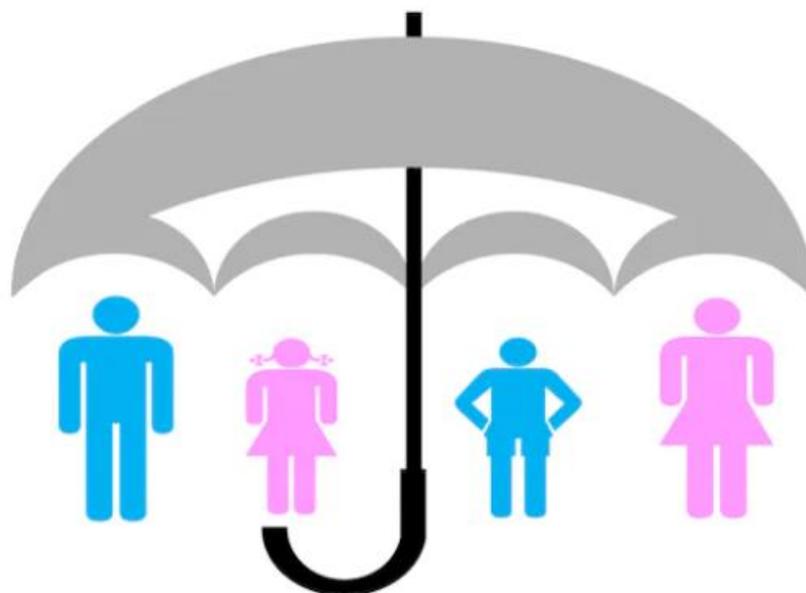


[What should family members do with a deceased person's health, car and home insurance policies?](#)

It is important to complete the process of transferring these policies to eliminate procedural hiccups in future

Preeti Kulkarni | August 09, 2021 / 03:06 PM IST



The enormous grief apart, families are often saddled with the task of completing cumbersome paperwork after the loss of a loved one. Filing life insurance claims often figures right at the top of families' priority lists, but some other policies – such as home, vehicle or health insurance – do not get equal attention. Yet, it is important to complete the process of transferring these policies to eliminate procedural hiccups in future.

Health insurance

Many families are covered under a single health insurance floater cover. Unlike individual health policies, these insure multiple immediate family members under a single policy, up to the chosen sum insured. So, what happens to the policy if the main policyholder – the proposer – were to pass away? To start with, the surviving family members will have to inform the insurer about the incident and get the coverage details modified. "In a family floater policy, the policy will be corrected for balance members, so that future renewal notice is appropriately generated. Based on application from insured's family members, the insurer will refund the premium for the unexpired policy period as per policy terms and condition, provided no claim has been filed under the policy for the deceased member," explains TA Ramalingam, Chief Technical Officer, Bajaj Allianz General Insurance.

Therefore, the existing sum insured will remain intact – it will continue to cover the remaining members who are insured under the policy. “The insurance company will remove the proposer from the coverage and make another member of the family the new proposer in its record,” adds Ankit Agrawal, CEO and Co-founder, InsuranceDekho, an insurance aggregator firm. In the case of individual health policies, the coverage ends with the demise of the policyholder – any unpaid hospitalisation claim amount will be paid to the nominees.

Home insurance

If a policyholder who is the sole owner of her house were to die, the home insurance cover attached to it, too, will have to be transferred to the new owner – the legal heir. “For instance, the spouse can send a written request to the insurance company to approve the transfer. However, whether or not to honour such a request is at the discretion of the insurance company,” points out Agrawal.

So, as step one, the spouse or other legal heirs will have to intimate the insurance company about the policyholder’s death and initiate the process of transfer. However, this will only be an interim arrangement. “These steps will help the spouse to keep the existing policy in place until the policy expiration date. Ultimately, the spouse will need to get a new insurance policy, once the validity period of the existing policy expires,” explains Ramalingam.

There is also a provision for dealing with claims that may crop up before the transfer process is completed. “If a claim happens before the process of transfer is completed, the claim would be paid to the nominee or legal heirs of the policyholder,” says Mahavir Chopra, Founder, Beshak.org, an insurance awareness platform.

The standardised Bharat Griha Raksha policy, which all general insurers have to offer, provides a nomination facility to ensure quicker claim settlement. “However, this nomination facility is applicable only for any pending claims. That is, in case of the unfortunate death of the policyholder before receiving the claim amount, the insurance company will pay it to the nominee. If there was no nomination, then the claimants will have to submit the legal heir certificate to the insurance company,” says Ramalingam.

Car insurance

Unlike individual health policies, motor insurance policies will not lapse immediately after the sole holder’s death. “It will remain valid for three months from the date of the insured’s death or until the expiry of the policy, whichever is earlier. During this period, the insured’s legal heirs to whom the custody and use of the insured vehicle is passed, may apply for motor insurance policy to be transferred to the heirs or obtain a new insurance policy,” says Ramalingam. You will need to submit the policyholder’s death certificate, proof of title to the car and the original policy documents.

A crucial aspect in the case of motor insurance is the no-claim bonus that accrues every claim-free year. Once the custody of the deceased policyholder’s car is passed on to her spouse, children or parents, the NCB, too, will be transferred to that person. “Ownership of the policy as well as of the vehicle needs to be changed after the unfortunate death of the policyholder. If, following the death of the policyholder, the insured vehicle is sold, then the insurance

policy and RC book are required to be updated with the name of the new owner to complete its sales,” adds Agrawal.