

GENERAL

In this contract, “you” or “your” will refer to the Policyholder of this Policy, “member” will refer to member insured under this Policy and “we”, “us”, “our”, “insurer” “ABSLI” or “the company” will refer to Aditya Birla Sun Life Insurance Company Limited, or any of its successors.

Please read this Policy document carefully.

IRDAI PRIOR APPROVAL

Unless specifically stated otherwise, we reserve the right to increase each charge applicable to your policy at any time. We, however, need to get prior approval from the Insurance Regulatory and Development Authority of India (IRDAI) before such charge increase is effective.

DEFINITIONS

“**policy issue date**” means the date on which this Policy is issued by the company.

“**policy effective date**” means the date on which your rights and benefits under this Policy begin, as shown in Your Policy Details.

“**policy year and policy month**” – are measured from the policy effective date and are periods of twelve calendar months and one calendar month, respectively.

“**monthly processing date**” means the first day of a policy month.

“**premium**” under this policy means and includes contribution as defined under the applicable taxation laws.

“**account**” means the number of separate records the policyholder wants to maintain in the policy.

“**IRDAI**” means the Insurance Regulatory and Development Authority of India.

Additional definitions are given in the policy document.

ABSLI GVPP

Ver 4/Oct/2019

POL/10/19-20/1042

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POLICY VALUE PROVISIONS

Policy Premium

Your Policy Details shows initial premium. This policy is effective only once the initial premium has been credited to one of our bank accounts.

Premiums received less premium allocation charge, if any will be applied to purchase units in the segregated funds as per the investment options and premium allocation percentage then in effect. Based on our then current administrative rules, you can provide specific written instructions with regards to which account a particular premium is to be applied.

Premium Allocation Percentage

Depending on the investment option selected by you:

- Self-Managed Option
- MarketCycle Option

The premium allocation percentage is shown in Your Policy Details and specifies the percentage of each premium that will be allocated to a particular segregated fund.

For the Self Managed Option, you may allocate a minimum of 5% and maximum of 100% to each segregated fund available in your contract. The premium allocation percentage to each segregated fund must be in increments of 5% and the total percentage across all segregated funds must be 100%.

You may request in writing to change your premium allocation percentage by using the premium redirection facility any time when your policy is in effect. Once received by us, your change request will apply to all premiums received by us from that date onwards. All premium redirection requests are currently free of cost.

If you have opted for MarketCycle Option then, we will invest your premium in Group Growth Maximiser and Group Income Advantage fund in a predetermined proportion based on the selected risk profile when the premium is invested.

The proportion invested in Group Growth Maximiser and Group Income Advantage fund will be according to the given schedule –

	Risk Profile			
	Aggressive	Moderate	Conservative	Assure
Group Growth Maximiser	60%	40%	20%	0.00%
Group Income Advantage	40%	60%	80%	100%
Equity Multiple	1.5	0.667	0.25	0

At every monthly processing date, we will switch any excess of (a) over (b), if any to Group Money Market fund, where
(a) is fund value in Group Growth Maximiser fund;
(b) is fund value in Group Income Advantage multiplied by Equity Multiple;
otherwise we will rebalance the fund automatically such that after rebalancing the proportion of Group Growth Maximiser and Group Income Advantage fund will be as per the chosen risk profile.

You can use the balance in the Group Money Market fund to take any payouts or can switch back to MarketCycle Option or switch to

any other fund option in the Self Managed Option. For any payouts in excess of fund value in Group Money Market fund the required amount will be transferred to Group Money Market fund from Group Income Advantage and Group Growth Maximiser funds proportionately.

You may request in writing to change your risk profile at any time during policy period. Once received by us, your change request will apply to all premiums received by us from that date onwards. The request for change in risk profile is currently free of cost.

You also can switch from Self Managed Option to MarketCycle Option or vice versa at any time.

POLICY BENEFIT PROVISIONS

Policy Fund Value

The Policy Fund Value is at all times equal to the sum of the number of units allocated to each investment fund multiplied by their respective unit price prevailing at that time.

Death Benefit

The death benefit will be Sum Assured plus, the amount specified by the policyholder as per scheme rules not more than the prevailing Policy Fund Value in the member's account, if maintained separately by us.

Non-Death Benefit

The non-death benefit will be the amount specified by the policyholder as per scheme rules not more than the prevailing Policy Fund Value in the member's account, if maintained separately by us.

Policy Surrender

You may surrender this policy to us at any time for its Surrender Value. This contract, including all insurance, will terminate on the date we accept your surrender request.

At any time, the Surrender Value is the Policy Fund Value.

POLICY PROVISIONS

Free Look Period

You have the option to cancel your policy within 15 calendar days from receipt of this policy document by giving us, in writing, the reason for your objection. In such a case, the Policy Fund Value plus all charges levied till date (excluding the fund management charge) will be paid to you, provided:

- your written notice for cancellation, together with the entire policy contract, has been received by us; and
- we have not received any claim intimation

We reserve the right to reduce the amount of the refund by expenditures incurred by us in issuing your policy and as permitted by the IRDAI.

Policy Loans

Not Allowed

Termination of policy

The policy will terminate if:

- the policy is surrendered;
- the Policy Fund Value falls below Rs.1,0,000;
- premium payment is discontinued for 5 years

We will refund the Policy Fund Value net of any charges to you on such termination.

SAMPLE

POLICY CHARGES

Premium Allocation Charge

It is a percentage of premium when paid:

- Deducted from your premium before invested
- Guaranteed to never increase

Plan A: 2.00%

Plan B: 1.00%

Plan C: 0.00%

Fund Management Charge – as a percentage of net asset value per year.

- Deducted by adjusting the daily net asset value of each segregated fund
- We reserve the right to change this charge for any segregated fund at any time subject to prior IRDAI approval maximum up to 1.35% per annum.

Group Money Market	: 1.00% p.a.
Group Short Term Debt	: 1.00% p.a.
Group Gilt	: 1.00% p.a.
Group Fixed Interest	: 1.00% p.a.
Group Income Advantage	: 1.00% p.a.
Group Bond	: 1.00% p.a.
Group Secure	: 1.00% p.a.
Group Stable	: 1.00% p.a.
Group Growth	: 1.00% p.a.
Group Growth Advantage	: 1.00% p.a.
Group Growth Maximiser	: 1.35% p.a.

Fund Switching Charge – as a percentage of amount switched from Group Income Advantage Fund and Group Growth Maximiser Fund subject to a maximum of Rs. 500.

- Deducted from your fund value at the time of switch
 - Guaranteed to never increase
- All years : 2.00%

Following transactions are currently free of charge:

- Switch from Self Managed Option to MarketCycle Option
- Switching within funds in Self Managed Option
- Switching risk profile under MarketCycle Option
- Premium redirection

We reserve the right to increase this charge at any time subject to prior IRDAI approval.

MORTALITY PREMIUM / CHARGE

Mortality premium / charge is Re. 5 per member for Rs.5000 Sum Assured. Policyholder has to pay GST.

The Policyholder has the choice to pay the premium towards life cover separately or this premium can be deducted from the fund by cancellation of units.

SEGREGATED FUND PROVISIONS

Segregated Fund

An segregated fund is a specific and separate fund managed for the exclusive interest of all policy owners sharing the same investment fund.

The company has sole discretion on the investment and management of each investment fund within the limits defined in Schedule A given in the Policy Details. The allocation of units in the investment fund under this policy is notional and is solely for the purpose of determining the Policy Fund Value.

Based on the investment option you selected, the following investment funds are currently offered under your policy:

- Self-Managed Option – Group Money Market, Group Short Term Debt, Group Gilt, Group Fixed Interest, Group Bond, Group Secure, Group Stable, Group Growth and Group Growth Advantage.
- MarketCycle Option – Group Growth Maximiser and Group Income Advantage

Investment Risk

An investment by you in any of the segregated funds is subject to market and other risks. There is no assurance that the objectives of any investment fund will be achieved.

The unit price of any investment fund may increase or decrease as per the performance of the financial markets. The past performance of any investment funds offered by us in this policy or otherwise does not indicate the future performance of any investment funds. The names of the investment funds and that of the policy do not in any way indicate the quality of the returns that can be expected from the segregated funds.

Segregated Fund Switch

For the Self-Managed Option, you may switch part or all of your allocated units in one investment fund to another segregated fund at any time.

Your switch request must be sent and received by us in our prescribed format before a switch is performed.

Segregated Fund Valuation

We usually determine the value of each investment fund at the end of every business day. The net asset value (NAV) is determined based on (the market value of investments held by the fund *plus* the value of any current assets *less* the value of any current liabilities & provisions) *divided by* (the number of units existing at valuation date (before creation or redemption of any units))

This unit price will be published on our company's website.

Segregated Fund Unit Allocation and Unit Redemption

On each business day, the cut-off time is 3 p.m. by which time we must have received and accepted your instructions to invest in, or encash units from an segregated fund. Instructions accepted by us up to the cut-off time are executed using the unit price we determine at the end of that business day. Instructions accepted by us after the cut-off time will be executed using the unit price determined by us at the end of the next business day.

Instruction to invest is deemed accepted by us when we receive cash, demand draft or local cheque at any of our offices by duly authorized officials. For outstation cheque, instruction to invest is deemed accepted by us only on the day we receive credit in any of our bank accounts.

The number of units allocated equals the monetary amount invested in an segregated fund divided by its unit price at that time. Units are allocated when we receive premium or when we execute your request to switch units from another segregated fund.

The number of units redeemed equals the monetary amount encashed from an segregated fund divided by its unit price at that time. Units are redeemed when you request to switch units to another segregated fund or when benefits are paid. Unless specifically instructed by you, units will be redeemed from all segregated funds in your policy in proportion to their value at that time.

On each monthly processing date we rebalance your portfolio under MarketCycle Option based on then risk profile where units are redeemed and allocated using the latest unit prices available.

Termination of your policy, for any reason, will result in the redemption of all units in all segregated funds under your policy at the time.

Segregated Fund Additions and Closures

With the approval from the IRDAI we may from time to time add new segregated funds under your policy. All provisions in this policy will continue to apply unless specifically stated otherwise. We will inform you of such addition no later than 60 days after it is made available under your policy.

With the approval from the IRDAI we may at any time close an segregated fund available in your policy. We will inform

you in writing of such closure no later than 60 days before we actually close the segregated fund.

Unless we receive specific instructions from you by the time we close the segregated fund, all units in the segregated fund will be switched to the most conservative segregated fund then available in your policy. Similarly, reference to the segregated fund being closed in your premium allocation percentage will be changed to refer to the most conservative segregated fund then available in your policy. Group Money Market Fund is currently the most conservative segregated fund. However, we can declare from time to time another segregated fund as the most conservative in your policy.

Exceptional Circumstances

For contributions or redemptions exceeding INR 5 crores, we reserve the right to suspend the valuation, allocation and/or redemption of units for up to 30 days under the following exceptional circumstances:

- when markets are closed for an extended period;
- unfavourable political, economic or monetary events;
- breakdown in means of communications used for valuation of investments;
- extreme volatility; and/or
- natural calamities, strikes, riots and bandhs.

In such events, we shall give a written notice to the policyholder within 48 hours of taking the decision to suspend valuation, allocation and/or redemption of units. Regular updates will be provided to the policyholder till the time we resume normal business activities. We will also inform the IRDAI in such circumstances.

Segregated Funds

Current investment funds under this policy are:

Group Money Market Fund

Objective: The primary objective of this Segregated fund option is to provide reasonable returns, at a high level of safety and liquidity for capital conservation for the policyholder.

Strategy: To make judicious investments in high quality debt and money market instruments to protect capital of the policyholder with very low level of risk.

Group Short Term Debt Fund

Objective: This Segregated fund option helps to provide capital preservation at a high level of safety & liquidity through judicious investments in high quality short-term debt instruments.

Strategy: To actively manage the fund by building a portfolio of fixed income instruments with short-term duration. The quality & duration of the assets purchased would aim to minimize the credit risk & liquidity risk of the portfolio. Fund will maintain reasonable level of liquidity.

Group Gilt Fund

Objective: This Segregated fund option aims to deliver safe and consistent returns over a long term period by investing in Government Securities for capital preservation of the policyholder.

Strategy: To invest in government securities, maintaining a medium to long-term duration of the portfolio to achieve capital conservation.

Group Fixed Interest Fund

Objective: This Segregated fund option with full exposure in debt market instrument aims to achieve value creation at low risk over a long-term horizon by investing into high quality fixed interest securities.

Strategy: Active fund management at a medium level of risk by having entire exposure to government securities, corporate bonds maintaining medium to long-term duration of the portfolio to achieve capital conservation.

Group Income Advantage Fund

Objective: To provide capital preservation and regular income, at a high level of safety over a medium term horizon by investing in high quality debt instruments.

Strategy: To build and actively manage a portfolio of high quality fixed income instruments with medium-term duration. The fund will invest in government securities, high rated corporate bonds, high quality money market instruments and other fixed income securities. The quality of the assets purchased would aim to minimize the credit risk and liquidity risk of the portfolio. The fund will maintain reasonable level of liquidity.

Group Bond Fund

Objective: This Segregated fund option aims to achieve capital preservation along with stable returns by investing in corporate bonds over medium-term period.

Strategy: To invest in high credit rated corporate bonds, maintaining a short-term duration of the portfolio at a medium level of risk to achieve capital conservation.

Group Secure Fund

Objective: This Segregated fund option helps build your capital and generate better returns at moderate level of risk, over a medium or long-term period through a balance of investment in equity and debt.

Strategy: To generate better return with moderate level of risk through active management of fixed income portfolio and focus on

creating long term equity portfolio which will enhance yield of composite portfolio with low level of risk appetite.

Group Stable Fund

Objective: This Segregated fund option helps you grow your capital through enhanced returns over a medium to long term period through investments in equity and debt instruments, thereby providing a good balance between risk and return. This fund is suitable for those who want to earn higher return on investment through balanced exposure to equity and debt securities.

Strategy: To earn capital appreciation by maintaining diversified equity portfolio and seek to earn regular return on fixed income portfolio by active management resulting in wealth creation for policyholders.

Group Growth Fund

Objective: The objective of this Segregated fund option is to achieve optimum balance between growth and stability to provide long-term capital appreciation with balanced level of risk by investing in fixed income securities and high quality equity security. This fund option is for those who are willing to take average to high level of risk to earn attractive returns over a long period of time.

Strategy: To invest into fixed income securities & maintaining diversified equity portfolio along with active fund management policyholder's wealth in long run.

Group Growth Advantage Fund

Objective: The objective of the fund is to provide blend of fixed return by investing in debt & money market instruments and capital appreciation by predominantly investing in equities of fundamentally strong and large blue chip companies.

Strategy: The fund option will invest at least 40% and maximum of 60% in fundamentally strong and large blue chip companies and minimum 40% in Debt and money market Instruments. The strategy of the fund is to build and actively manage a well-diversified equity portfolio of value & growth driven stocks by following a research-

focused investment approach. While appreciating the high risk associated with equities, the fund would attempt to maximize the risk-return pay-off for the long-term advantage of the policyholders. The fund will also explore the option of having exposure to quality mid cap stocks. The fund manager would endeavour to outperform the benchmark. The non-equity portion of the fund will be invested in high rated debt and money market instruments and fixed deposits.

Group Growth Maximiser Fund

Objective: To provide long term capital appreciation by actively managing a well-diversified equity portfolio of fundamentally strong blue chip companies. The fund will seek to provide a cushion against sudden volatility in the equities through some investments in money market instruments.

Strategy: To build & actively manage a well-diversified equity portfolio of value and growth driven stocks by following a research focused investment approach. While appreciating the high risk associated with equities, the fund would attempt to maximize the risk-return pay off for long-term advantage of the policyholders. The fund will also explore the option of having exposure to quality mid-cap stocks. The non-equity portion of the fund will be invested in good rated money market instruments & fixed deposits. The fund will maintain a reasonable level of liquidity.

The company will manage the investment mix of these Segregated funds according to Schedule A given in Your Policy Details.

Schedule A

Segregated Fund	Segregated Fund Identification No	Risk Profile	Asset Allocation	Min.	Max.
Group Money Market	ULGF00824/08/04BSLIGRMMKT109	Very Low	Debt Instruments, Money Market & Cash Equities & Equity Related Securities	100% 0%	100% 0%
Group Short Term Debt	ULGF01322/09/08BSLGSHTDBT109	Very Low	Debt Instruments, Money Market & Cash Equities & Equity Related Securities	100% 0%	100% 0%
Group Gilt	ULGF00630/05/03BSLIGRGILT109	Low	Debt Instruments, Money Market & Cash Equities & Equity Related Securities	100% 0%	100% 0%
Group Fixed Interest	ULGF00416/07/02BSLGFIXINT109	Low	Debt Instruments, Money Market & Cash Equities & Equity Related Securities	100% 0%	100% 0%
Group Income Advantage	ULGF01425/02/10BSLGINCADV109	Low	Debt Instruments, Money Market & Cash Equities & Equity Related Securities	100% 0%	100% 0%
Group Bond	ULGF00530/05/03BSLIGRBOND109	Medium	Debt Instruments, Money Market & Cash Equities & Equity Related Securities	100% 0%	100% 0%
Group Secure	ULGF00212/06/01BSLGSECURE109	Medium	Debt Instruments, Money Market & Cash Equities & Equity Related Securities	80% 10%	90% 20%
Group Stable	ULGF00312/06/01BSLGSTABLE109	High	Debt Instruments, Money Market & Cash Equities & Equity Related Securities	65% 20%	80% 35%
Group Growth	ULGF00112/06/01BSLGGROWTH109	High	Debt Instruments, Money Market & Cash Equities & Equity Related Securities	50% 30%	70% 50%
Group Growth Advantage	ULGF01026/11/07BSLIGGRADV109	High	Debt Instruments, Money Market & Cash Equities & Equity Related Securities	40% 30%	70% 60%
Group Growth Maximiser	ULGF01525/02/10BSLIGRMAXI109	High	Debt Instruments, Money Market & Cash Equities & Equity Related Securities	0% 80%	20% 100%

GENERAL PROVISIONS

Contract

Your contract includes this policy document, the application for the policy and any amendments agreed upon in writing after the policy is issued. The contract also includes members data list, declarations given by the policy owner/member and written statements and answers furnished as evidence of insurability. We are bound only by statements that are part of the contract. Only our authorized officers can agree to any change in the contract and then only in writing.

Any change or amendment to this policy shall become effective 30 days after the policyholder has received our written notice. The policyholder is however entitled to object to any change or amendment within 30 days of the receipt of notice.

This contract does not provide for participation in the distribution of profits or surplus declared by us.

Currency and Place of Payment

All payments to or by us will be in accordance with the prevailing Exchange Control regulations and other relevant laws and regulations of India.

Indian Rupee (Rs.) is the currency of this policy. We will make or accept payments at any of our offices in India or such other locations as determined by us from time to time.

Assignment

Other than as provided in the policy, the benefits under the policy are strictly personal and cannot be assigned or made subject to any lien or charge by any member.

Claim Procedures

The Policyholder/Nominee should notify the claim with proof of claim to the 'Claims Department' at ABSLI @ BSLI.Notificationclaims@adityabirlacapital.com, and the claim documents to be simultaneously sent at the registered office or any branch of the ABSLI. We will be able to proceed with the claim intimation request only on receipt of the following mandatory claim documents.

Documents required to settle a Death Claim are:

- Copy of Death Certificate of the member duly attested by policyholder; and
- the claimant's statement

You shall provide us with any other information/ document as may be required by us within the time specified by us.

This policy document is necessary to receive benefits on the termination /surrender of your policy

Member Register

The policyholder is responsible to maintain a register of members covered under the Scheme mentioned in the Policy Details. In

addition, the policyholder should ensure this register includes nomination details for each member. We reserve the right to inspect the register of members at any time.

Discharge Receipt

A receipt signed by the policyholder or any person authorized in writing by the policyholder shall be good, valid and sufficient discharge with respect to any payments made by us under this policy.

Taxation

The income tax on your policy would be as per the prevailing Income Tax laws in India and any amendment(s) made thereto from time to time. The policyholder shall ensure compliance with tax laws prevailing from time to time in connection with this policy, withholding tax on the benefits payable under this policy and any other compliance as per the applicable laws and any amendments made thereto from time to time, we reserve the right to:

- deduct or withhold tax as the case may be;
- recover levies, taxes, cesses and duties including but not limited to GST from you or adjust the same from the amounts paid by you or accrued or payable to you under the policy

Validity and Non-Disclosure

This Policy is issued in utmost good faith based on the declarations and statements made by you/Member and we cannot be held responsible in any manner for any action taken by us based on these declarations and statements. You and the Member under this Policy have an obligation to disclose every fact material to our assessment of the risk of issuing, reviving or reinstating this Policy. Failure to disclose or misrepresentation of a material fact will allow us to terminate the contract and/or deny the claim, subject to the provisions of Section 45 of the Insurance Act, 1938, as amended from time to time.

Fraud and Misrepresentation

As per the provisions of Section 45 of the Insurance Act, 1938 as amended from time to time. For more details on Section 45 of the Insurance Act, 1938 please refer to Annexure C.

Section 41 of the Insurance Act, 1938

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.

Any person making default in complying with the provisions of this section shall be punishable with a fine which may extend to ten lakh rupees.

Grievance or Complaint

You may register your grievance or complaint with our **Head Customer Response & Resolution** at Customer Care Unit / Aditya Birla Sun Life Insurance Company Ltd, One India Bulls Centre, Tower 1, 16th Floor, Jupiter Mill Compound, 841, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013 or call on our toll free no. 1-800-270-7000 or email us at ABSLI.Grouphelpline@adityabirlacapital.com. You can also contact our nearest branch, who in turn will forward your grievance or complaint to our Head Customer Response & Resolution Unit. The complaint should be made in writing duly signed or through email by the complainant or by his legal heirs with full details of the complaint and the contact information of complainant.

- dispute with regard to premium; or
- non-receipt of your policy document.

As per provision 14(3) of the Insurance Ombudsman Rules 2017, the complaint to the Ombudsman can be made:

- only if the grievance has been rejected by the Grievance Redressal Machinery of the Insurer;
- within a period of one year from the date of rejection by the insurer; and
- if it is not simultaneously under any litigation.

Insurance Ombudsman

In case you are dissatisfied with the decision/resolution of the company, you may approach the Insurance Ombudsman located nearest to you (refer to Appendix I or our website www.adityabirlasunlifeinsurance.com) if your grievance pertains to:

- insurance claim that has been rejected or dispute of a claim on legal construction of the policy;
- delay in claim settlement;

Risk Factors / Disclaimers

This policy is underwritten by Aditya Birla Sun Life Insurance Company Limited (ABSLI). This is a non-participating fund based linked group plan. Aditya Birla Sun Life Insurance - ABSLI Group Value Plus Plan - Self Managed Option, MarketCycle Option are only the names of the Company, Policy and Investment Options and do not in any way indicate their quality, future prospects or returns. The names of the funds offered in this plan do not in any way indicate their quality, future prospects or returns. The policy charges mentioned above are applicable to the base policy. Unless specifically stated as guaranteed, policy charges can be modified by the company subject to the specified limits and prior IRDAI approval.

The value of the investment fund reflects the value of the underlying investments. These investments are subject to market risks and change in fundamentals such as tax rates etc. affecting the investment portfolio. The premium paid in Unit Linked Life Insurance policies are subject to investment risk associated with capital markets and the unit price of the units may go up or down based on the performance of investment fund and factors influencing the capital market and the policy owner is responsible for his/her decisions. There is no guarantee or assurance of returns from the investment funds. ABSLI reserves the right to recover levies such as GST levied by the authorities on insurance transactions. If there be any additional levies, they too will be recovered from you.

NOTWITHSTANDING ANYTHING CONTAINED IN THIS POLICY DOCUMENT, THE PROVISIONS HEREIN SHALL STAND ALTERED, AMENDED, MODIFIED OR SUPERCEDED TO SUCH EXTENT AND IN SUCH MANNER AS MAY BE REQUIRED BY ANY CHANGE IN THE APPLICABLE LAW (INCLUDING BUT NOT LIMITED TO ANY REGULATIONS MADE OR DIRECTIONS / INSTRUCTIONS OR GUIDELINES ISSUED BY THE IRDAI) OR ANY OTHER COMPETENT AUTHORITY OR AS MAY BE NECESSARY UNDER A JUDGEMENT OR ORDER /DIRECTION/ INSTRUCTION OF A COURT OF LAW.

ANNEXURE C

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

Provisions regarding policy not being called into question in terms of Section 45 of the Insurance Act, 1938, as amended by Insurance Laws (Amendment) Ordinance dtd 26.12.2014 are as follows:

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

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

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

[Disclaimer: This is not a comprehensive list of amendments of the Insurance Laws (Amendment) Act, 2015 and only a simplified version prepared for general information. Policy Holders are advised to refer to Original Act Gazette Notification dated March 23, 2015 for complete and accurate details.]