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## **Pensions, Insurance and Capital Management Limited**

[www.picm.co.uk](http://www.picm.co.uk)

Dear Enquirer

This is some additional information for you about the selling of endowment policies after you enter details on this web site.

### **What happens to the details after I enter them on the form?**

The policy details are manually checked just to ensure they look reasonable. They are then sent to all the buyers we have who may be interested in the policy. The buyers value the policy and if they are interested make an offer to us for it. We will email you with details of any offers received.

We do not give advice on whether you sell or surrender your endowment when you enter the details on this web site, but act for you on an execution-only basis (you have not asked for advice and we do not give any advice). We will try to get the highest price from each buyer for you. We are paid a commission by the buyer if you sell the policy (this is in addition to the price they offer to you). We act entirely for you in your dealings with the buyers, and share your interest in getting as high a price as possible. We do not buy or sell policies ourselves.

We do appreciate that, while we do this every day, selling an endowment policy is something most people do only once in a lifetime. If have any questions or if any of the documentation is not clear please do ask us.

### **How long does it take to get an offer?**

Some buyers can get back to us the same day, but we allow five working days to get offers in. Occasionally, an offer can be received later.

### **Are there any deductions from the price offered?**

The buyers pay all the normal costs of buying a policy and pay us a commission in addition to the figure they have offered you. Unless there are premiums outstanding or loans against the policy there are no deductions from the price, you get the full amount.

### **What happens if I say I want to go ahead with an offer?**

You tell us and we get the buyer to send out the paperwork to you. You sign it and send it back. The buyer then double-checks all the details with the insurance company to ensure the figures

are as you said they were and that there are no bank or building society charges still on the policy from an old mortgage. Once the buyers are happy the policy is as you described and that you can sell it, they complete the purchase and send you a cheque.

### **How long does it take to sell a policy?**

The average time, if there are no queries, from you saying yes to you receiving a cheque is about four weeks. The slowest part is usually the buyer waiting for formal replies from the insurance company. We know most of the other things that can hold the process up, and try to get them covered as early as possible!

### **Who are the buyers?**

These are traders who deal in endowment policies (the larger ones are buying and selling millions of pounds-worth a month). They buy policies from the original policyholders and then sell them on to investors. Most of the buyers buy the policies and then hold them in stock for investors, but a few operate as brokers and only complete the purchase when they have an investor lined-up (we will tell you if the offer is from one of these buyers).

### **Who invests in endowment policies?**

They are bought by a huge range of investors. Some policies go into funds that hold endowment policies and operate rather like unit trusts. Some are bought by pension funds and some by private investors, perhaps as extra retirement provision or to create a fund for a grandchild. A number also go to investors abroad.

### **Can anything go wrong once I have signed a sale agreement?**

Most sales go through without any problem. If the details are not as filled in on the form the buyer can, naturally, pull out (though most will try to do something for you if they can). For this reason it is important to be as accurate as possible when completing the details.

Some special types of policy cannot be traded, for example Industrial Branch policies. If you think you might have an unusual type of policy please enter details in the comments box on the form.

Most of the buyers reserve the right to pull out if the insurance company alters its bonus rates or surrender values before the purchase is completed because these are so fundamental to the valuation of the policy. There are just a few that do not and guarantee the price once the signed paperwork is returned, and we will tell you if the offer is from one of these.

A bankrupt (or someone who has a bankruptcy proceeding against them) cannot sell a policy without the bankruptcy trustees permission. For this reason, most buyers do a bankruptcy search on you before paying for the policy. If you have any problems like this please tell us early on.

