

Introduction

What to do when a client's policy documents are lost, plus how to use the one-month cooling off period to reinstate a policy and gain some extra money for a client.

Life Policy Trading: surrendered policies and lost documents—here's how you can still trade these policies

Often life insurance policy paperwork is stored in a bottom drawer and forgotten about. Documents get mislaid or lost, and some may assume this makes it difficult or impossible to then trade the policy.

The policy documents are lost, is it still possible to trade the policy?

Yes, it is a relatively simple process to trade a policy where the documentation has been lost. In fact, lost or misplaced policy documents is the case for the majority of policies sold over our trading platform.

Accordingly, Policy Exchange accounts for this in the settlement (sale) documentation: for some policy types the policyholder simply needs to tick a box confirming the policy document has been lost/misplaced; for others a separate lost policy declaration may be required.

Policy Exchange pays the fees

In some instances, the life company will charge a fee for replacement policies. In all cases, however, Policy Exchange will meet any cost of obtaining the replacement policy documents.

What if the policy has already been surrendered to the life insurance company; the policyholder wasn't aware that they could sell it -can Policy Exchange still help?

Yes we can, provided you contact us soon enough. Typically, one month from surrender date is the time frame during which it's possible to reinstate a policy with the life insurance company. As soon as we're notified of a policy which has been surrendered but the policyholder is interested in trading it instead, we can evaluate the policy to see if we can pay an enhancement.

For an immediate indication of whether Policy Exchange can make an offer, plus the likely enhancement amount, you can use the pre-qualifying form on our website:

www.policyexchange.co.nz/do-you-qualify

If the on-screen result indicates that an enhancement is possible, please contact us straightaway on our Freephone number. We can then advise you of the process of reinstating and selling the policy.

Note: reinstating and selling the policy will not require the policyholder to make any payment back to the life company.

Policy Exchange interacts with the life company for you

To keep the process as simple as possible, Policy Exchange manages any reinstatement with the life insurance company on your behalf, and simply pays the enhancement direct to your client once the reinstatement process has completed.

Was this useful?

Feel free to share this article with anyone you know would also find this useful.

To learn more about life policy trading please visit our website www.policyexchange.co.nz/industry-portal

If anything here is unclear, or there are other issues you'd like us to cover, please do [get in touch](#); we're always happy to discuss.

And if you'd like to receive our [quarterly market updates](#) on the policy trading market, including tips on how to get the best value for your clients, please [let us know here](#).