



## **Assignments Questions and Answers**

### ***Question 1***

**What is an assignment?**

### ***Answer 1***

An assignment is the transfer of ownership of a policy from one person to another. This often occurs on mortgage arrangements as security, this means the Bank or Building Society (a third party) is given the right to claim the benefits of the policy.

### ***Question 2***

**What exactly is a third party notice?**

### ***Answer 2***

This is where a third party has an interest in what happens to a policy but does not have any legal ownership. I.e. in the case of life policy being used as security against a loan, the mortgage lender does not in this case have any formal title to the policy and cannot claim the policy proceeds without the signature of the policyholder.

As they hold an interest however, the life office must notify them of any arrears or claims made on the policy. As far as the law of equity is concerned the courts have the power to force the policyholders to complete a formal assignment for the lender to claim the policy proceeds.

### ***Question 3***

**Why do I need an original Deed Of Assignment or Re-Assignment?**

### ***Answer 3***

This is a requirement to enable transfer of benefit entitlement back to the original policyholder(s). We request original Deeds because of the potential there is for photocopy documents to assist in the perpetration of fraud. Even authorised photocopies do little to prevent forgery, as inherent security features such as watermarks are still absent.

### ***Question 4***

**Why can't Windsor Life contact my mortgage lender for the relevant Deed?**

### ***Answer 4***

You are responsible for providing the documents needed. We are happy to give you guidance on contacting your provider, but we are not allowed to contact third parties on your behalf because of restrictions imposed upon us by the Data Protection Act.