Document Class: EXEMPTIONS
Document Name: Conveyance - Other
Document Description: Reconveyance of Insurance Policy
Document Code: EX

Introduction

An insurance policy has been transferred to a mortgagee as security for a loan and the conveying document has been "Adjudged Duly Stamped". The mortgagee no longer requires this security and re-conveys the insurance policy to the owner.

This guide note refers to the document that conveys the policy back to the owner.

The following similar transactions cannot be stamped under this document heading:

If the policy was used as security for a loan and *ad valorem* stamp duty was paid on the transfer to the mortgagee, when the policy is subsequently re-conveyed to the owner, the document must be submitted for the Opinion of the Commissioner of State Taxation with an Application for Refund form. The stamp duty paid will be refunded pursuant to section 60C of the SD Act.

What *documents* can I stamp under this document heading?

The document can be in the form of:

- any document that re-conveys an interest in an insurance policy from the mortgagee (transferor) to the owner of the policy.

What types of *transactions* can I stamp under this document heading?

A re-conveyance of an insurance policy is deemed **suitable** for self-stamping under this document heading where:

- the insurance policy has previously been "Adjudged Duly Stamped" as a security in South Australia; and

- the insurance policy is being re-conveyed to the owner of the policy.

What stamp duty is payable on this document?

Exempt.

What evidence do I need to retain for audit purposes?

For audit purposes, you will need to retain the following documentation:

- a copy of the stamped document.

Example 1 – Re-conveyance of an Insurance Policy

In 1996, Helen borrowed $80,000 from a financial institution and her life insurance policy was used as security for the loan. Helen conveyed the ownership of the life insurance policy to the financial institution – this document was "Adjudged Duly Stamped" as security for the loan.

Helen has now re-paid the loan and the life insurance policy is not required by the financial institution as security for the loan. Both parties execute a conveyance of life policy document wherein the financial institution conveys the ownership of the policy back to Helen.

The assignment is stamped Exempt.

What section of the SD Act applies?

Schedule 2, Part 2, General Exemption 29.