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Ref: CO/CRM/885/23

January 5, 2013

To,  
All Zonal Managers,  
All Regional Managers (CRM)  
All Sr/Divisional Managers,  
M.D.C., Audit & Inspection

**Re: SUCCESSIVE / ALTERNATIVE NOMINATION**

Nomination is a right conferred by Section 39 of the Insurance Act 1938, on the “holder of a policy of life assurance on his own life” to appoint a person/s to receive the policy moneys in the event of the policy becoming a claim by the assured’s death. Hence, nomination can be effected by the life assured only and not by any other title holder or beneficiary of the policy. Nominee is statutorily recognized as a payee who can give valid discharge to the Corporation for payment of policy money without the hassles of establishing the title to receive the same, in case of death of life assured before expiry of the term of contract. Nomination can be effected at proposal stage or after issue of policy. At present, there are three ways to effect nomination namely single nomination, joint/ multiple nomination and successive or alternative nomination.

First two types of nominations are more commonly used by our policyholders. But the successive or alternative type of nomination is not popular to that extent. It has been observed that if life assured does not change the nomination after death of nominee, title under the policy will become open on life assured’s death. In such situation, for settlement of claim, we will require proper evidence of title to settle the policy claim amount. It has been observed that claimants have to face lot of hardships for either obtaining proper evidence of title or for submitting requirements to waive the evidence of title. With this type of successive nomination, it is possible to have 3 nominees registered under the policy which can give valid discharge to policy amount on death of life assured. We have created provision to collect the information of 3 alternative nominees only in our nomination form.

This “successive” type of nomination is highly recommended under all type of plans during the policy term and also under plans where free death cover is extended after date of maturity or where survival benefits are payable for life by virtue of plan conditions. Following are the guidelines for effecting the successive / alternative type of nomination:-

- This type of nomination will provide the option to appoint more than one nominee in successive manner (not as multiple nominees). After expiry of life assured, first nomination will become operative. At that time, if first nominee is not alive, then only the second nomination will become operative. If 1<sup>st</sup> and 2<sup>nd</sup> nominees are not alive, then only third nomination will become operative. **Other eventualities like marriage, divorce of first nominee, etc will not make the successive nomination operational.**
- This type of nomination will secure the title to policy monies even after death of 1<sup>st</sup> and 2<sup>nd</sup> nominee and life assured’s death takes place, provided third successive nominee is alive. This provision is different from the provision of multiple nominations.

- This type of nomination can be effected at proposal stage or after issue of policy also. If this type of nomination is being effected at proposal stage, then form of nomination in duplicate ( F. no 5194 - Rev, enclosed) duly completed in all respect by life assured should be submitted along with the proposal form. One copy of the nomination form should be pasted on policy document at the time of issue of policy document. In policy document schedule, remark should be taken in nominee column as ' see endorsement for alternative nominee'.
- If policyholder wishes to execute alternative nomination under existing policies, then he should be advised to fill the form of alternative nomination again .
- If life assured wish to change the sequence of successive nominees , then he/she will be required to complete the procedure of change of nomination of successive/alternative nomination.
- New option for successive nomination has been provided in e-Feap under RFM- 25 with title code as - S. While capturing the data in FEAP through RFM 25, user has to enter nominee details in priority order in which life assured has exercised the same. policy status report will display the name of 1<sup>st</sup> nominee only in order of priority.
- If life assured informs about the death of first nominee along with valid proof of death, then office should take RFM 26 for registering the date of death of nominee. After taking the RFM-26, name of next successive nominee will appear in policy master. Life assured should be informed accordingly about taking the note of death of the first nominee and making next successive nomination operational. There is no need to pass any endorsement on policy document.
- If life assured informs about death of 2<sup>nd</sup> or 3<sup>rd</sup> successive nominee before death of 1<sup>st</sup> nominee, then office should take a note of this in our record by way of incremental scanning. User should not take any RFM action at this stage. Life assured should be informed that nomination in favour of 1<sup>st</sup> nominee is still valid and holds good.
- If life assured appoints any minor nominee as successive nominee, then appointment of Appointee to receive the money secured by the policy, in the event of the Assured's death during the minority of the nominee will be necessary. The procedure to appoint the appointee as explained in the manual should be followed.
- If life assured wishes to nominate any one or all successive nominees in favour of stranger, then provisions of Actuarial Dept's circular dt. 10/5/2006 Ref: CO/ACT/2074/4 should be followed. The nomination in favour of a person who is NOT the spouse, child/ children or a parent will be treated as stranger. As per CO/CRM/668/23 dt. 11/7/2008; the competent authority to approve such nomination in favour of stranger is Regional Manager (CRM).
- **Kindly, note that while effecting change of nomination, our offices should not call any reason for change of nomination or any proof like death certificate of nominee or divorce decree from policyholder. No consent of existing nominee is also required.**
- All other rules and procedure applicable for registration of nomination will remain same.
- After registering the nomination, our office should ensure about incremental scanning of the necessary papers.

The concept of alternative / successive nomination has been in place for a long period. However, the advantages of this type of nomination have not been popularized to the desired extent. This circular is being issued with a view to popularize the concept of Successive Nomination.

All offices are requested to take a note of this circular and educate our policyholders and field force about successive/ alternative type of nomination.



**EXECUTIVE DIRECTOR (CRM)**

Encl- Nomination forms and letter to life assured

**LIFE INSURANCE CORPORATION OF INDIA**  
 .....DIVISIONAL OFFICE, BRANCH CODE.....

FORM OF SUCCESSIVE NOMINATION UNDER ALL TYPE OF PLANS EXCEPT UNDER JOINT LIFE

I ,.....( name of assured) , life assured under the within policy hereby nominate my  
 ..... ( mention relationship) named.....aged.....years and whose address is  
 .....

.....( address of 1st nominee) 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 .....( name of 1<sup>st</sup> nominee) before my death or  
 after my death without receiving any of or all the claim instalments and other benefits, I hereby nominate  
 my .....( mention relationship) named .....( name of second successive nominee)  
 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 .....( name of 1<sup>st</sup> Nominee) and .....(name of 2<sup>nd</sup>  
 Nominee) 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.....  
 (mention relationship) named ..... ( name of 3<sup>rd</sup> Successive nominee) aged ..... years and  
 whose address is ..... as the person to whom all or the balance of claim instalments and  
 other benefits shall be paid.

This nomination is in lieu of earlier nomination dt.....effected under the policy. ( \* )

The nominations herein above are made under section 39 of the insurance Act, 1938.

Signature of witness  
 Full name:-  
 Designation:-  
 Address:-

Signature of life assured

\* to be used if this form is being used for change of nomination.

**INSTRUCTIONS TO FILL THE FORMS:-**

- A nomination can be made only by the holder of a policy on his own life i.e only by life assured.
- After filling up the above form of nomination, the assured should copy it out on the back of the policy or he can paste the form on the policy document. If the form is pasted on policy document, then life assured should sign the form at two ends where the form is pasted on policy document. Also he should submit one additional copy of the form of nomination duly filled in all respect to the servicing branch office.
- The assured must affix his/her signature in the presence of a witness. If the Assured is not conversant with English, he/she should sign the form before an English knowing witness. Alternatively, the nomination form in regional language can be used. If he/she is illiterate , he/she must affix his/her thumb impression to the nomination form before a magistrate, a special executive Magistrate, a gazetted officer, class I officer of corporation, Development Officer of at least 3 years standing , club member agent of DM club member and above.
- After executing nomination, Policy document should be submitted to servicing branch office.
- If the nominee is a minor, it is advisable to appoint an Appointee during the minority of the nominee in the manner prescribed by the Insurance Act.

LIFE INSURANCE CORPORATION OF INDIA  
 .....DIVISIONAL OFFICE, BRANCH CODE.....

FORM OF SUCCESSIVE NOMINATION UNDER JOINT LIFE PLANS

We ,.....and .....( name of assureds) ,lives assured under the within policy hereby nominate my .....( mention relationship) named.....aged.....years and whose address is .....( address of 1st nominee) as the person to whom all the benefits under the policy shall be paid in the event of both of us either simultaneously or one after the other at any time before my death. And in the event of death of .....( name of 1<sup>st</sup> nominee) before our death or after our death without receiving any of or all the claim instalments and other benefits, we hereby nominate our .....( mention relationship) named .....( name of second successive nominee) 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 .....( name of 1<sup>st</sup> Nominee) and .....(name of 2<sup>nd</sup> Nominee) before our death or after our death without receiving any of or all the claim instalments or the balance of claim instalments and other benefits as the case may be , we hereby nominate our.....(mention relationship) named ..... ( name of 3<sup>rd</sup> Successive nominee) aged ..... years and whose address is ..... as the person to whom all or the balance of claim instalments and other benefits shall be paid.

This nomination is in lieu of earlier nomination dt.....effected under the policy. ( \* )

The nominations herein above are made under section 39 of the insurance Act, 1938.

- 1)
- 2)

Signature of witness  
 Full name:-  
 Designation:-  
 Address:-

Signature of life assured/s

\* to be used if this form is being used for change of nomination.

**INSTRUCTIONS TO FILL THE FORMS:-**

- A nomination can be made only by the holder of a policy on his own life i.e only by both life assured.
- After filling up the above form of nomination, the assured should copy it out on the back of the policy or he can paste the form on the policy document. If the form is pasted on policy document, then life assured should sign the form at two ends where the form is pasted on policy document. Also he should submit one additional copy of the form of nomination duly filled in all respect to servicing branch office.
- The assured must affix his/her signature in the presence of a witness. If the Assured is not conversant with English, he/she should sign the form before an English knowing witness. Alternatively, the nomination form in regional language can be used. If he/she is illiterate , he/she must affix his/her thumb impression to the nomination form before a magistrate, a special executive Magistrate, a gazetted officer, class I officer of corporation, Development Officer of at least 3 years standing , club member agent with DM club member and above.
- After executing nomination, Policy document should be submitted to servicing branch office.
- If the nominee is a minor, it is advisable to appoint an Appointee during the minority of the nominee in the manner prescribed by the Insurance Act.

**LIFE INSURANCE CORPORATION OF INDIA**  
**.....DIVISIONAL OFFICE, BRANCH CODE.....**

**FORM OF NOTICE OF CHANGE OF SUCCESSIVE NOMINATION**

Date:-

Re: Policy number:-.....

I/ We hereby give you notice that I/ We have now nominated ...1) 2)  
3) ..... as the persons to whom the moneys secured by the above policy shall be paid in the event of my/ our death in lieu of .....named in the text of the above policy/ endorsement dt..... on the above policy as successive or alternative nominee.

Yours faithfully,

Signature of Life Assured/s  
Address

**LIFE INSURANCE CORPORATION OF INDIA**  
**.....DIVISIONAL OFFICE, BRANCH CODE.....**

**FORM OF APPOINTMENT OF APPOINTEE FOR MINOR NOMINEE UNDER SUCCESSIVE NOMINATION**

I/ We hereby appoint my/our ..... ( relationship) shri/ smt..... ( name of appointee) who has completed the age of 18 years and whose address is ..... as the person to receive the monies secured by the within policy on behalf of the nominee ..... ( name of minor nominee) in the event of my/ our death during the minority of the said nominee.

Dated at ..... this .....day of .....20..

Signature of witness  
Full name:-  
Designation:-  
Address:-

Signature of life assured/s

**CONSENT OF APPOINTEE**

I , the above named ..... ( name of appointee) do hereby endorse my consent to my appointment as aforesaid.

Dated at .....this .....day .....of 20.....

Signature of witness  
Full name:-  
Designation:-  
Address:-

Signature of Appointee

(Letter to life assured after registering successive nomination under the policy)

**LIFE INSURANCE CORPORATION OF INDIA**  
.....DIVISIONAL OFFICE, BRANCH CODE.....

Ref: PS/ Branch no :-

Date :

To  
Sri/ Smt.....  
.....

Dear Sir/ Madam,  
Re: Policy number :-.....

With reference to above policy, we have registered the successive nomination dt..... executed under above policy in the our books. Policy document duly endorsed is returned herewith for your record.

The names of successive nomination in order of priority are as follows:-

- 1)
- 2)
- 3)

Kindly, note that the nomination in favour of 2<sup>nd</sup> and 3<sup>rd</sup> nominee will be operative on the eventuality of death of nominee in priority order only. No other eventuality will make the nomination operational for successive nominees. Hence, in case of death of nominee in priority order, you may inform our office along with proper proof of death of the nominee, for taking note in our books.

While registering the nomination, we make no admission or express any opinion whatsoever as to its validity.

Yours faithfully,

p. Chief/ Sr/ Branch Manager

Encl- policy document

**(Letter to life assured after taking note of death of nominee in priority order under the policy)**

**LIFE INSURANCE CORPORATION OF INDIA**  
.....DIVISIONAL OFFICE, BRANCH CODE.....

Ref: PS/ Branch no:-

Date :

To  
Sri/ Smt.....  
.....

Dear Sir/ Madam,

Re: Policy number :-.....own life.

With reference to above policy, we have received your intimation along with death certificate about death of nominee Sri/Smt..... On.....

We have taken the note of this in our books and wish to inform you as follows:-

1. As per priority order of successive nomination executed by you , the nomination in favour of next nominee Sri/ Smt.....is now made effective.
2. Since, the expired nominee is not in Top priority order; at present there is no need to make the next existing successive nomination effective.

Yours faithfully,

p. Chief/ Sr/ Branch Manager

(Kindly, mark appropriate option while sending the letter to life assured)