Insurance Act, 1938

Section 113 - Acquisition of surrender values by policy . .- [A policy of life insurance under which the whole of the benefits become

Amendment) Act, 1950 (47 of 1950), S. 4 (1-6-1950). [Controller] as satisfying the said requirements: Provided further that the provisions of this sub-section as to the showing of the guaranteed surrender value on a policy shall not take effect until after the expiry of six months from such 735[c] 1st January 1942, see Com. Dept. No. 530-I(27)/-41 dated 6th December, 1941 published in Gazette of India, 6-12-1941, Pt. I, p. 1754. date as the Central Government may, by notification in the Official Gazette, appoint in this behalf. (2) Notwithstanding any contract to the contrary, a policy which has acquired a surrender value shall not lapse by reason of the non-payment of further premiums but shall be kept alive to the extent of the paid-up sum insured, and the paid-up sum insured shall for the purposes of this sub-section include in full all subsisting reversionary bonuses that have already attached to the policy, and shall, where the policy is one on which the maximum number of annual premiums payable is fixed and the premiums are of uniform amount, be before the inclusion of such bonuses not less than amount bearing to the Total sum insured by the policy exclusive of bonuses the same proportion as the total period for which premiums have already been paid bears to the maximum period for which premiums were originally payable. (3) A policy kept alive to the extent of the paid-up sum insured under sub-section (2) shall not be entitled by virtue of that sub-section to participate in any profits declared distributable after the conversion of the policy into a paid-up policy.] 736[a] Original sub-section (3) was renumbered as sub-section (4) by the Insurance (Amendment) Act, 1941 (13 of 1941), S. 61 (8-4-1941). [(4)] [Sub-section (2) and Sub-sec. (3) shall not apply]- 737[c] Original clause (a) was omitted, by the Insurance (Amendment) Act. [* * * * * *] 738[d] Substituted, by the Insurance (Amendment) Act. [(a) where the paid-up sum insured by a policy, being a policy issued by an insurer, is less than one hundred rupees inclusive of any attached bonus, or takes the form of an annuity of less than twenty-five rupees, or where the paid-up sum insured by a policy, being a policy issued by a provident society as defined in Part III, is less than fifty rupees inclusive of any attached bonus or takes the form of an annuity of less than twenty-five rupees, or] 739[e] Original clauses (c) and (d) re-lettered as (b) and (c), respectively, by the Insurance (Amendment) Act. [(b)] where the parties after the default has occurred in the payment of the premium agree in writing to some other arrangement, or 740[e] Original clauses (c) and (d) re-lettered as (b) and (c), respectively, by the Insurance (Amendment) Act. [(c) to policies in which the surrender value is automatically applied under the terms of the contract to maintaining the policy in force after its lapse through non-payment of premium.