

Clients Name
 Address Line 1
 Address Line 2 Address Line 3
 Address Line 4 Postcode

Policy Number
 1 August 2017

YOUR POLICY LOAN REQUEST

Dear Title Last Name

Thank you for your request for a loan advance secured against your policy. The amount available is set out in the schedule below.

Please note:

- If the amount that you wish to borrow is less than the maximum amount available, please enter the amount required on the Mortgage of Life Policy enclosed. Please note that the minimum loan available is \$500.00.
- As the owner of the policy, please ensure that you sign the Mortgage of Life Policy and have your signature witnessed.
- Please include a printed deposit slip showing your bank account number, or a verification of your bank account number from your bank. Your loan proceeds will be paid into this account.
- Please provide certified copies of proof of identity, and proof of residential address. See the final page for identification requirements. We will be unable to proceed with your application until this information is received.

Policy Number	Policy Owner	Gross Loan Value	Existing Policy Loan and Interest	Existing Overdue Premiums and Interest	Maximum Loan Value Available
Policy Number	Policy Owner	\$Gross Loan Value	\$Policy Loan & Interest	\$Overdue Premiums & Interest	\$0.00

In submitting this request for a loan against your policy you (the policy owner) acknowledge that you have read, understood and accepted the terms and conditions enclosed.

..... (.....)
 Policy owner(s) signature Phone Date

..... (.....)
 Policy owner(s) signature Phone Date

Return To: Free Post Sovereign, Private Bag Sovereign, Victoria Street West, 1142



10668

WE'RE HERE TO HELP

If you have any questions, or would like information on our other products and services, please call your adviser, AdviserName, on **Advisers Phone**. Alternatively, you can call our Customer Relationship Team on **0800 500 108** from 8.00am to 6.00pm Monday to Friday, or email us at enquire@sovereign.co.nz, and we will be happy to help.

Kind regards

Senders Name

Department

CC: Adviser Code



10668

SAMPLE

MORTGAGE OF LIFE POLICY

(Under the Life Insurance Act, 1908, and its Amendments)
(Incorporating Initial Disclosure under the Credit Contracts and Consumer Finance Act 2003)

BETWEEN: **SOVEREIGN ASSURANCE COMPANY LIMITED**, 74 Taharoto Road, Takapuna, North Shore, Auckland (“Sovereign” and referred to in this Agreement as “we”, “us” and “ours”)
<Name of Borrower/s> (“Borrower” and referred to in this Agreement and “you” and “yours”)

1. INTERPRETATION

1.1 In this Agreement unless the context otherwise requires, any reference to:

Any word which is capitalised but not set out in this Clause 1 has the meaning set out in the Schedule.

Adverse Credit Event means you (or if there is more than one Borrower, any of you):

- (a) are adjudged bankrupt, or a court order is made appointing the Official Assignee as receiver and manager over any of your property;
- (b) make a proposal to your creditors under subpart 2 of Part 5 the Insolvency Act 2006 (the **Act**);
- (c) are subject to a summary instalment order made by the Official Assignee under subpart 3 of Part 5 of the Insolvency Act 2006;
- (d) enter into a no asset procedure under subpart 4 of the Insolvency Act 2006; or
- (e) are otherwise insolvent and unable to pay your debts as they fall due or legal proceedings are commenced (and not dismissed within 30 days).

Agreement means this Mortgage of Life Policy entered into between you and us, including the attached Schedule and Conditions.

Conditions mean the conditions attached to this Mortgage of Life Policy.

Interest Rate means the interest rate set out in the Schedule, as may be varied under Condition 4.

Loan Balance means the Loan, any Premium Arrears, and any interest accrued on the Loan and Premium Arrears under the terms of this Mortgage of Life Policy.

Loan means a loan in the amount set out in the schedule.

Policy means the policy(s) referred to in the Schedule and includes the policy(s) as may be varied or amended from time to time.

Premium Arrears mean any unpaid premiums under your Policy.

Schedule means the Schedule attached to this Mortgage of Life Policy,

Surrender Value means the surrender value (also known as the cash value) for the Policy as calculated by Sovereign at its sole discretion.

Working Day means any day other than a Saturday, Sunday, New Zealand public holiday, or any day between 25 December and 2 January.

2. BORROWER'S ACKNOWLEDGEMENTS

- 2.1. You acknowledge receipt of a copy of this Agreement, and agree that your Loan is provided on the terms and conditions set out in this Agreement including the attached Conditions.
- 2.2 You confirm that you are the owner of the Policy and that there are no other security interests over the Policy.
- 2.3 You acknowledge that any Premium Arrears will be added to your Loan Balance, and that interest will be applied to your Loan Balance at the Interest Rate as may be varied from time to time in accordance with the Conditions.

3. MORTGAGE AND DEFAULT

- 3.1 You mortgage to Sovereign all of your right, title and interest in the Policy as security for the Loan Balance.
- 3.2 The security created by the terms of this Agreement secures the repayment of the Loan Balance and the performance of your other obligations under this Agreement.
- 3.3 If at any time the Loan Balance exceeds the Surrender Value for a continuous period of one calendar month, the Policy will become void and lapse, resulting in the forfeiture of all benefits attached to the Policy, including any life insurance, additional insurance riders and accumulated bonuses.
- 3.4 If you repay the Loan Balance, Sovereign will discharge this mortgage if required by you.

4. YOUR RIGHT TO CANCEL

- 4.1 The Credit Contracts and Consumer Finance Act 2003 gives you a right for a short time after the terms of this contract have been disclosed to you to cancel the contract.

(a) **How to cancel:** If you want to cancel the contract you must give written notice to us. You must also return to us any advance payment of the Loan received by you.

(b) **Time limits for cancellation:** If the disclosure documents (i.e. the letter regarding your policy loan request, and your copy of this Agreement) are handed to you directly you must give notice that you intend to cancel within 5 Working Days after you receive those documents.

If the disclosure documents are sent to you electronically (for example by e-mail) you must give notice that you intend to cancel within 5 working days after the electronic communication is sent.

If the disclosure documents are mailed to you, you must give notice that you intend to cancel within 7 working days after the documents were posted.

(c) **What you have to pay if you cancel:** If you cancel the contract we can charge you:

- (i) the amount of any reasonable expenses we had to pay in connection with the contract and its cancellation (including legal fees and fees for credit reports etc); and
- (ii) interest at the Interest Rate for the period from the day you received any advance payment of the Loan until the day you repay the advance.

This statement only contains a summary of your rights and obligations in connection with the right to cancel. If there is anything about your rights or obligations under the Credit Contracts and Consumer Finance Act 2003 that you do not understand, if there is a dispute about your rights, or if you think that we are being unreasonable in any way, you should seek legal advice immediately.

5. UNFORSEEN HARDSHIP

- 5.1 If at any time you believe you are at risk of your Loan Balance exceeding your Surrender Value and your Policy being avoided under clause 3.3, and you are unable to make repayments of your Loan Balance in order to preserve your Policy, you can contact Sovereign or your Adviser to discuss the options available to you.

6. CONSENT TO ELECTRONIC COMMUNICATIONS

- 6.1 You consent to receive notices and other communications from us in electronic form.

7. PRIVACY

- 7.1 Any information that you provide to us will be used by Sovereign and its related companies to process your Loan application, and to administer your Loan and this Agreement. The identification information you provide will be used to ensure we comply with our legal obligations, including under the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. The intended recipients of the information are the Sovereign group of companies. Any personal information you provide to us is being collected and will be held by Sovereign Services Limited, 74 Taharoto Road, Takapuna, Auckland 0622. Sovereign also relies on third party data storage providers for the majority of the information we store, which includes related companies and cloud-based data storage providers (whether in New Zealand or elsewhere). You have rights under the Privacy Act 1993 to access and correct any of your personal information held by Sovereign.

SCHEDULE TO MORTGAGE OF LIFE POLICY

Policy Number	Policy Owner	Loan Amount Requested	Recommended monthly repayments (Calculated on a Term of 12 Months)
<Policy Number>	<Owner Name>	\$0.00	\$0.00
Commencement Date (Date loan granted will be the commencement date)		Interest Rate 6.0% per annum as at <todays date> (interest rate subject to change)	

SIGNATURES:

By signing and dating below, you agree to be bound by the terms and conditions of this Mortgage of Life Policy.

This Agreement is dated this day of 20____

Signature(s) of Policy Owner(s)

.....

Signature of Witness

Name of Witness

Address of Witness

.....

Occupation

CONDITIONS

1. You will pay interest on your Loan Balance (including any Premium Arrears and accrued interest). Interest will be calculated at the Interest Rate shown in the Schedule and compounded monthly. The Interest Rate shown in the Schedule is the rate applicable as at the date of this Agreement..
2. If any interest remains unpaid for more than one calendar month, the interest will be added to the Loan Balance.
3. Each payment by you to us under this Agreement must be made free of any tax or other deduction, withholding, set off, counterclaim or charge. For the avoidance of doubt and by way of illustration, you may not claim a right of set off against any repayment of the Loan Balance by you and any amount owed to you by Sovereign.
4. The Interest Rate may be increased or decreased by Sovereign at any time and from time to time in response to market conditions and other factors which impact on Sovereign's costs in relation to the Loan. Sovereign may at any time increase or decrease the Interest Rate, and alter or amend the timing and method in which interest is calculated. Examples of when this may occur include:
 - (a) Legislative changes affecting credit or lending contracts;
 - (b) Technology and administrative system changes;
 - (c) Amendments to underlying accounting or financial principles or practices; and
 - (d) Changes to market conditions or other factors outside Sovereign's control which affect the cost of providing the Loan to you.

We will notify you in writing no later than 5 Working Days after any change occurs.

5. Sovereign will provide you with a statement of your Loan Balance and any interest added every 6 months from the Commencement Date.
6. The Loan, and any interest owing, is repayable on demand by us (which demand may be made by us at any time in our absolute discretion) by providing reasonable advance notice in writing to you. The Loan is immediately due and payable if an Adverse Credit Event happens or you are in default under this Agreement under Condition 7 below. However, if an Adverse Credit Event happens or you are dealing with any unforeseen hardship, you may notify us or your Adviser under clause 5 of the Mortgage of Life Policy and we will work through your options with you.
7. You will be in default if you:
 - do not comply with your obligations under this Agreement; or
 - anything you have told us is materially incorrect, misleading or deceptive; or
 - anything happens which we reasonably believe may have a material adverse effect on the ability of you to meet your obligations under this Agreement.
8. You may at any time repay your Loan Balance to us. Unless otherwise agreed with us any amount repaid under this Agreement will not be available for re-borrowing.
9. If any amount becomes payable by us under the Policy, we may use such amount in part or full towards repayment of the Loan Balance.
10. Any Premium Arrears as at the date of this Agreement, together with any Premium Arrears which accrue after the date of this Agreement will, together with interest due or accrued on the Premium Arrears as calculated by us, be added to your Loan Balance.
11. Any applicable covenants, powers, conditions, and agreements set out in the Life Insurance Act 1908 that would otherwise be implied into this mortgage are expressly excluded.
12. This Agreement is binding on the Borrower's executors and administrators, and any person to whom the Borrower's obligations under this Agreement are assigned. If there are two or more Borrowers, each Borrower is jointly and severally liable for performance of the Borrowers' obligations under this Agreement.
13. Sovereign may retain possession of the Policy while the Loan Balance remains unpaid and you will deliver the Policy to Sovereign where reasonably requested. On repayment of the Loan Balance Sovereign will return the Policy to you.

14. We may assign or transfer any of our rights or obligations under this Agreement to a related company of Sovereign without your consent. You may not assign or transfer any of your rights or obligations under this Agreement without our prior written consent.
15. No amendment to this Agreement will be effective unless it is in writing signed by all the parties to this Agreement.
16. No failure to exercise any right under this Agreement will operate as a waiver of that right. No waiver by us of our rights under this Agreement will be effective unless it is in writing signed by us.
17. Each notice under this Agreement must be in writing. A notice may be sent to you at the address last known to us or by electronic means (email or facsimile) to the email address or fax number last known to us. It will be deemed to be received by you in the case of a letter, on the fifth Working Day after posting and in the case of an electronic transmission on the day on which it was dispatched or, if dispatched after 5.00pm or on a day which is not a Working Day, on the next Working Day.
18. The illegality, invalidity or unenforceability of a provision of this Agreement under any law will not affect the legality, validity or enforceability of another provision.
19. This Agreement is governed by New Zealand law and the courts of New Zealand shall have exclusive jurisdiction.
20. We are a member of the following dispute resolution scheme:

Insurance and Savings Ombudsman Scheme
Level 11, Classic House, 15-17 Murphy Street, Wellington 6011
PO Box 10-845, Wellington 6143
Phone: 0800 888 202
<http://www.iombudsman.org.nz>
info@iombudsman.org.nz
21. We are registered on the Financial Services Providers Register as Sovereign Assurance Company Limited, FSP 39602.

Proof of Identity Requirements

Why do we need your ID?

The Anti-Money Laundering and Countering Financing of Terrorism Act 2009 came into effect in 2013. Under this law we are legally required to verify your identity and confirm your current residential address before we process your request.

Please post the physical certified copies of your verification documents to Sovereign.

Proof of identity

Please choose one of the following three options:

Option 1	OR	Option 2	OR	Option 3
<p>Certified* photocopy of one of:</p> <ul style="list-style-type: none">▪ Appropriate pages of New Zealand or overseas passport, containing your name, date of birth, photograph and signature▪ New Zealand firearms licence▪ New Zealand certificate of identity▪ Overseas government-issued national identity card, containing your name, date of birth, photograph and signature		<p>Certified* photocopy of:</p> <ul style="list-style-type: none">▪ New Zealand driver's licence <p>AND</p> <p>Certified* photocopy of one of:</p> <ul style="list-style-type: none">▪ ATM (eftpos) card issued by a New Zealand registered bank, provided your name and signature is on the card (please note we currently do not accept credit or debit cards)▪ Bank account statement issued in the three months immediately preceding the date of application▪ Statement from a government agency (e.g. IRD) issued in the three months immediately preceding the date of application▪ SuperGold card (with or without photo)		<p>Certified* photocopy of one of:</p> <ul style="list-style-type: none">▪ New Zealand or overseas full birth certificate▪ New Zealand or overseas citizenship certificate <p>AND</p> <p>Certified* photocopy of one of:</p> <ul style="list-style-type: none">▪ New Zealand driver's licence▪ 18+ card▪ New Zealand Police identification card▪ New Zealand Defence Forces card▪ SuperGold card (with photo)

Proof of residential address

Certified* photocopy of one form of the following, issued within the past three months:

- Utility bill
- Rates bill
- Car registration document
- A printout from a bank containing customer name and address, stamped by the bank
- Bank account statement
- Government agency statement (e.g. IRD)
- Insurance policy document

Note: If a bank or government agency statement has been provided as part of verification under Option 2 above, no further documentation is required to verify residential address.

*Certification

Proof of identification and address can be certified by the following individuals:

- Sovereign adviser
- Lawyer
- Notary public
- Registered teacher
- Police officer
- New Zealand Honorary Consul
- Chartered accountant
- Justice of the Peace
- Registered medical doctor

The full name, occupation and the date of certification (dated no more than three months prior to the receipt of the documents by Sovereign) must also be clearly noted. The certifier must sight the original identification and residential address document, and make a statement to the effect that the documents provided are true copies and represent the identity of the named individual. Please note that the identification you provide must be current, i.e. not expired (where an expiration date is applicable to the form of identification).