

2. Proposal/ Proposal form

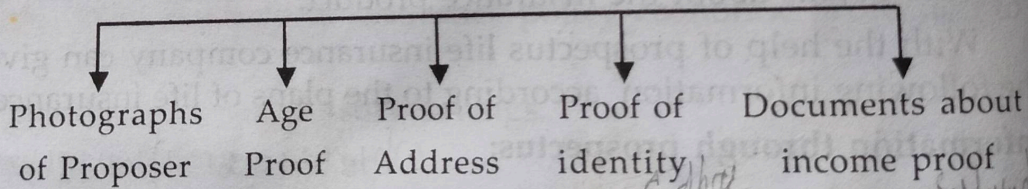
The insurance policy is a legal contract between insurer and the policy holder. As for any other contract it is required to have proposal and its acceptance.. Hence the application document used for making the proposal is commonly known as the proposal form.

In the life insurance contract the proposal is usually made by the person who is interested to take life policy. Proposal form is a printed document made available by the insurance company. Agents make available these forms for the interested persons. They also assist and guide the proposed customer to select the best policy option among various policies and also to fulfill the form. An Insurance agent is always ready to support the proposed customer.

Usually following information is asked to fulfill in proposal form:

- (a) Name, address and occupation
- (b) Date of Birth
- (c) Proposed insurance schemes or plan
- (d) Details of previous insurance
- (e) Purpose of policy - *motivation*

Agent should ensure that proposer submit the proposal form along with the following as KYC Procedure.



There are different types of proposal form for each type of policy. With the help of proposal form insured gets information about amount kind and term of policy. The proposer should disclose all the material facts truly and fully in good faith in written form. There are various questions and the proposer has to answer them. With the help of proposal form it is possible for the insurer to get knowledge about assesses insurability. The proposal form is important document in Insurance contract. Because information given in the proposal is the basis of the insurance contract.

3. Medical Examination

Medical examination of proposer by the approved medical officer / doctor is third stage in taking insurance policy. Approved doctor makes the medical examination of proposer. Proposer has

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to fill the proposal form in regarding his/her health in presence of doctor. Approved doctor examines the proposer, gets information from him about his/her previous illness. The medical report is directly submitted to the insurer for consideration. The medical report of the doctor is useful to insurance company in assessing the risk involved in the proposal.

4. Agents confidential report

Insurance agent is required to submit his confidential report after the medical report. This report contains details related with the personal information of insured. In this report he has to give information about proposer. Name, address and personal history of the proposer, also how long he knows the proposer and health, any character, habits etc. Its purpose is to convince the life insurance company regarding the object of insurance, financial position of the insured and his health condition.

5. Acceptance of the Proposal

Insurance agent submits the proposal form medical report and his confidential report to the insurance company. Insurance company goes through all these documents. Now insurance company has to take the decision whether to accept the proposal or reject it. When there is big amount of policy proposal insurance company takes more time for verification and when all the documents are in favour of acceptance. Then this proposal will be accepted. After acceptance of proposal the letter of intimation about acceptance of proposal along with the first premium notice, is sent to the insured stating the conditions to be fulfilled by the insured in due course.

6. Proof of Age

Along with the proposal form proposer has to submit proof of age which is very important document in life insurance contract. As the rates documents about premiums for life policies is depending upon age of the life assured at the time of effecting the policy. The proposer has to produce this document to the insurance company as and when it is demanded. So mentioning the correct age on both the proposal form and the personal statement becomes mandatory.

The following documents are accepted as proof of age.

1. Certificate extract from Municipal or other records made at the time of birth.

2. Certificate extracts copy from college or school record.
3. Certificate of baptism.
4. Certified extract from service register in the case of Government employees.
5. Original horoscope prepared at the time of birth.
6. Any other age proof.
7. **Payment of premium**

When the proposer pays first premium of life policy as a consideration of the contract entered between proposer and insurance company, there starts the life insurance contract. Life Insurance company issues a receipt as an acknowledgement for the payment made. It is known as first premium receipt FPR. It contains, name & address of the life assured, policy number, premium amount paid, method of premium payment, Next due date, date of commencement of risk, Date of maturity of policy

Date of payment of the last premium and sum assured. Usually premium is payable monthly, quarterly, half yearly or yearly. The assured must pay premium at the right time. Insurance Company allows grace days for payment of premium. If it is not paid within time then policy lapse and it can be revived under the conditions laid by insurance company.

8. Commencement of risk

In life insurance contract it is very important to know about commencement of risk. When proper pays premium and enters person into the contract, risk of insurance company commences and proposer is insured..Now life Insurance Company is liable for payment of claim even if insured person is expired after payment of first premium.

9. Issue of Policy

When the insured gets document of life insurance policy there ends the process of taking policy. Insurance company sends a Life Insurance policy document in which terms and conditions of policy are mentioned. This policy document contains the information such as name of insured. address, birth date, date of policy, premium amount, period of policy, policy amount, date of risk started and date of when the policy period ends. Serial number of document, name and address of nominee relation of insured with nominee and signature of authorized person of the insurance company. Insured gets document by registered Post.