

the insurer. Unless such notice in writing is received by the insurer, the assignee would not have any right of title to the policy.

#### Provisions related to assignment of insurance policies

As per recent amendment in the Insurance Act, a life insurance policy can be assigned wholly or partially. In case of a partial assignment, liability of an insurer shall be limited to the amount secured by partial assignment. The policy holder can not further assign the residual amount under the policy.

An insurer may accept or refuse the assignment and communicate the reasons for refusal within 30 days from the date of notice of assignment by the policy holder. Any person aggrieved by the decision of the insurer may appeal to the Authority.

The rights of an assignee existing prior to the current amendment shall not be affected by the current provision under section 38.

#### Nomination Vs. Assignment

Basis of Difference	Nomination	Assignment
What is Nomination or Assignment?	Nomination is the process of appointment of a person to receive the death claim	Assignment is the process of transferring the title of the insurance policy to another person or institution.
When can the nomination or assignment be done?	Nomination can be done either at the time of proposal or after the commencement of the policy.	Assignment can be done only after commencement of the policy.
Who can make the nomination or assignment?	Nomination can be made only by the life-assured on the policy of his own life.	Assignment can be done by owner of the policy either by the life assured if he is the policyholder or the assignee
Where is it applicable?	It is applicable only where the Insurance Act, 1938 is applicable.	It is applicable all over the world, according to the law of the respective country relating to transfer of property.
Does the policyholder retain control over the policy?	The policyholder retains title and control over the policy and the nominee has no right to sue under the policy	The policyholder loses the right, title and interest under the policy until a re-assignment is executed and the assignee has a right to sue under the policy.
Is a witness required?	Witness is not required.	Witness is mandatory.
Do they get any rights?	Nominee has no rights over the policy.	Assignee gets full rights over the policy, and can even sue under the policy.