

Types of claims

The following payments may occur during the policy term:

a) Survival Benefit Payments

Periodical payments are made by the insurer to the insured at specified times during the term of the policy. The policy bond is returned to the policyholder bearing an endorsement of payments made after each survival benefit instalment.

b) Surrender of Policy

The policyholder opts for a premature closure of his policy. This is a voluntary termination of the policy contract. A policy can be surrendered only if it has acquired paid-up value. The amount payable to the insured is the **surrender value** which is usually a percentage of the premiums paid. There is also a minimum guaranteed surrender value (GSV), but the actual surrender value paid to the insured is more than the GSV.

d) Rider Benefit

A payment under a rider is made by an insurance company on the occurrence of a specified event according to the terms and conditions.

Under a **critical illness rider**, in the event of diagnosis of a critical illness, a specified amount is paid as per terms. The illness should have been covered in the list of critical illnesses specified by the insurance company.

Under **hospital care rider**, the insurer pays the treatment costs in the event of hospitalisation of the insured, subject to terms and conditions.

The policy contract continues even after the rider payments are made.

The following claim payments are made at the end of the policy term specified in the insurance contract.

e) Maturity Claim

In such claims, the insurer promises to pay the insured a specified amount at the end of the term, if the insured survives the plan's entire term. This is known as a **maturity claim**.

- i. **Participating Plan:** The amount payable under a maturity claim, if participating, is the sum assured plus accumulated bonuses less dues such as outstanding premium and policy loans and interests thereon.
- ii. **Return of Premium (ROP) Plan:** In some cases premiums paid over the term period are returned when the policy matures.

iii. **Unit Linked Insurance Plan (ULIP):** In case of ULIPs, the insurer pays the fund value as the maturity claim.