before acquiring paid-up status)
1	NIL	NIL
2	30%	0.13
3	35%	0.14
4	50%	0.15
5	50%	0.16
6	50%	0.18
7	50%	0.19
8	52%	0.21
9	55%	0.23
10	57%	0.25
11	59%	0.27
12	62%	0.30
13	64%	0.33
14	66%	0.36
15	69%	0.39
16	71%	0.42
17	74%	0.46
18	76%	0.50
19	78%	0.55
20	81%	0.60
21	83%	0.65
22	85%	0.71
23	88%	0.77
24	90%	0.84
25	90%	0.92

'Nominee', shall mean the respective dates, period, amount or names specified against each in the Policy Schedule.

In this contract, We/Us/Our/Company means the Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited; You/Your means the policyholder specified in the Policy Schedule;

2.4.2 Special Surrender Value shall be offered by Us which may vary from time to time.

2.4.3 The Surrender Value payable to You shall be the higher of Guaranteed Surrender Value and Special Surrender Value (if payable).

2.4.4 We shall on receipt of a duly signed request for Surrender, terminate the Policy and pay the Surrender Value. On Surrender, the Policy is terminated with no further Benefits payable.

#### **2.5 Early Exit Benefit**

If You have paid at least one full years' premium but have not paid two full years' premium, Early Exit Benefit equal to 10% of Total Premiums Paid excluding underwriting extra premiums, if any, shall be paid. The above mentioned Early Exit Benefit will be paid on the earliest of:

- Request for termination of the Policy by the Policyholder; or
- Death of the Policyholder when the Policy has lapsed; or
- End of the revival period post non-payment of first unpaid due premium

### **3. POLICY PREMIUM**

- You shall pay the Regular Premium amounts at the frequency and for the term as specified in the Policy Schedule at the respective due dates and before the end of the Grace Period (30 days for yearly mode policies and 15 days for monthly mode Policies from the end of each due date). If any Regular Premium is received before the due date, it shall be credited to the Policy only on the due date and You shall not be entitled to any interest on such Regular Premium. Renewal premiums can be paid in advance provided they are paid within the same Financial Year in which the premium is due. However, where the premium due in one financial year is being collected in advance in earlier financial year, the Company may collect the same for a maximum period of three months in advance of the due date of the premium. The premium so collected in advance shall only be adjusted on the due date of the premium.

#### **3.1 Premium Discontinuance**

The benefits under the Policy will be payable on the Life Assured's death during the Grace Period, subject to deduction of all amounts payable by the Life Assured. If any installment of Regular Premium is not paid within the Grace Period and such default in payment of Regular Premium occurs:

(a) Before the commencement of the 3<sup>rd</sup> Policy Year:

The Policy and all benefits under the Policy shall immediately and automatically cease on the expiry of the Grace Period and the Policy shall lapse, except for the Early Exit Benefit if any.

(b) After the commencement of the 3<sup>rd</sup> Policy Year:

The Policy shall acquire a Paid-Up status, no future Simple Reversionary Bonuses or Terminal Bonus declared shall accrue to the Policy and all benefits payable shall be reduced in accordance with the paid-up provision.

#### **3.2 Regular Premium Set-off Option**

Subject to no outstanding loan amount under this Policy, You can opt for Set-off Option either in the proposal form or anytime later but atleast 6 months prior to the beginning of the Monthly Income Payout Period, provided that:

- If the Regular Premium payable is more than the Monthly Income amount receivable during the Policy Year, You shall be liable to pay the difference in Regular Premium to Us;
- If the Regular Premium payable is less than the Monthly Income receivable during the Policy Year, We will pay the difference in Monthly Income to You.

**Note:**

- The Policyholder can opt or withdraw for "Set-off Option" multiple times until 6 months prior to the beginning of the Monthly Income Payout Period. Subsequently there can be no change made to the Set-off option opted by the Policyholder.**
- In case the Policyholder opts for Loan under this Policy, then the Regular Premium Set-off option shall automatically be disabled.**

### **4. POLICY PAID-UP**

After payment of at least two years full premium, if any installment of Regular Premium is not paid within the Grace Period and such default in payment of Regular Premium occurs after the commencement of the 3<sup>rd</sup> Policy Year the Policy shall acquire a Paid-Up status, no future Simple Reversionary Bonuses or Terminal Bonus declared shall accrue to the Policy and all benefits payable shall be reduced in accordance with the following:

- Death Benefit:** On the Life Assured's death when the Policy is in Paid-Up status and before the Maturity Date, We will pay only the following reduced amounts after deducting any outstanding loan amounts and interest thereon:
  - Reduced Death Benefit = Death Benefit Sum Assured \* (number of Regular Premiums received/total number of Regular Premiums payable);
  - All Simple Reversionary Bonuses that have accrued under the Policy until the Policy acquired a paid-up status.

**Note:** The claim shall be paid to the Nominee specified under the Policy. If there is no nominee or nominee is not alive at the time of death of the life assured then the claim shall be paid to the legal heir/s of the deceased Life Assured as per the court directions.

- Monthly Income Benefit:** Any Monthly Income amount that falls due under the Policy when the Policy is in paid-up status, shall be payable at the following reduced rate:

- Reduced Monthly Income = Monthly Income \* (number of Regular

Policy Document

Premiums received/total number of Regular Premiums payable).

- Maturity Benefit:** If the Life Assured is alive and the Policy is in paid-up status on the Maturity Date, We will pay only all Simple Reversionary Bonuses that have accrued under the Policy until the Policy acquired a paid-up status.
- Surrender Benefit:** You may surrender the Policy for the applicable Surrender Value.

### **5. TERMINATION OF POLICY**

The Policy shall immediately and automatically terminate on the earlier of the Life Assured's death, Early Exit Benefit Payment, on the payment of Surrender Value or the Maturity Date and no further amounts shall be payable under the Policy.

## **PART D**

### **6. REVIVAL OF THE POLICY**

You may revive Your lapsed or Paid Up Policy by giving Us a application for revival and paying all due unpaid installments of Regular Premium with interest at the rate specified by Us and completing the other requirements as may be stipulated by Us, within 5 consecutive years from the due date of the first unpaid installment of Regular Premium. All medical expenses incurred (if any) shall be borne by You. We may accept or decline Your application to revive the lapsed Policy or Paid Up Policy as per Our Board approved underwriting Policy.

The basis for determining the interest rate is the average of the daily rates of 10-Year G-Sec rate over the last five calendar years ending 31st December every year rounded to the nearest 50 bps plus a margin of 200 bps. Any change in the basis of this interest rate will be subject to the prior approval of the Authority. The Company undertakes the review of the interest rates for revivals on 31st December every year with any changes resulting from the review being effective from the 1st of April of the following year. The applicable interest rate for the financial year 2019-20 is 10 % per annum.

#### **6.1 On revival of the Policy:**

- All Simple Reversionary Bonuses that have been declared by Us after the lapse of the Policy and during the period before the revival of the Policy shall accrue to the Policy;
- All Monthly Income amounts that fall due after the revival of the Policy shall be payable at the rate specified in the Policy Schedule;
- We will pay a lump sum amount equal to the difference between the Monthly Income amount specified in the Policy Schedule and the Reduced Monthly Income amount paid during the period when the Policy had acquired a paid-up status and before the revival of the Policy. In arriving the lump sum amount, We shall not be liable to pay any interest.

**Note:** If the lapsed Policy is not revived within the revival period of five years from the date of 1<sup>st</sup> unpaid premium, then the Policy shall stand terminated and, other than the Early Exit Benefit if any, no further benefit shall be payable. However, in case the Policy is in Paid-up status and is not revived within the revival period of 5 years, then the policy shall continue till payment of any of the following: (a) Death Benefit; or (b) Maturity Benefit; or (c) Surrender Benefit or (d) Last Monthly Income Benefit.

### **7. SUICIDE**

In case of death due to suicide within 12 months:

- from the date of commencement of risk under the Policy, the nominee of the Policyholder shall be entitled to at least 80% of the Total Premiums Paid till the date of death or the surrender value available as on the date of death whichever is higher, provided the Policy is in-force or
- from the date of revival of the Policy, the nominee of the Policyholder shall be entitled to an amount which is higher of 80% of the Total Premiums Paid till the date of death or the surrender value as available on the date of death

### **8. FREE-LOOK PERIOD**

The Policyholder has the right to cancel the policy within 15 days from the date of receipt of the policy document, in case he/she does not agree with the terms and conditions of the policy. If the policyholder cancels the policy during free look period, the Company will refund the Regular Premiums received after deducting proportionate risk premium for the period of insurance cover and expenses incurred on medicals (if any) and stamp duty.

### **9. POLICY LOAN**

You may apply for a loan under the Policy at any time after the Policy acquires Surrender Value and before the commencement of the Monthly Income Payout Period, subject to the Policy being in force. The Loan cannot be availed once the policy goes into Paid Up status. Any loan granted by Us under this Policy shall be repayable with interest chargeable from the date of disbursement of the loan at the rate specified by Us, and in the amounts and at the frequency specified by Us in advance. The applicable interest rate for the Financial Year 2016-17 is 11.20% p.a. A loan disbursement letter will be issued by Us informing You about the loan details including the applicable interest rate and relevant terms thereof. The Policy shall be conditionally assigned to Us on disbursement of the loan amount. The minimum loan amount disbursed under this policy shall be Rs. 20,000/- and in no case the loan disbursed will exceed 80% of the Surrender Value as applicable on the date of disbursement of the loan. The minimum repayment instalment shall be lower of Rs. 2,000/- or Outstanding Loan Amount and interest due (if any). Notwithstanding anything mentioned in the terms and conditions any payments made under this policy shall be subject to deduction of the outstanding loan including interest thereon (if any) under the Policy.

## **PART E**

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## **PART F**

### **10. General Conditions:**

All options, rights and obligations under this policy vest with the Policyholder, and shall be discharged by the Policyholder/Claimant as the case may be.

### **11. Rights & Obligations**

All rights and obligations under this Policy vest with You and shall be discharged by You.

### **12. Assignment**

You (assignor) may assign this policy to any party (assignee) by filing a written notice along with the original policy contract, in the presence of a witness, at any of our servicing offices. The assignment would either be endorsed on the original policy contract or documented by a separate instrument and in either case signed by the assignor, stating specifically the fact of assignment. We will not express any opinion on the validity or legality of the assignment. Only the entire policy can be assigned. Any assignment shall automatically cancel a nomination except an assignment in our favor.

### **13. Assignment made under this provision is as per Section 38 of the Insurance Act, 1938. Assignment made under this provision is as per Section 38 of the Insurance Act, 1938.**

### **14. Nomination**

You may at any time before the policy matures for payment, nominate a person or persons to receive the benefit payable under the Death Benefit provision. You may also appoint any person, who is a major to receive the death proceeds on behalf of the nominee during the nominee's minority. We will not recognize a nomination or change in nomination until we receive your notice in writing in the prescribed format at our Servicing Office. We will not express any opinion on the validity or legality of the nomination.

If there is no nominee or nominee is not alive at the time of death of the life assured then the claim shall be paid to the legal heir/s of the deceased Life Assured as per the court directions. Nomination made under this provision is as per Section 39 of the Insurance Act, 1938.

### **15. Claim Procedures**

We shall be given written notice of the Life Assured's death within 90 days of the death through completing Our Claim Intimation Form along with the following documents: original Policy document, claim formats provided by Us (claimant's statement), death certificate, first information report (if applicable), post mortem report (if applicable), identity and address proof and any such other documents as may be required by Us for evaluation of the claim. If We do not receive notification of the death within 90 days, We may condone the delay if the delay was for reasons beyond the claimant's control. The claim shall be paid to the Nominee specified under the Policy. If there is no nominee or nominee is not alive at the time of death of the life assured then the claim shall be paid to the legal heir/s of the deceased Life Assured as per the court directions.

Any claim intimation to Us must be made in writing and delivered to the address, which is currently as follows:

#### **Claims Unit**

Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited, 2nd Floor, Orchid Business Park, Sector-48, Sohna Road, Gurugram 122018, Haryana, India; Resolution Centre: 1800-103-0003 / 1800-180-0003 (BSNL/MTNL)

**Email id:** claims.unit@canarahsbclife.in

Any change in the address or details above will be communicated by Us to You. For further details on the process, please visit our claims section on our website [www.canarahsbclife.com](http://www.canarahsbclife.com).

### **16. Taxation**

We are entitled to make such deductions and/or levy such charges, present and future which in Our opinion are necessary and appropriate, from and/or on the Regular Premium payable or Benefit amounts receivable under the Policy on account of any income, withholding, Goods and Services Tax or other tax, cess, duty or other levy which is or may be imposed in relation to the Policy by any legislation, order, regulation or otherwise upon Us, You or the Nominee. It is agreed and understood that We shall not be liable for any taxes on any personal income of You or the Nominee.

### **17. Misstatement of Age**

The Age of the Life Assured has been admitted based on the Your declaration in the proposal form and documentation provided in support. If the Age of the Life Assured is found to be different from the age declared, We may, in Our discretion, adjust the Regular Premium and/or the Benefit amounts under the Policy and/or recover any additional amounts from You.

### **18. Non-Disclosure**

In issuing this Policy, We have relied on the statements and declarations made by You in the proposal form and other documents submitted to Us. Subject to the provisions of applicable Indian law, including Section 45 of the Insurance Act, 1938, if any such information is found to be false, incorrect, incomplete or in any way misrepresented, We shall be entitled to terminate this Policy by paying the Surrender Value less outstanding loan and interest thereon (if any).

### **19. Fraud**

In case fraud or misrepresentation, the policy shall be cancelled immediately by paying the surrender value, subject to the fraud and misrepresentation being established by the insurer in accordance with section 45 of the Insurance Act, 1938.

### **20. Change in Terms**

We reserve the right to review, revise, delete and/or alter any of the terms and conditions of this Policy, including without limitation the Benefits applicable, with the prior approval of the IRDA. The terms and conditions shall also stand modified from time to time to the extent of change in regulatory provisions affecting the terms and conditions of this Policy.

### **21. Policy Currency**

All Regular Premium and Benefits payable shall be paid in Indian Rupees only.

### **22. Governing Law & Jurisdiction**

This Policy and all disputes arising under or in relation to the Policy shall be governed by Indian Law and interpreted in accordance with Indian law and by the Indian courts.

by and interpreted in accordance with Indian law and by the Indian courts.

### **23. Communication & Notices**

We will send you the policy document in accordance with the applicable laws. We will send the communication or notices to you either in physical or electronic mode (including sms) at your registered address/email id or registered mobile number provided by you in proposal form or otherwise notified to us. Any change in the registered address /email or registered mobile number of Policyholder or Claimant must be notified to Us immediately.

### **24. Replacement of Policy document**

We will replace a lost policy document when we are satisfied that it is lost. However we reserve the right to make investigations and to call for evidence of the loss of the policy document, as we may consider necessary before issuing a duplicate policy document. We may also charge a fee for the issue of a duplicate policy. Free look cancellation will not be allowed for duplicate policy document issued to the Policyholder. However the Company may permit free look cancellation in such cases where after investigation, it is evident that the Customer has not received the original policy bond. In conducting electronic transactions, in respect of this policy, you shall comply with all such terms and conditions as prescribed by us. Such electronic transactions are legally valid and shall be binding on You.

### **25. Grievance Redressal**

The contact details and procedure to be followed for any grievance arising in respect of this Policy are annexed as Part G.

### **26. Section 45 of the Insurance Act, 1938**

"No policy of life insurance effected before the commencement of this Act shall after the expiry of two years from the date of commencement of this Act and no policy of life insurance effected after the coming into force of this Act shall after the expiry of two years from the date on which it was effected, be called in question by an insurer on the ground that a statement made in the proposal for insurance or in any report of a medical officer, or referee, or friend of the insured, or in any other document leading to the issue of the policy, was inaccurate or false, unless the insurer shows that such statement was on a material matter or suppressed facts which it was material to disclose and that it was fraudulently made by the policy holder and that the policy holder knew at the time of making it that the statement was false or that it suppressed facts which was material to disclose. Provided that nothing in this section shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life assured was incorrectly stated in the proposal."

## **PART G**

### **GRIEVANCE REDRESSAL PROCEDURE**

We, strive to ensure that our customers get only the very best of service from us. We understand the customer's grievance and try to resolve the same by ascertaining all the facts and documents available to provide a fair resolution on the complaint.

1. In case You wish to register a complaint with us, You may visit our website, approach our Resolution Centre, Grievance Officers at Hub locations, or You may write to us at the following address:

#### **Complaint Redressal Unit**

Canara HSBC Oriental Bank of Commerce Life Insurance Company, Limited.

2nd Floor, Orchid Business Park (Near Subhash Chowk),

Sector-48, Sohna Road,

Gurugram 122018, Haryana, India

Toll Free: 1800-103-0003 / 1800-180-0003 (BSNL/MTNL)

Email: [cru@canarahsbclife.in](mailto:cru@canarahsbclife.in)

We shall respond to You within two weeks from the date of our receiving your complaint. Kindly note that in case we do not receive revert from You within eight weeks from the date of your receipt of our response we will treat your complaint as closed.

2. In case You do not receive a satisfactory response from us within the above timelines, You may write to our Grievance Redressal Officer at:

#### **The Grievance Redressal Officer**

Canara HSBC Oriental Bank of Commerce Life Insurance Company, Limited.

2nd Floor, Orchid Business Park (Near Subhash Chowk),

Sector-48, Sohna Road,

Gurugram 122018, Haryana, India

Toll Free: 1800-103-0003 / 1800-180-0003 (BSNL/MTNL)

Email: [gro@canarahsbclife.in](mailto:gro@canarahsbclife.in)

3. If You are not satisfied with the response or do not receive a response from us within 15 days, You may approach the Grievance Cell of the Insurance Regulatory and Development Authority of India (IRDAI) on the following contact details:

IRDAI Grievance Call Centre (IGCC) **TOLL FREE NO:155255**

Email ID: [complaints@irda.gov.in](mailto:complaints@irda.gov.in)

You can also register your complaint online at <http://www.igms.irda.gov.in/> Address for communication for complaints by fax/paper:

Consumer Affairs Department Insurance Regulatory and Development Authority of India

9th floor, United India Towers, Basheerbagh

Hyderabad – 500 029, Telangana

Fax No: 91- 40 – 6678 9768

4. In case You are not satisfied with the resolution or there is no response within a period of 1 month, You/complainant may approach the Insurance Ombudsman for Your State at the address mentioned below or on Authority's website [www.irda.gov.in](http://www.irda.gov.in). If the grievance pertains to the matters as mentioned below or an appropriate judicial/quasi-judicial authority having jurisdiction over the matter for redressal of Your grievance. You may also refer to the GBIC website at <http://www.gbic.co.in/ombudsman.html> for updated list of Ombudsman

The Ombudsman may receive complaints: a) under Rule 13 of Insurance Ombudsman



Rules, 2017 ("Rules"); b) for any partial or total repudiation of claim by Us; c) for any dispute in regard to Total Premium Paid or payable; d) for any dispute on the legal construction of the Policy in so far as such dispute relate to claim; e) for delay in settlement of claim; f) for non-issue of any insurance document after receipt of Premium  
 g) misrepresentation of policy terms and conditions; h) policy servicing related grievances against Company and their agents and intermediaries; i) issuance of policy which is not in conformity with the proposal form submitted by proposer; and  
 j) any other matter resulting from the violation of provisions of Insurance Act, 1938 or regulations, circulars, guidelines or instructions issued by Authority from time to time or terms and conditions of the policy in so far as they relate to issues mentioned above.

#### LIST OF INSURANCE OMBUDSMEN\*

1. **Ahmedabad:** Office of the Insurance Ombudsman, Jeevan Prakash Building, 6th floor, Tilak Marg, Relief Road, Ahmedabad – 380 001. Tel.: 079 - 25501201/02/05/06 Email: bimalokpal.ahmedabad@ecoi.co.in **Jurisdiction:** Gujarat, Dadra & Nagar Haveli, Daman and Diu
2. **Bengaluru:** Office of the Insurance Ombudsman, Jeevan Soudha Building, Ground Floor, 19/19, 24th Main Road, JP Nagar, Ist Phase, Bengaluru – 560 025. Tel.: 080 - 26652049 / 26652048 Email: bimalokpal.bengaluru@ecoi.co.in **Jurisdiction:** Karnataka.
3. **Bhopal:** Office of the Insurance Ombudsman, Janak Vihar Complex, 2<sup>nd</sup> Floor, 6, Malviya Nagar, Opp. Airtel Office, Near New Market, Bhopal (M.P.)-462 003. Tel.: 0755-2769201 / 2769202 Fax : 0755-2769203 Email: bimalokpal.bhopal@ecoi.co.in **Jurisdiction:** Madhya Pradesh & Chhattisgarh.
4. **Bhubaneswar:** Office of the Insurance Ombudsman, 62, Forest Park, Bhubaneswar-751 009. Tel.: 0674-2596461/2596455 Fax: 0674-2596429 Email: bimalokpal.bhubaneswar@ecoi.co.in **Jurisdiction:** Odisha
5. **Chandigarh:** Office of the Insurance Ombudsman, S.C.O. No.101, 102,103, 2nd Floor, Batra Building, Sector 17-D, Chandigarh-160 017. Tel.: 0172-2706196/2706468 Fax : 0172-2708274 Email: bimalokpal.chandigarh@ecoi.co.in **Jurisdiction:** Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir, Chandigarh.
6. **Chennai:** Office of the Insurance Ombudsman, Fathima Akhtar Court, 4th Floor, 453, Anna Salai, Teynampet, Chennai-600 018. Tel.: 044-24333668/24335284 Fax : 044-24333664 Email: bimalokpal.chennai@ecoi.co.in **Jurisdiction:** Tamil Nadu, Pondicherry Town and Karaikal (which are part of Pondicherry)
7. **New Delhi:** Office of the Insurance Ombudsman, 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi-110002. Tel.: 011-23239633 / 23237532 Fax : 011-23230858 Email: bimalokpal.delhi@ecoi.co.in **Jurisdiction:** Delhi
8. **Guwahati:** Office of the Insurance Ombudsman, "Jeevan Nivesh", 5<sup>th</sup> Floor, Near Panbazar Overbridge, S.S. Road, Guwahati-781 001(Assam). Tel.: 0361-2132204/2132205 Fax: 0361-2732937 Email: bimalokpal.guwahati@ecoi.co.in **Jurisdiction:** Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura
9. **Hyderabad:** Office of the Insurance Ombudsman, 6-2-46, 1st floor, "Moin Court", Lane Opp. Saleem Function Palace, A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel.: 040 - 65504123 / 23312122 Fax: 040 - 23376599 Email: bimalokpal.hyderabad@ecoi.co.in **Jurisdiction:** Andhra Pradesh, Telangana, Yanam and part of Territory of Pondicherry
10. **Jaipur:** Office of the Insurance Ombudsman, Jeevan Nidhi – II Bldg., Gr. Floor, Bhawani Singh Marg, Jaipur - 302 005. Tel.: 0141 - 2740363 Email: bimalokpal.jaipur@ecoi.co.in . **Jurisdiction:** Rajasthan
11. **Ernakulam:** Office of the Insurance Ombudsman, 2nd Floor, , CC 27/2603.,Pulinat Bldg., M.G. Road, Ernakulam-682 015. Tel: 0484-2358759/2359338 Fax: 0484-2359336 Email: bimalokpal.ernakulam@ecoi.co.in **Jurisdiction:** Kerala, Lakshadweep, Mahe – a part of Pondicherry
12. **Kolkata:** Office of the Insurance Ombudsman, 4th Floor, Hindustan Bldg. Annexe, 4, C.R. Avenue, Kolkata – 700 072. Tel: 033 22124339/22124340 Fax: 033 22124341 Email: bimalokpal.kolkata@ecoi.co.in **Jurisdiction:** West Bengal, Sikkim, Andaman & Nicobar Islands
13. **Lucknow:** Office of the Insurance Ombudsman, Jeevan Bhawan, Phase-2, 6<sup>th</sup> Floor, Nawal Kishore Road, Hazratganj, Lucknow-226 001. Tel: 0522 - 2231330/2231331 Fax: 0522-2231310 Email: bimalokpal.lucknow@ecoi.co.in **Jurisdiction:** Districts of Uttar Pradesh: Laitpur, Jhansi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhadra, Fatehpur, Pratapgarh, Jaunpur, Varanasi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareilly, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Ambedkarnagar, Sultanpur, Maharajgang, Santkabirnagar, Azamgarh, Kushinagar, Gorkhpur, Deoria, Mau, Ghazipur, Chandauli, Ballia, Sidharathnagar.
14. **Mumbai:** Office of the Insurance Ombudsman, 3rd Floor, Jeevan Seva Annexe, S.V. Road, Santacruz(W), Mumbai-400 054. Tel: 022-26106552/26106960 Fax: 022-26106052 Email: bimalokpal.mumbai@ecoi.co.in **Jurisdiction:** Goa, Mumbai Metropolitan Region excluding Navi Mumbai & Thane
15. **Pune:** Office of the Insurance Ombudsman, Jeevan Darshan Bldg., 3rd Floor, C.T.S. No.s. 195 to 198, N.C. Kelkar Road, Narayan Peth, Pune – 411 030. Tel.:020 – 41312555; Email: bimalokpal.pune@ecoi.co.in **Jurisdiction:** Maharashtra, Area of Navi Mumbai and Thane excluding Mumbai Metropolitan Region.
16. **Noida:** Insurance Ombudsman, Bhagwan Sahai Palace, 4th Floor, Main Road, Naya Bans, Sector 15, G.B. Nagar, Noida. 201 301 Tel.: 0120-2514250/52/53 Email: bimalokpal.noida@ecoi.co.in

**Jurisdiction:** State of Uttaranchal and the following Districts of Uttar Pradesh: Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budaan, Bulandshehar, Etah, Kanoor, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farrukhabad, Firozbad, Gautambodhanagar, Ghaziabad, Hardoi, Shahjahanpur, Hapur, Shamli, Rampur, Kashganj, Sambhal, Amroha, Hathras, Kanshiramnagar, Saharanpur

**17. Patna:** Office of the Insurance Ombudsman, 1st Floor, Kalpana Arcade Building, Bazar Samiti Road, Bahadurpur, Patna 800 006. Tel.: 0612-2680952 Email: bimalokpal.patna@ecoi.co.in **Jurisdiction:** Bihar, Jharkhand

\*For updated list of Ombudsman please refer to the GBIC website at <http://www.gbic.co.in/ombudsman.html>

**Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited**  
 Office Address : 2nd Floor, Orchid Business Park, Sector-48 (Near Subhash Chowk), Sohna Road, Gurugram -122018, Haryana, India

**For the latest Hub-List please refer to our website at [www.canarashsbc.com](http://www.canarashsbc.com)**

#### ADDENDUM- IMPORTANT NOTE ON CHANGES TO INSURANCE ACT 1938

The Insurance Laws Amendment Act, 2015 was notified in the official Gazette by the Government of India on March 23, 2015 that has brought in changes to the Insurance Act, 1938 with effect from December 26, 2014. Pursuant to that, following amendments of law comes into force. For avoidance of any doubt it is expressly stated that these amendments shall form part of the Policy contract and in case of any conflict between these amendments and any other terms & conditions of this Policy contract, these amendments shall prevail.

A. The word "Authority" which was earlier referred to as Insurance Regulatory and Development Authority shall now be read as Insurance Regulatory and Development Authority of India.

B. Section 38 of the Insurance Act, 1938- The earlier Section 38 has now been replaced with the following Section.

Section 38 "Assignment and Transfer of Insurance Policies"

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

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

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

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

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

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

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

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

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

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

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

(9) Any rights and remedies of an assignee or transferee of a policy of life insurance under an assignment or transfer effected prior to the commencement of the Insurance

Laws (Amendment) Act, 2015 shall not be affected by the provisions of this section.

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

(a) the proceeds under the policy shall become payable to the policy-holder or the nominee or nominees in the event of either the assignee/or transferee predeceasing the insured; or

(b) the insured surviving the term of the policy, shall be valid:

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

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

C. Section 39 of the Insurance Act, 1938- The earlier Section 39 has now been replaced with the following Section.

Section 39 “Nomination by Policyholder”

39. (1) The holder of a policy of life insurance on his own life may, when effecting the policy or at any time before the policy matures for payment, nominate the person or persons to whom the money secured by the policy shall be paid in the event of his death: Provided that, where any nominee is a minor, it shall be lawful for the policy-holder to appoint any person in the manner laid down by the insurer, to receive the money secured by the policy in the event of his death during the minority of the nominee.

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

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

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

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

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

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

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

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

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

(8) Subject as aforesaid, where the nominee, or if there are more nominees than one, a nominee or nominees, to whom sub-section (7) applies, die after the person whose life is insured but before the amount secured by the policy is paid, the amount secured by the policy, or so much of the amount secured by the policy as represents the share of the nominee or nominees so dying (as the case may be), shall be payable to the heirs or legal representatives of the nominee or nominees or the holder of a succession certificate, as the case may be, and they shall be beneficially entitled to such amount.

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

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

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

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

Provided that where a nomination made whether before or after the commencement of the Insurance Laws (Amendment) Act, 2015, in favour of the wife of the person who has insured his life or of his wife and children or

any of them is expressed, whether or not on the face of the policy, as being made under this section, the said section 6 shall be deemed not to apply or not to have applied to the policy.

D. Section 45 of the Insurance Act, 1938- The earlier Section 45 has now been replaced with the following Section.

Section 45 “Policy not to be called in question on ground of misstatement after three years”

(1) No policy of life insurance shall be called in question on any ground whatsoever after the expiry of three years from the date of the policy, i.e., from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later.

(2) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground of fraud: Provided that the insurer shall have to communicate in writing to the insured or the legal representatives or nominees or assignees of the insured the grounds and materials on which such decision is based.

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

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

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

(3) Notwithstanding anything contained in sub-section (2), no insurer shall repudiate a life insurance policy on the ground of fraud if the insured can prove that the mis-statement of a or suppression of a material fact was true to the best of his knowledge and belief or that there was no deliberate intention to suppress the fact or that such mis-statement of or suppression of a material fact are within the knowledge of the insurer:

Provided that in case of fraud, the onus of disproving lies upon the beneficiaries, in case the policyholder is not alive.

Explanation –A person who solicits and negotiates a contract of insurance shall be deemed for the purpose of the formation of the contract, to be the agent of the insurer.

(4) A policy of life insurance may be called in question at any time within three years from the date of issuance of the policy or the date of commencement of risk or the date of revival of the policy or the date of the rider to the policy, whichever is later, on the ground that any statement of or suppression of a fact material to the expectancy of the life of the insured was incorrectly made in the proposal or other document on the basis of which the policy was issued or revived or rider issued:

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

Provided further that in case of repudiation of the policy on the ground of misstatement or suppression of a material fact, and not on ground of fraud, the premiums collected on the policy till the date of repudiation shall be paid to the insured or the legal representatives or nominees or assignees of the insured within a period of ninety days from the date of such repudiation.

Explanation- For the purposes of this sub-section, the mis-statement of or suppression of fact shall not be considered material unless it has a direct bearing on the risk undertaken by the insurer, the onus is on the insurer to show that had the insurer been aware of the said fact no life insurance policy would have been issued to the insured.

(5) Nothing in this sections shall prevent the insurer from calling for proof of age at any time if he is entitled to do so, and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof that the age of the life insured was incorrectly stated in the proposal.