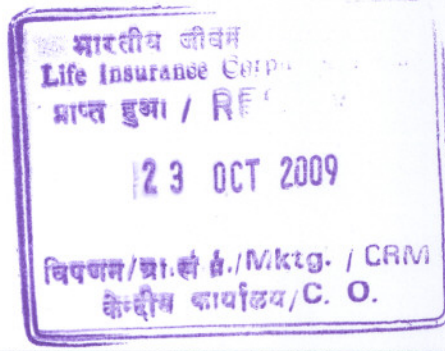


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Mr. Drimayc

LEGAL DEPT CENTRAL OFFICE, 'YOGAKSHEMA', Jeevan Bima Marg, P.B. No.19953, MUMBAI - 400 021
Tel: 66598000 Fax:22852175 Telegrams: BIMAKENDRA E-mail: co_legal@licindia.com

Ref: CO/Legal /MJB/Opinion 11

20th October, 2009

The Executive Director(CRM)

LIC of India,
Central Office,
Mumbai.

Dear Sir,

Re: Successive /Alternative Nomination

This has reference to your letter Ref.CO/CRM/VVL dated 12th October, 2009 on the captioned subject.

The nomination under the Life Insurance Policy is dealt with by Section 39 of the Insurance Act, 1938. The said section provides for payment of money secured by the policy in the event of death of life assured to the nominee/nominees. It is observed that the main object of the section 39 (payment to nominee) is to give valid discharge to the Insurer without the hassles of establishing the title. The section 39(6) provides that 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.

It is very clear that the intention of the law is to allow nomination in favour of more than one person as well and there is no bar on successive/alternate nomination. The intention of the statute is to make provision for valid discharge to be given by a nominee. Therefore, the appointment of alternate nominees will serve the purpose of the Act and will not be at cross purpose with the provisions of the Act. However, it is advisable that the successive nomination should be allowed only in case of death of first nominee and not due to eventuality of marriage etc.

In view of this we are of the opinion that section 39(6) of the Insurance Act, 1938 provides that holder of the policy can appoint more than one nominee and payment can be made to the surviving nominee .i.e successive/ alternative nomination is not barred under the Insurance Act, 1938.

Yours faithfully,


Secretary(Legal)

LIFE INSURANCE CORPORATION OF INDIA

FORM OF SUCCESSIVE NOMINATION FOR RECURRING PAYMENT POLICIES AND ANNUITIES

I, the Assured, under the within Policy hereby nominate my (relationship) named aged years and whose address is as the person to whom all the benefits under the Policy shall be paid in the event of my death. And in the event of death of before my death or after my death without receiving any of or all the claim instalments and other benefits, I hereby nominate my (relationship) named aged years and whose address is as the person to whom all or the balance of the claim instalments and other benefits shall be paid. And in the event of death of the survivor of and before my death or after my death without receiving any of or all the claim instalments or the balance of claim instalments and other benefits as the case may be I hereby nominate my (relationship) named aged years and whose address is as the person to whom all or the balance of claim instalments and other benefits shall be paid.

The nominations herein above are made under Section 39 of the Insurance Act, 1938.

Signed at, this day of 19

Signature in English

Signature of Life Assured.

Full Name

Designation

Address

.....

While printing the form the instructions as appearing on Form No. 3264 (Form of Nomination) should be reproduced on the reverse.