

## Insurance Act

### R.M.M. Law College, Saharsa

**Pt. Lecturer- KESHAV KUMAR SHRIVASTAVA**

**L.L.B Part- 2<sup>nd</sup>**

**Subject- Insurance Act**

**Paper- 8<sup>th</sup>**

**Date- 09/07/2020**

**Topic- The procedure of life getting Insured.**

#### **Description:**

#### **Procedure for Taking a Life Policy:**

Life policy is based on the principle utmost good faith. The procedure-filling in the form is quite simple. It is almost like a home industry where the person who wishes to make an investment in the form of insurance. The first thing to do is to fill in a proposal form.

#### **Step # 1.Fill in a proposal form:**

It contains the following details:

- (a) Name, nationality, permanent residential address, occupation, nature of duties, present employer's name, length of service, previous employment record, father's name in full.
- (b) Place of birth, date of birth, proof of age and district of birth.
- (c) Term of insurance, nature of insurance, type of policy, amount to be insured, mode of premium payable — yearly, half-yearly, quarterly and monthly.
- (d) Personal information regarding height, weight where the life is proposed.
- (e) Details of any previous policies whether one or double insurance.
- (f) Family history, history of father, mother, brothers, sisters, children.
- (g) Information regarding diseases like epileptics, asthma, tuberculosis, cancer, leprosy, etc.

## Insurance Act

(h) Information regarding previous records of accident, injury, operation diseases.

### **Step # 2. Medical Examination:**

If the applicant has a family history of disease then the investment procedure is more detailed and description about permanent immunity and other family diseases have to be given including habits, name, income, occupation and salary. A person of normal health almost goes through a medical examination as a matter of formality.

### **Step # 3. Medical Report:**

The next step after filling-in proposal form is to undergo a medical examination from one of the doctors approved by the Life Insurance Corporation.

The examination is usually of a routine kind where the identification of the applicant, his appearance, measurement, weight, condition of teeth, eyes, throat, tongue, ears, condition of heart, chest, digestion, nerve system and past operation is taken into consideration to find out the life span of the individual.

### **Step # 4. Agent's Report:**

The third step consists of a report which is confidential in nature. It is made by the agent who is underwriting the life of the person. His report consist of the age of the person insuring himself, his health, occupation, soundness of payment of premium, proper health and longevity of life.

### **Step # 5. Acceptance of Proposal:**

The Life Insurance Corporation accepts the proposal of the insurer on the commitment made by the agent and after taking into consideration the doctor's medical report. The factors which play a dominating role is the mode of premium, type of policy, the age of the applicant, his health, occupation and habits.

Once these factors have been considered and the Life Insurance Corporation's officers are satisfied, the form is accepted. An investor's form will be rejected only if he suffers from serious diseases or the longevity of life cannot be guaranteed.

### **Step # 6. Proof of Age:**

The next step after accepting the proposal of a person is to ask him to submit the proof the age.

**The person who is interested in insuring himself may give this proof by submitting any of the following documents:**

## **Insurance Act**

- (a) A copy of a certificate giving details of the school leaving examination with age or date of birth stated therein;
- (b) Municipal records;
- (c) Original horoscope prepared at the time of birth, if no proof of age is available;
- (d) In the case of uneducated families, entry in the family record through birth register;
- (e) Employer's Certificate'
- (f) Any other satisfactory proof.

### **Step # 7. Mode of Premium:**

When an investor takes a life policy on his portfolio he must pay some installment to the life insurance company for this investment. This installment is called premium and may be paid periodically.

It may be paid annually, half-yearly, quarterly or monthly. Usually, a period of 30 days is given as grace beyond the due date of payment of premium. The rates of premium are different for different kinds of policies offered as investment.

### **Step # 8. Issue of Policy:**

When all these formalities are completed the Life Insurance Corporation sends a life policy to the insured. This legal document between the life company and the insured states the details of the policy.

It gives details regarding the age, address, sum assured, type of policy with or without profits, date of maturity, premium, mode of payment of premium, name of person who is entitled to receive the ultimate sum, amount at the termination of the policy, the surrender value of the policy, the settlement of claims of policy and all other conditions of the contract.

The Life Insurance Corporation sends this policy under its seal and signature of its officers. On receiving this policy, the investor begins his investment with the Life Insurance Corporation of India.

**Insurance Act**

**The End**