

Busy Start to 2019; Orphaned Policies

Happy New Year to those of you we have haven't been in touch with already. We've had the busiest start to a year for some time and - perhaps unsurprisingly - we're seeing more policyholders cashing out to support their retirement.

Radio Campaign for Orphaned Policies

We're aware of growing numbers of 'orphaned' life policies in force, those policyholders with no dedicated servicing adviser. To raise the awareness of cash out options available to retirees we're running a campaign on Newstalk ZB during March. We'll be encouraging anyone unsure of their best course of action to contact a financial adviser. We hope some of you may gain new clients from this.

Foundation Life Restructure - Update

The recent Foundation Life update on their proposed restructure provides more detail on the cash out offer and/or option to convert to a permanent term policy. Feel free to [email us](#) for a copy.

A more detailed Explanatory Statement will be issued in the 2nd quarter. We're especially interested in how assets will be divided between the competing interests of shareholders and policyholders, and whether this is done equitably.

It's not certain whether the restructure will set a template for others to conduct a similar process: Foundation Life are unique in managing a closed book consisting of just with-profits policies. Sovereign differ as they are not managing a closed book and continue to remain a significant writer of new business; AMP's closed book of business encompasses a wide range of product types and there is a different focus from the new owner (see more below).

AMP Sale to Resolution Life: no Impact on NZ's Secondary Market

Reminder: Policy Exchange **will continue to offer cash out options for qualifying AMP policies**, now and subsequent to the sale to Resolution Life. The AMP sell down of its life insurance business in New Zealand and Australia does not impact on this.

Resolution have advised us they intend to take a different approach to that taken by Foundation Life, and remain proactive long term managers of the closed book of business. They may however consider changes if 'it's in the best interests of policyholders'. We'll keep a watching brief and update you of any substantive changes.

New Partial Cash Out Options Offer Flexibility

You can now tailor outcomes to a policyowner's needs with our new options:

- Cash out fully or partially
- Get one lump sum now or draw down payments over time
- Flexibility around the amounts drawn or retained

Online Quick Assessment Calculator Getting Lots of Use

It's quick (just 3 pieces of info) and free and gives an instant estimate of the cash out offer. Support staff can check all surrender requests as a matter of course so you can present a Policy Exchange option alongside those from the life company.

You'll often be able to present transaction documents for completion at the first point of contact with your client. The policyowner can decide which option best suits their needs, complete the relevant transaction documents and will usually receive their funds within two weeks.

6000 Enquiries Milestone

We've had over 6000 enquiries since we began business, with more than 4000 policies receiving an enhanced cash payout from us. If you have a client considering cashing out we encourage you to consider the Policy Exchange option.

Best regards

Greg and the team at Policy Exchange