

## Replacement policy advice record

**To be completed in consultation with your adviser**

**Please note that this does not serve as a cancellation of the replaced policy; you must advise the insurer in writing about cancellation of a policy.**

Name and surname of policyholder \_\_\_\_\_

Identity/Registration number of policyholder \_\_\_\_\_

Name and surname of intermediary \_\_\_\_\_

Name of FSP (*Brokerage or insurer*) \_\_\_\_\_

### New policy

Type of policy: Investment or risk	Policy number	Insurer

### Policy being replaced

Type of policy: Investment or risk	Policy number	Insurer

### Question to the intermediary

Does this proposal constitute replacement of an investment policy with a recurring premium investment policy that will lead or has led to the levying/ deduction of a termination charge of more than 15% of the replaced policy's fund value? Refer to the definitions in Part 3 of the Regulations to the Long-Term Insurance Act, 1998 (commission regulations).

Yes       No

## Reasons why replacement may not be advisable

If you do replace any policy, we want to ensure that you make an informed choice. Please read the following information, carefully and discuss with your intermediary.

- You will **pay some charges and fees twice** (e.g. commission, underwriting expenses & other initial charges levied by the insurer) – initially on the existing policy and once again on the new policy.
- You may **pay higher premiums** for risk (or a bigger part of the premium) on the new policy because you are older now or your health situation might have changed.
- Your new policy may not have the same **life cover or premium guarantees** as the existing policy. Check the period for which the life cover or other cover amounts are guaranteed before the insurer is entitled to change your premiums or reduce or remove cover.
- Your new policy may not have the same **investment performance guarantees** as the existing policy (if applicable).
- Your new policy may have **more exclusions, restrictions or waiting periods** particularly if your health has deteriorated.
- The amount of money that you can withdraw under the new policy may be less (if applicable). A new policy will usually have legal restrictions on access within the first 5 years.
- You may **lose the tax advantage** of your existing policy (if applicable).
- The surrender value or paid up value of your existing policy may be as low as 65% of the policy value before the change, and could be even less than premiums paid in since **unrecovered initial expenses** must first be deducted. Check what charges you will be paying on termination of the old policy and see whether the advantages of the old policy will make up for any such charges.
- The **investment risk** under the new policy may be higher. Remember that the past performance of a fund or asset manager of a fund is not necessarily an indication of future performance.

## Reasons for the change of policy/policies

Did you establish whether the existing / terminated policy could be amended to provide similar benefits to the replacement policy? If such amendment is / was possible, why do you regard it as appropriate that the terminated policy be replaced by the replacement policy?

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## Declaration (Compulsory)

### Intermediary

- I confirm that I have taken all reasonable steps to confirm that the information in this Replacement Policy Advice Records (RPAR) is true and correct.
- I confirm that in pursuance of my advice to the policyholder to replace the policy(ies) mentioned in this RPAR I have fully discharged my duties as set out in section 8 (d) of the General Code of Conduct for Authorised Financial Services Providers and their Representatives (the Code) and have retained a record of such advice as required by section 3 of the said Code.

Signature \_\_\_\_\_

Name and surname \_\_\_\_\_

Date        /        / \_\_\_\_\_

### Policyholder

I confirm that the advisor has fully explained the consequences of the replacement of the policy(ies) mentioned in this Replacement Policy Advice Record and I understand the consequences of such replacement(s).

Signature \_\_\_\_\_

Name and surname \_\_\_\_\_

Date        /        / \_\_\_\_\_

Contact telephone number (        ) \_\_\_\_\_

e-mail address \_\_\_\_\_