



IRDA/LIFE/CIR/MISC / 134 /07/2016

Date: 12-07-2016

To
All the Life Insurers,

Re: Advance Discharge Voucher

Life Insurers discharge contractual obligations when making policy payments be it maturity or death claims or surrender value etc. Contracts of life insurance are not indemnity contracts but fixed benefit type and the claim amount is usually not in dispute. It is a standard practice to call for an advance discharge voucher cum receipt duly signed by the policyholder or claimant as the case may be. Discharge Voucher signed signifies claimant's consent for discharge of Life Insurer of contractual obligations. It also serves as useful information to the policyholder/claimant about the amount payable under the policy as per policy terms and conditions.

In order to protect the interests of policyholders as well as keeping in view the legal principles, exercising the power under Section 14(2)(b) of IRDA Act,1999, the following instructions are issued for scrupulous compliance.

1. Life Insurers may call for advance discharge vouchers in normal course at the time of making policy payments including free-look cancellation. The discharge voucher sent to policyholder/claimant should necessarily contain policy number and the nature of payment and amount of claim under different heads including deductions, if any, and other relevant details.
2. Where the policyholder/claimant expresses unwillingness or reluctance or objection for any reason to execute the advance discharge voucher or to accept the amount, the Life Insurer should not insist on the discharge voucher or make it conditional for releasing the policy payment. In such an event the Life Insurer shall not withhold or delay the payment for this reason but make the policy payment to discharge its contractual obligations. Life insurer may preserve the proof of making the payment.

This Circular comes into immediate effect.

BSathe

Member (Life)

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