

# Enjoy a stress-free life with a guaranteed second income



## **Exide Life** **Guaranteed Income** **Insurance Plan**

- Pay for First Half. Get Income during Second Half of the Policy
- Continued Life Cover during the Income Payout Period
- Guaranteed Maturity Benefit

# Exide Life Guaranteed Income Insurance Plan

## A Non-Participating Insurance Plan

### What Exide Life Guaranteed Income Insurance Plan is all about?

Exide Life Guaranteed Income Insurance Plan is a non-participating plan that provides guaranteed tax-free benefits after completion of premium payment term and Guaranteed Death Benefit during the entire policy term. This product is a combination of savings as well as protection.

Exide Life Insurance recognizes that we all have dreams for ourselves and our families. The dream may be about higher education of our children or may be to support our aged parents or for daughter's wedding or simply for a self-reliant retirement. We understand the sincere efforts that each of us takes towards the well-being of our families. With Exide Life Guaranteed Income Insurance Plan, we aim to help you build these financial reserves for all expected and unexpected expenses in the future. Exide Life Guaranteed Income Plan helps you achieve this.

Let us consider the case of 35 year old Balaji, who is a businessman doing reasonably well in his career with a settled family. He is exploring savings options that will enable him to save during good times for the expenses envisaged in the future. His expectation is to have a stable income from the investment, which may enable supplementing his daughter's education expenses and may also be used as his retirement income while leaving a lump sum for his daughter's marriage. Basically, an all in one solution! See how Exide Life Guaranteed Income Insurance Plan will fulfill Mr. Balaji's aspirations as demonstrated below.

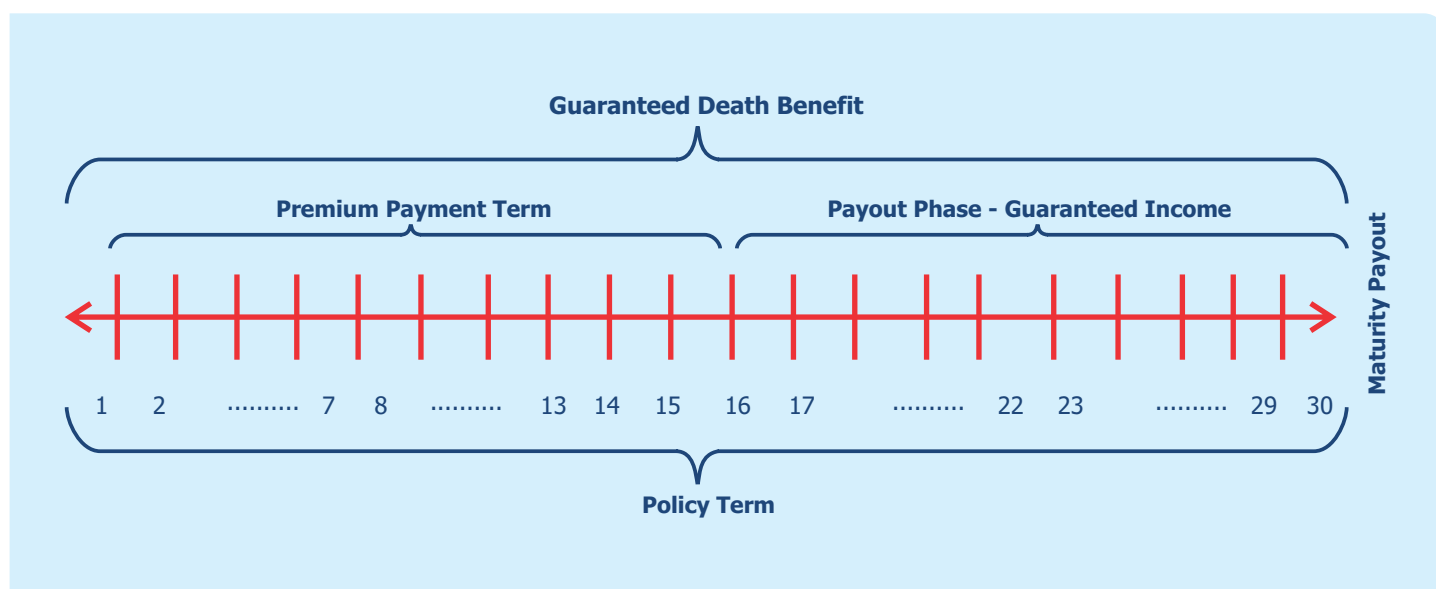
### Key benefits

- Guaranteed income of 11% to 13% per annum
- Guaranteed regular income with tax savings as per prevailing tax laws
- Guaranteed lump sum on maturity with tax savings as per prevailing tax laws
- Full guaranteed death benefit even during income payout period

### How the plan works

Balaji needs regular guaranteed income after 15 years and is willing to pay an annual premium of ₹50,665 for the next 15 years. Exide Life Guaranteed Income Insurance Plan for a Policy Term of 30 Years is suitable for his requirement. He will pay regular premiums at the beginning of each policy year for 15 years and will be eligible for a regular Guaranteed Income of ₹69,000, equivalent to 13% of the Sum Assured, payable to him annually starting from the end of 16th to 30th Policy Year. After completion of the Policy Term viz. at end of the 30th year, Maturity Benefit of ₹5,30,769 will be payable to him along with last payout of the regular Guaranteed Income.

In order to protect his family from financial loss, throughout the Policy Term of 30 years, he will be eligible for a Guaranteed Death Benefit of higher of 10 times of basic annual premium or 105% of the total basic premiums paid or the sum assured.



## Eligibility conditions

		Policy term in years			
		15	20	24	30
<b>Premium payment term (PPT) in years</b>		7	10	12	15
<b>Payout term in years</b>		8	10	12	15
Age at entry as on last birthday					
<b>Minimum</b>		11 years	8 years	6 years	3 years
<b>Maximum</b>		55 years			
Age at maturity #					
<b>Minimum</b>		26 years	28 years	30 years	33 years
<b>Maximum</b>		70 years	75 years	79 years	85 years
Annualized premium (₹)					
<b>Minimum</b>		24,000	18,000	12,000	12,000
<b>Maximum</b>		No limit			
<b>Premium payment frequency</b>		Monthly			
		Quarterly			
		Half yearly			
		Annual			
Sum Assured (₹)					
<b>Minimum</b>		90,978			
<b>Maximum</b>		No limit			

#GST shall be charged extra as per applicable rates.

## Plan benefits

### Survival benefit: Regular guaranteed income (GI)

GI is a regular monthly or yearly payout for remaining term of the policy after completion of PPT. This flexibility of changing the GI payout frequency from yearly to monthly and vice-versa is available subject to receipt of such intimation at least 6 months prior to the end of last year of premium payment. GI is a survival benefit and shall cease after death. The payouts are expressed as a percentage of the Sum Assured opted. The payout percentage also depends on the annual premium amount and PPT chosen, as follows:

PPT (years)	Minimum Premium (₹)	Premium Size (₹)	Guaranteed Income	Premium Size (₹)	Guaranteed Income	Premium Size (₹)	Guaranteed Income
7	24,000	24,000 - 47,999	11% p.a. for Annual GI payout; OR 0.85% p.m. for Monthly GI payout	48,000 - 95,999	12% p.a. for Annual GI payout; OR 0.90% p.m. for Monthly GI payout	96,000 and above	13% p.a. for Annual GI payout; OR 1% p.m. for Monthly GI payout
10	18,000	18,000 - 35,999		36,000 - 71,999		72,000 and above	
12	12,000	12,000 - 23,999		24,000 - 47,999		48,000 and above	
15	12,000	12,000 - 23,999		24,000 - 47,999		48,000 and above	

## Maturity benefit:

Maturity Benefit equals Sum Assured opted at inception of the policy. It is payable at end of the policy term along with the last GI payout.

## Enhanced Protection Benefit through optional riders:

This plan offers the flexibility of customizing protective cover by opting for following riders by paying small amount of extra premium. Riders can be added at the inception of the Policy or at policy anniversary during the policy term subject to underwriting and terms & conditions of the riders.

Following riders are available with Exide Life Guaranteed Income Insurance Plan

- Exide Life Critical Illness (4) Regular Pay (UIN: 114B009V02)
- Exide Life Critical Illness (25) Regular Pay (UIN: 114B009V02)
- Exide Life Accidental Death Disability and Dismemberment Rider (UIN:114B002V02)
- Exide Life Term Rider (UIN:114B007V02)

Either one of Exide Life Critical Illness (4) Regular Pay or Exide Life Critical Illness (25) Regular Pay can be chosen.

Under any circumstance, rider sum assured of each rider cannot be more than base policy sum assured on death.

Further details of all these riders are available separately through rider brochure, Terms and Conditions.

## Income tax benefit:

Policyholder may be eligible for tax benefits under section 80C and section 10(10D) of the Income Tax Act, 1961, subject to provisions contained therein.

- U/S 80C of the Income Tax Act 1961 on your premiums
- U/S 10(10D) of the Income Tax Act 1961 on the proceeds of your policy
- U/S 80 D of Income Tax Act 1961 on the premium paid towards critical illness rider, if opted for

The aforesaid tax benefits are subject to change in tax laws and to the terms set out in the said Sections. We therefore urge you to carefully analyze in consultation with your tax advisor the tax benefits/ tax implications, if any that may arise on investing in this policy.

## Other benefits:

### Guaranteed death benefit (GDB):

GDB is an inbuilt life protection cover and is guaranteed at higher of 10 times annual premium or Sum Assured or 105% of the premiums paid less unpaid due premiums. It is applicable across the entire term of the policy and shall not be reduced by the Guaranteed Income already paid. GDB is payable as chosen between option A or B:

- **Option A:** Lump sum

Under this option, GDB is paid as a lump sum.

- **Option B:** FIB

Family Income Benefit (FIB) is 110% of the GDB paid in 60 monthly installments.

### Loan benefit:

The policy will be eligible for Policy loan facility if it has attained Surrender value. The minimum Loan amount shall be Rs. 1000 and maximum shall not exceed 80% of the available Special Surrender Value. The rates of interest for policy loan shall be as determined by the Company from time to time. The terms and conditions of the loan shall be as determined by the Company from time to time subject to IRDAI's approval.

If at any point of time, the loan along with outstanding accrued interest exceeds the value of benefits payable under the Policy and if the policy has acquired Reduced Paid-up status, the Policy will be forfeited and no benefits will be payable.

### Reduced paid up:

The policy is eligible for Reduced Paid-up Benefit if at least first 2 full years' premiums are paid in case of policies with 7 year PPT and at if least 3 full years' premiums are paid in case of policies with 10, 12 & 15 year PPTs. The policy will acquire a Reduced Paid-up state on the date of expiry of grace period if the policy is not surrendered and is explained as follows:

Type of Benefit	How and When benefits are payable	Method of benefit calculation
Reduced Paid-up Death Benefit	Lump sum and is payable immediately on death within the policy term	$(\text{Number of premiums paid}) / (\text{Total Number of premiums payable}) \times \text{Guaranteed Death Benefit}$
Reduced Paid-up Maturity Benefit	Lump sum and is payable immediately on the date of maturity	$(\text{Number of premiums paid}) / (\text{Total Number of premiums payable}) \times \text{Sum Assured}$

In addition to the above benefits there is also a Reduced Survival Benefits as per the table below:

Type of Benefit	How and When benefits are payable	Method of benefit calculation
Reduced Paid-up Survival Benefits	Lump sum and is payable on survival at the end of each policy year immediately succeeding the final year of Premium Payment Term till the end of Policy Term	$\{(\text{Number of premiums paid}) / (\text{Total Number of premiums payable}) \times \text{Original Guaranteed Income}\} \times \text{Paid-up value factor}^*$

\*The paid-up value factor table is as follows:

Premiums paid	Paid-up value factor
2 to 4	50%
5 to 6	75%
7 and above	100%

## Key terms and conditions

### Grace period:

Grace Period is 15 days period for Monthly mode and 30 days period for other modes of premium payment after the premium payment due date which is available for paying the due premium.

### Lapse:

If the policyholder who opts for 7 PPT fails to pay the 2nd year's premium by the end of Grace Period the policy will lapse and all benefits will cease immediately. For other PPTs, if the policyholder fails to pay the 3rd year's premium by the end of grace period the policy will lapse and all benefits will cease immediately.

### Reinstatement:

Policy can be reinstated during the premium paying term, within period of 2 years from the first unpaid due premium. Policy reinstatement will be subject to satisfactory proof of continued insurability of the policyholder/ life assured and having paid all due unpaid premiums and the reinstatement charge, as applicable.

### Surrender:

In order to honour unexpected commitments or needs, a Surrender option is available. This policy acquires Guaranteed Surrender Value if at least one full year's premium is paid and the GSV payable is 20% of premiums paid excluding the GST and premium for extra mortality rating, if any.

For policies that have paid at least 2 full years' premiums with 7 years PPT and 3 full years' premiums with other PPT's, the amount payable on Surrender is higher of the Special Surrender Value (SSV) or the Guaranteed Surrender Value, after deduction of any loans under the Policy. All benefits under the policy shall automatically terminate upon payment of higher of Guaranteed Surrender Value or Special Surrender Value. GSV and SSV are as follows:

### Guaranteed Surrender Value (GSV)

GSV depends on the year of Surrender and shall not be less than total premiums paid (excluding GST and extra mortality Premium, if any) times GSV factor, less Survival Benefits paid, if any. Guaranteed Surrender Value will be paid as per following GSV factors, if at least:

- Initial 2 full years' premiums are paid in case 7 years PPT is opted
- Initial 3 full years' premiums are paid in case 10, 12 or 15 years PPT is opted

\*The paid-up value factor table is as follows:

Policy year	GSV factors	
	PPT = 7 years	PPT >= 10 years
2	30%	NA
3	30%	30%
4 to 7	50%	
8 to 10	60%	
11 to 12	70%	
13 to 14	80%	
15 and above	90%	

### Special Surrender Value (SSV):

SSV, at no point of time, will be lesser than the GSV. SSV will be dependent on the performance of the plan.

The surrender benefits are payable immediately on surrender or at the end of the third policy year, whichever is later.

### Lien:

In case of minor lives aged below 12 years, life cover shall commence two years from date of commencement of policy. In case of such deaths prior to commencement of risk cover; the death benefit shall be restricted to refund of premiums without interest.

### Free look period:

In case you disagree with any of the terms and conditions of the policy, you have the option to cancel the policy by writing to the company stating the reasons for disagreement with the policy terms and conditions and return the original policy document to the company within 15 days of the receipt of the Policy Document. In case of such cancellation, the premiums you have paid will be refunded after deducting the stamp duty charges and proportional charges towards Insurance risk cover. In case the policy is sourced through Distance Marketing<sup>#</sup> the free look period is 30 days from the receipt of the policy document.

<sup>#</sup>Distance Marketing includes solicitation through all modes other than in person.

## Suicide:

In case the life assured commits suicide, while sane or insane, within one year from the date of commencement of policy or from the date of reinstatement of the lapsed policy, the company will not be liable to pay the benefits under the policy other than what is specified below:

- Death occurs within one year from policy commencement date: 80% of premium paid, excluding GST.
- Death occurs within one year from reinstatement date: Higher of 80% of premiums paid, excluding GST, till the date of death or the Surrender Value as available as on the date of death.

## Modal factor:

You may choose to pay your premiums annually, half yearly, quarterly and by the monthly mode. Following factors are applied to premium for different premium paying modes.

Mode of premium	Multiplicative factor
Monthly	1
Quarterly	2.90
Half-Yearly	5.68
Yearly	11.01

#For Monthly mode: 3 Monthly premiums to be collected on the date of commencement of the policy. We will ensure compliance with respect to the Section 15 of the "Clarifications on IRDAI (Non-Linked products) Regulations, 2013" circular or any other regulation applicable from time to time.

## Assignment:

Assignment should be in accordance with provisions of sec 38 of the Insurance Act 1938 as amended from time to time.

**[A Leaflet containing the simplified version of the provisions of Section 38 is enclosed in Annexure - (1) for reference]**

## Nomination:

Nomination should be in accordance with provisions of sec 39 of the Insurance Act 1938 as amended from time to time.

**[A Leaflet containing the simplified version of the provisions of Section 39 is enclosed in Annexure - (2) for reference]**

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## Risk factors

- Exide Life Guaranteed Income Insurance Plan is a Non-Linked, Non-participating Life Insurance Product.
- Exide Life Insurance Company Limited is only the name of the Insurance Company and Exide Life Guaranteed Income Insurance Plan is only the name of the product and does not in any way indicate the quality of the product, its future prospect or returns.
- This product guarantees the survival benefit, maturity benefit and death benefit. However the benefits are subject to all premiums being paid on time.
- The purpose of this brochure is to provide a general overview about this policy. The information herein is indicative of the terms, conditions, warranties and exceptions contained in the policy terms and conditions of Exide Life Guaranteed Income Insurance Plan. Please refer to the policy terms and conditions to understand in detail the associated risks, benefits, etc.
- In the event of any inconsistency / ambiguity between the terms contained herein and the policy terms and conditions, the policy terms and conditions will prevail.

## Section 41: Prohibition of Rebate

Under the provisions of Section 41 of the Insurance Act, 1938

- (1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer:
- (2) Any person making default in complying with the provisions of this section shall be punishable with fine which may extend to ten lakh rupees.

## Fraud, Misrepresentation and forfeiture:

Fraud, Misrepresentation and forfeiture would be dealt with in accordance with provisions of Sec 45 of the Insurance Act 1938 as amended from time to time.

**[A Leaflet containing the simplified version of the provisions of Section 45 is enclosed in Annexure – (3) for reference]**

## About Exide Life Insurance Company Limited (As on March 2017)

Exide Life Insurance Company Limited, an established and profitable life insurance company, commenced operations in 2001-02 and is headquartered in Bengaluru. The company is 100% owned by Exide Industries Limited. The company serves over 15 lakh customers and manages assets of over ₹11,000 Crores. During the financial year 2016-17, the company achieved Total Premium Income of over ₹2,400 crores and delivered ₹112 crores in Profits (PBT). Exide Life Insurance distributes its products through multi-channels viz. Agency, Banc assurance, Corporate Agency & Broking as well as Direct Channels. The Agency channel comprises of 50,000+ advisors who are attached to over 200 company offices across the country. The company also offers group life insurance solutions. The company is focused on providing long term protection and savings solution plans and has a strong traditional product portfolio with a consistent bonus track record. The company has ISO 9001:2008 quality certification for all Customer Service processes and the ISO/IEC 27001:2013 for information security management.

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## Our Shareholders

**About Exide Industries Limited** - Exide is India's largest manufacturer of electric storage batteries and its biggest power-storage solutions provider with a market capitalization of over ₹19,000 crores\*. Since its introduction in India more than a hundred years ago, Exide remains the foremost and the most trusted battery brand in India. The century old brand equity is backed by a robust nation-wide network of 18,000-plus dealers. (\*As on 31<sup>st</sup> March 2017) With 7 world-class battery manufacturing factories across India, the range of products offered by the company covers everything from the smallest batteries required in motorcycles to the giant batteries powering submarines. After all, India moves on Exide.

To know more about this product, please contact our nearest Branch Office.  
Or call us at 1800 419 8228 or SMS EXIDLI to 5676770 or visit [exidelife.in](http://exidelife.in)

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**\*Guaranteed income payout is made as a percentage of the sum assured chosen.**

Exide Life Guaranteed Income Insurance Plan UIN: 114N067V01. For more details on risk factors, terms and conditions, please read the sales brochure of the mentioned product carefully before concluding the sale. Goods & Services Tax (GST) shall be levied as per prevailing tax laws which are subject to change from time to time. Exide Life Insurance Company Limited is a wholly owned subsidiary of Exide Industries Limited. The trademark "Exide" is owned by Exide Industries Limited and licensed to Exide Life Insurance vide Trademark license agreement dated 30th October 2014. Exide Life Insurance Company Limited. IRDAI Registration number: 114, CIN: U66010KA2000PLC028273, Registered Office: 3rd Floor, JP Techno Park, No.3/1, Millers Road, Bengaluru - 560001; Toll Free: 1800 419 8228; Visit: [exidelife.in](http://exidelife.in); ARN: EXL/2017-18/COLL/226

**IRDAI Notice: Beware of spurious phone calls and fictitious/fraudulent offers. IRDAI clarifies to public that • IRDAI or its officials do not involve in activities like sale of any kind of insurance or financial products nor invest premiums. • IRDAI does not announce any bonus. Public receiving such phone calls are requested to lodge a police complaint along with the details of phone call number.**

### Section 38 - Assignment and Transfer of Insurance Policies:

Assignment or transfer of a policy should be in accordance with Section 38 of the Insurance Act, 1938 as amended from time to time. The extant provisions in this regard are as follows:

01. This policy may be transferred/assigned, wholly or in part, with or without consideration.
02. 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.
03. 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.
04. The assignment must be signed by the transferor or assignor or duly authorized agent and attested by at least one witness.
05. The transfer of 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.
06. Fee to be paid for assignment or transfer can be specified by the Authority through Regulations.
07. 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.
08. 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.
09. 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) Ordinance, 2014 shall not be affected by this section.

**[Disclaimer: This is not a comprehensive list of amendments. Policyholders are advised to refer to Section 38 of the Insurance Act, 1938, as amended from time to time for complete and accurate details.]**



**Section 39 - Nomination by policyholder:**

Nomination of a life insurance policy should be in accordance with Section 39 of the Insurance Act, 1938 as amended from time to time. The extant provisions in this regard are as follows:

01. 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.
02. 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.
03. Nomination can be made at any time before the maturity of the policy.
04. 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.
05. 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.
06. 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.
07. Fee to be paid to the insurer for registering change or cancellation of a nomination can be specified by the Authority through Regulations.
08. 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.
09. 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) Ordinance, 2014 (i.e 26.12.2014).
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 (Ordinance) 2014, 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. Policyholders are advised to refer to Section 39 of the Insurance Act, 1938, as amended from time to time for complete and accurate details.]**

**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 from time to time. The extant provisions in this regard are as follows:

01. No Policy of Life Insurance shall be called in question **on any ground whatsoever** after expiry of 3 yrs from
  - a. the date of issuance of policy or
  - b. the date of commencement of risk or
  - c. the date of revival of policy or
  - d. the date of rider to the policy
 whichever is later.
02. On the ground of fraud, a policy of Life Insurance may be called in question within 3 years from
  - a. the date of issuance of policy or
  - b. the date of commencement of risk or
  - c. the date of revival of policy or
  - d. the date of rider to the policy
 whichever is later.
 

For this, the insurer should communicate in writing to the insured or legal representative or nominee or assignees of insured, as applicable, mentioning the ground and materials on which such decision is based.
03. 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.
04. 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.
05. 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.
06. 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.
07. 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.
08. 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.
09. The insurer can call for proof of age at any time if he is entitled to do so and no policy shall be deemed to be called in question merely because the terms of the policy are adjusted on subsequent proof of age of life insured. So, this Section will not be applicable for questioning age or adjustment based on proof of age submitted subsequently.

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