



NPI

Deed of Assignment by Way of Gift - Guidance Notes



Important note

These guidance notes are based on our understanding of the law in April 2010. Whilst every effort has been made to ensure that the deed and guidance notes are correct, they do not constitute legal advice and we cannot accept any responsibility for them. Readers should obtain advice from a qualified professional when dealing with specific situations.

When to use the Deed

The NPI Deed of Assignment by way of Gift Form enables ownership of a life policy to be transferred from the current owner(s) to another person or persons by way of gift.

It does not affect the life/lives assured under the policy who will remain the same after the transfer.

The Deed may only be used to assign NPI life policies i.e. ordinary life policies, Capital Investment Bonds, With-Profit Bonds, Guaranteed Investment Bonds, Distribution Bonds, Maximum Investment Plans, Inflation Beaters and S637(1) (or S226(a)) life policies. Pension policies are non-assignable other than by trust.

The Deed is only intended for use where the original policyholder(s) wish to transfer ownership of the policy.

THE DEED WOULD BE INAPPROPRIATE AND SHOULD NOT BE USED IN THE FOLLOWING CIRCUMSTANCES

1. Where the assignment is for money or money's worth

The Deed may only be used where the transfer of the ownership is by way of gift rather than in return for money or money's worth.

In cases where spouses are in the process of divorce proceedings and one spouse wishes to transfer the ownership of an NPI policy to the other spouse it is highly likely that "money or money's worth" will be given in return for the transfer. It follows that NPI's Deed of Assignment by way of gift form is not appropriate. Solicitors will normally be involved in negotiations already and so will be in a good position to draft the necessary document to effect a transfer of the ownership of the policy. Notice of such an assignment should be given to NPI – see section headed "Notice".

2. Where there has been (a) a previous assignment; or (b) a declaration of trust; or (c) for post December 1994 S637(1) Term Assurances which are held on a discretionary death benefit basis

In such cases, NPI's Deed of Assignment by way of a gift form should not be used. For example, where a policy has been assigned to a bank or building society, as security for a loan, the mortgagor(s) will not be the current legal owner(s) and you cannot transfer what you do not own.

Even where a policy has been re-assigned to the original owner, the Deed would not be suitable. This is because it would fail to outline what had previously happened to the ownership of the policy. Such statements of past facts are useful as an aid to tracing changes in ownership.

3. Where the owners wish to pass the benefit of the policy to someone under the age of 18

NPI policies should not be transferred to someone who is under the age of 18 (a "minor"). If the owners wish to pass the benefits of the policy to a minor they could consider a declaration of trust in which the minor is named as a beneficiary. It would be advisable to seek independent legal advice in such circumstances.

Completing the Deed

Margin notes have been added to the Deed to help in its completion.

However, the following additional notes are included to assist.

The date

The date of the Deed should be the date when the last signature is added.

The Assignor(s)

The person(s) transferring ownership of the policy(ies).

Where the policy(ies) is/are jointly owned, the names of **both** owners should be entered in the space provided.

The Assignee(s)

The person(s) to whom the ownership of the policy(ies) is/are to be transferred.

The name(s) of all assignees should be included in the space provided.

Policy number and date of policy

Each policy number and the date of each policy should be entered. These are shown on the policy document.

Signatures

All parties to the Deed should sign the Deed.

Where an Assignor and Assignee is the same individual (e.g. where joint owners are assigning the policy to one of them) then that individual need not sign twice.

Witnesses

Each signature must be witnessed by an independent individual i.e. not a party to the Deed. The witness should sign in the space provided.

Notice

Once an assignment is completed please arrange to send us a copy, certified by a solicitor, so that we can update our records.

Future dealings

When an assignment has taken place, the Deed and the policy document(s) should be kept in the possession of the new owner(s) (the assignees). When the new owner(s) wish(es) to deal with the policy(ies), NPI will require production of the original Deed of Assignment and policy document(s) to confirm his/her/their title.

NPI

References to NPI throughout these guidance notes means the NPI company that you have contracted with, or have applied to contract with, except for National Provident Institution.

On 1 January 2000, its business was transferred to National Provident Life Limited (its successor). In which case, on or after 1 January 2000 National Provident Institution means National Provident Life Limited.

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