

a policy shall not be aggregated with the other property left by the deceased.

Can Life assured Nominate the beneficiaries under Sec 39, Insurance Act?

Appointment of beneficiaries, generally known as 'Nominees' not applicable and the beneficiaries (nominees) details in the proposal form /application for insurance should not as such be completed and to be mentioned 'does not arise'.

Can such a policy be assigned under Sec 38, Insurance Act?

Proposed Insured cannot execute an assignment under such policy.

How Claims are settled?

Appointment of special trustees is a requirement, at the time of issue of the policy. When a claim is made for the policy moneys, either on maturity or death of the assured, settlement is made to the special trustees, after getting all requirements completed and obtaining a valid discharge from them, irrespective of whether the beneficiaries are major or minor, named or mentioned as a class or alive or dead and the payment for the entire claim amount would be made by drawing cheque in the personal names of special trustees.

Conclusively it can be said, that, wherever the real intention is to provide financial security to wife and children, by means of insurance coverage, it is always safe to get it under MWP Act provisions. The purpose of this article is to provide an idea that such a legal provision exists. More details, if required, can be had from any of the life insurance companies.



In this segment of book review, we introduce either a new book just published or a very old book which is out of print, but relevant.

“Does it make sense? Again“

By Ross Morton

ISBN:0-9739485-0-7

It is one of the most interesting but equally controversial topic in Insurance risk management and not much is not written on this. Ross a Morton has articulated his thoughts well in his work by titling it “Does it make sense? again” and tries to provide practical hints to an underwriter to find an answer to an enigmatic question “Why the insurer will not sell the consumer as much as they want to buy!”. In other words he helps the risk underwriter to decide on the quantum of cover that can be provided.

This book assumes all the more importance in Indian scenario, for the reason that in spite of insurance being an old concept for more than two centuries in India, technically, academically not much advancement has been made in risk assessment.

This book provides basis for various coverages. Underwriters in India now have a wonderful opportunity to rewrite the standards for decision making. Such efforts will help administration to take corrective steps.