



## APPLICATION FOR PARTIAL SURRENDER OF A UNIVERSAL LIFE INSURANCE POLICY

### SECTION ONE – Client Information and Partial Surrender Information

1. **NAME OF INSURED(S):** \_\_\_\_\_ 2. **POLICY NUMBER:** \_\_\_\_\_ (the "Policy")  
 (Please complete a separate form for each policy)

3. **NAME OF POLICYOWNER (If other than Insured Named Above)** \_\_\_\_\_

4. Special Instructions: Pay the proceeds to:  Owner  Collateral Assignee

Pay proceeds in form of:  Check or  Electronic Disbursement. If Electronic Disbursement, I authorize Security Mutual Life Insurance Company of New York (the "Company") to electronically disburse funds as a result of this requested transaction directly to the checking or credit union account indicated in Section Six below.

5. Partial Surrender Instructions:

- A.  The undersigned hereby requests a partial surrender in the amount of \$\_\_\_\_\_. If this amount is not available, please send the maximum amount available according to the provisions of the Policy.
- B.  The undersigned hereby requests the maximum partial surrender available according to the provisions of the Policy.

**Important Notice to Modified Endowment Contract (MEC) Owners:**

Under the current tax law, money taken from a MEC in the form of policy or premium loans, partial surrenders, assignments, pledges, withdrawals, or loans secured by the policy are subject to income tax and possibly penalties. Accordingly, the action you are taking may have income tax consequences. The amount of the distribution (to the extent of policy gains) must be included in your gross income and is taxed at ordinary income tax rates. Policy gain equals the difference between the cash value and the net investment in the policy (cost basis). Please consult with your attorney or tax advisor before acting.

### SECTION TWO – Tax Withholding Election

6. Please check a box below to indicate your withholding election. For Tax Sheltered Annuity Life Policies, we are required to withhold Federal income tax at the rate of 20%. For all other Policies, we are required to withhold Federal income tax at the rate of 10% unless you elect not to have withholding apply. Even if you elect not to have Federal income tax withheld, you are liable for payment of Federal income tax on the taxable portion of the amount withdrawn. You also may be subject to tax penalties under the estimated tax payment rules if your payments of estimated tax and withholding, if any, are not adequate.

- A)  I do not want to have Federal income tax withheld from the proceeds.
- B)  I want to have 10% of the taxable gain withheld from the proceeds for Federal income taxes. (The Company will reduce the withdrawal amount by 10% of the taxable gain)
- C)  My Policy is a TSA and I understand 20% of the proceeds will be withheld for Federal income taxes. (The Company will reduce the surrender amount by 20% for TSA policies)

*If no election is made, tax will automatically be withheld.*

### SECTION THREE – Understanding and Acknowledgement of Policyowner

By my signature as Policyowner in Section Five below, I confirm that I am the Policyowner and that I:

- Understand that the death benefit and cash surrender value of the Policy will be reduced by the partial surrender amount requested, and that any applicable surrender charge or processing fee according to the Policy provisions will apply.
- Understand that a Partial Surrender from the Policy may affect my future Policy values and future planned periodic premiums.
- Understand that there may be tax consequences as a result of the request. (I have been advised to consult with my tax advisor regarding my situation.)
- Certify that I am of legal age, and that the Policy is not subject to any bankruptcy proceeding or insolvency, attachment, lien or claim except as follows:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**SECTION FOUR – Request for “Policymowner” Taxpayer Identification Number and Certification**

7. Enter your Taxpayer Identification Number in the appropriate box. For most individuals, this is your Social Security Number.

Social Security Number									Employer Identification Number					

Check appropriate box for federal tax Classification:  Individual/sole proprietor  C Corporation  S Corporation  Partnership  Trust/estate

Limited liability company. Enter the tax classification (C=C Corporation, S=S Corporation, P=Partnership): \_\_\_\_\_ Other: \_\_\_\_\_

Exemptions: Exempt payee code (if any) \_\_\_\_\_ Exemption from FATCA reporting code (if any): \_\_\_\_\_

**Certification:** Under the penalties of perjury, I certify that:

1. The number shown on this form is my correct Taxpayer Identification Number (or I am waiting for a number to be issued to me), **and**
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, **and**
3. I am a U.S. citizen or other U.S. person (including a U.S. resident alien), **and**
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

**Certification Instructions:** You must cross out item 2. above if you **have been** notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

**Policymowner:** Your signature on this application is certification that the taxpayer identification number provided above is correct and complete. The IRS does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

**SECTION FIVE – Signatures**

*For partial surrender requests of \$25,000 or less, the undersigned agrees that a copy of this document transmitted by facsimile or other electronic means shall be as valid and binding as the originally executed document and will jointly and severally indemnify and hold Security Mutual harmless from any liability incurred by Security Mutual in reliance thereon. You may fax your request for partial surrender amounts of \$25,000 or less to the Security Mutual Individual Client Service Department at 607-722-0598. An original signature is needed for partial surrender requests greater than \$25,000.*

8. Signed at (city and state): \_\_\_\_\_
9. Date: \_\_\_\_\_
10. Policyowner Signature: \_\_\_\_\_  
(If a corporation, trust or partnership, provide full name of entity followed by the signature and title of the authorized officer. A Copy of the corporate resolution, partnership agreement or trust certification form should be sent in with this form verifying the authority of the party or parties who sign on behalf of the entity.)
11. Policyowner Name **Printed:** \_\_\_\_\_
12. Policyowner’s Daytime Phone Number: \_\_\_\_\_
13. Disinterested Third Party Witness’ Signature: \_\_\_\_\_
14. Witness’ Name and Address **Printed:** \_\_\_\_\_
15. Spouse’s Signature: \_\_\_\_\_  
(If the Policy was issued in or you currently reside in a Community Property State (AZ, CA, ID, LA, NV, NM, TX, WA, WI) )
16. Spouse’s Name **Printed:** \_\_\_\_\_
17. Irrevocable Beneficiary’s Signature: \_\_\_\_\_  
(Signature is only required if the beneficiary designation for the Policy is irrevocable.)
18. Irrevocable Beneficiary’s Name **Printed:** \_\_\_\_\_
19. Collateral Assignee’s Signature (if the Policy is collaterally assigned), **include title:** \_\_\_\_\_
20. Collateral Assignee’s Name and Title **Printed:** \_\_\_\_\_

**SECTION SIX – Request for Electronic Disbursement To Policyowner's Account**

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21. **Account Information**

Account Type:  Checking  Credit Union

Name(s) on Account: \_\_\_\_\_ X \_\_\_\_\_  
Signature of account holder

Account Number: \_\_\_\_\_

Financial Institution's Name: \_\_\_\_\_ X \_\_\_\_\_  
Signature of joint account holder

Financial Institution's Address: \_\_\_\_\_  
Street City State Zip

**The Company will not be liable for any loss, cost or expenses incurred for acting upon the instructions provided.**

**Attach a voided check.**

## APPLICATION FOR UNIVERSAL LIFE PARTIAL SURRENDER INSTRUCTION SHEET

### SECTION ONE – Client Information and Surrender Provision Information

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1. Enter the Insured's name(s) as shown on the policy.
2. Enter the Security Mutual policy number.
3. Enter the name of the policyowner if other than the named Insured.
4. Indicate to whom the policy proceeds are to be paid, owner or collateral assignee. If you wish anyone else to receive these proceeds, please contact the Individual Client Services Department at 1-800-765-6668.
5. Read Section One, item #5 carefully and enter your instruction.

### SECTION TWO – Tax Withholding Election Information

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6. Please check box **A** if you do not wish to have Federal income tax withheld from the surrender proceeds or check box **B** if 10% Federal income tax withholding is desired. Check Box **C** if the policy is a TSA and requires 20% Federal income tax withholding. If not indicated, taxes will automatically be withheld.

### SECTION THREE – Understanding/Acknowledgement

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Please read this section carefully and furnish requested information, if applicable.

### SECTION FOUR – Request for Taxpayer Identification Number and Certification

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7. Enter either the Policyowner's Social Security Number, if the Policy is owned by an individual, or enter the Tax Identification Number of the Owner if the Policy is owned by a corporation, trust, or other entity.

### SECTION FIVE – Signatures

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8. Enter the physical location that this form is being signed – City and State.
9. Enter date this form is signed.
10. Signature of Policyowner (If a corporation, trust or partnership, provide full name of entity followed by the signature and title of the authorized officer. Copy of corporate resolution, partnership agreement or trust certification form should be sent in with this form so naming the party or parties that can sign on behalf of the entity.)
11. Policyowner's name printed
12. Supply daytime phone number.
13. Third party witness should be someone other than the Insured, Policyowner, Spouse (if residing in a community property state), Irrevocable Beneficiary, Collateral Assignee or any party required to sign this form.
14. Witness' name and address printed
15. Signature of spouse is required if the Policy was issued in or the policyowner resides in one of the following community property states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, Wisconsin.
  - If never married, indicate this on the form on the spouse's signature line.
  - If divorced, we must have a copy of the divorce decree page that specifies the disposition of this specifically named policy, and a copy of the divorce decree signature page (we do not need the entire decree).
  - If widowed, we must have a copy of the spouse's death certificate. Please contact the Insurance Company's Home Office for additional requirements.
16. Spouse's name printed
17. Signature of Irrevocable Beneficiary, if any. An irrevocable designation would be noted next to the beneficiary's name on the Beneficiary Designation form.
18. Irrevocable Beneficiary's name printed. Please call 1-800-765-6668 if you are unsure of the Beneficiary's status.
19. Signature of Collateral Assignee. If the assignee is a corporation, have the form signed by an authorized officer of the corporation and include his or her title.
20. Collateral Assignee's name and title printed. The partial surrender check will be made payable to both the policyowner and collateral assignee, unless otherwise requested by the Collateral Assignee. (Coordinate with Number "4" above)

**SECTION SIX – Request for Electronic Disbursement To Policyowner's Account** – Please complete the account information and attach a check marked void. all account holders printed on the check must sign.

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**NOTE:** The surrender of policy values will affect the guaranteed elements, non-guaranteed elements, face amount, and surrender value of the policy from which the values are released. The policyowner(s) should request information regarding the existing policy or contract values including, if available, an in force illustration or policy summary.

THIS APPLICATION FOR PARTIAL SURRENDER WILL NOT BE ACTED UPON IF REQUESTED INFORMATION IS OMITTED. PLEASE BE SURE ALL SECTIONS ARE FULLY COMPLETED. PLEASE CONTACT YOUR SECURITY MUTUAL REPRESENTATIVE OR INDIVIDUAL CLIENT SERVICES AT 1-800-765-6668 IF ASSISTANCE IS NEEDED COMPLETING THIS FORM.

**Please return the completed form by mail or fax to Security Mutual Life Insurance Company of New York:**

Standard Mail: Attn: ICS, P.O. Box 1625, Binghamton, NY 13902  
Overnight Mail: Attn: ICS, 100 Court Street, Binghamton, NY 13901  
Fax: 1-607-722-0598