



SECURITY MUTUAL LIFE
INSURANCE COMPANY OF NEW YORK
SECURITY MUTUAL BUILDING • 100 COURT ST.
P.O. BOX 1625 • BINGHAMTON, NY 13902-1625
607.723.3551 • www.smlny.com

**Agreement for Exchange of a Life Insurance Policy to a Life Insurance Policy
Issued by Security Mutual Life Insurance Company of New York
Under Section 1035 of the Internal Revenue Code**

Insured's Full Name: _____

Policyowner's Name (if different from the Insured): _____

Policyowner's Social Security or Tax Id Number: _____

Current Insurance Company's Name: _____

Current Insurance Company's Address (for "overnite" delivery): _____

Current Policy(ies) Number(s)	Estimated Total (Gross) Cash Surrender Value (A)	Approximate Outstanding Loan Value * (B)	Estimated 1035 Net Cash Value Amount (A - B)	Loan Balance to be Carried Over
1. _____	_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
2. _____	_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A
3. _____	_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A

Security Mutual General Agent's name and number: _____

Security Mutual Writing Agent's name and number: _____

* Security Mutual limits the maximum loan value which may be carried over to its Universal Life Insurance policies. The outstanding loan may not exceed 50% of the total (gross) cash surrender value.

A. Absolute Assignment

As the Policyowner of the Current Policy(ies) listed above ("Current Policy(ies)"), I hereby assign and transfer to Security Mutual Life Insurance Company of New York ("Security Mutual"), all right, title and interest in such policy(ies), including but not limited to the right to surrender such policy(ies) and obtain information on such policy(ies). I expressly represent that the purpose of this assignment is to facilitate an exchange of the Current Policy(ies), for a new policy to be issued by Security Mutual under Section 1035 of the Internal Revenue Code ("New Policy").

I UNDERSTAND AND ACKNOWLEDGE THAT SECURITY MUTUAL HAS ENTERED INTO THIS AGREEMENT AT MY REQUEST AS AN ACCOMMODATION TO ME AND THAT SECURITY MUTUAL MAKES NO REPRESENTATIONS CONCERNING, NOR IS SECURITY MUTUAL LIABLE, FOR THE TAX TREATMENT OF THE EXCHANGE UNDER SECTION 1035 OR ANY OTHER SECTION OF THE INTERNAL REVENUE CODE, AND FURTHERMORE, THAT SECURITY MUTUAL MAKES NO REPRESENTATION AS TO THE VALIDITY OF THIS ASSIGNMENT.

B. In consideration of Security Mutual assisting me with the exchange of the Current Policy(ies) under Section 1035 of the Internal Revenue Code, I further represent and agree as follows:

1. (a) **Surrender of the Current Contract:** I understand and agree that Security Mutual is authorized to surrender my Current Policy(ies) for its (their) cash surrender value and that Security Mutual will apply the proceeds it receives from the Current Policy(ies) as premium under the New Policy. Upon effecting surrender of the Current Policy(ies) by the Current Insurer the Current Policy(ies) will no longer be in force. Security Mutual agrees to carry over the loan amount, if applicable, to the New Policy, provided: 1) The request to do so is made on page 1 of this form, 2) A first year policy loan is available on the New Policy being applied for, and 3) the loan value to be carried over to the New Policy does not exceed Security Mutual's guidelines. If the cash surrender value of the Current Policy(ies) exceeds the amount that can be accepted under the New Policy, Security Mutual will apply the excess amount to reduce the outstanding loan balance, if applicable. The loan amount will be maintained on the New Policy in accordance with the provisions of the New Policy

- (b) ☐ Check if applicable. **Lost Policy Statement.** The undersigned Policyowner hereby certifies that to the best of his or her knowledge the Current Policy(ies) has(have) been lost or destroyed and is (are) not in the possession, custody or control of any person, firm, corporation, or other entity, and that neither the Current Policy(ies) nor any interest therein has been assigned or in any way transferred or encumbered

2. Uninterrupted Coverage

- (a) If Security Mutual issues the New Policy as applied for, coverage under the New Policy will be in force once all underwriting requirements have been satisfied and the Absolute Assignment set forth in "Section A", is honored by the Current Insurer.
- (b) If Security Mutual issues the New Policy other than as applied for, Security Mutual will not be on the risk until all underwriting requirements have been completed to Security Mutual's satisfaction and the New Policy has been determined to be acceptable by the Policyowner.
- (c) Any coverage provided under the Current Policy(ies) is subject to paragraph #4 of this agreement, that is, Security Mutual will not pay premiums on the Current Policy(ies).

3. Reassignment of Current Policy

- (a) If Security Mutual declines the Policyowner's application for the New Policy, the Current Policy(ies) will be reassigned to the Policyowner and Security Mutual's obligations under this agreement will end.
- (b) If the Policyowner declines acceptance of or returns the New Policy under the "Free Look" provision, Security Mutual will in its discretion, after receipt of the Policyowner's written instructions, either (i) cooperate with the Policyowner in reinstating the Current Policy(ies) with the Current Insurer, or (ii) deliver to the Policyowner all payments made with respect to the New Policy. The Policyowner acknowledges that the Current Insurer may not permit the Policyowner to reinstate the Current Policy(ies) after having been surrendered. The Policyowner understands that any amounts returned to the Policyowner will be adjusted to pay off the outstanding loan, if applicable. The cancellation of the Current Policy(ies) with an outstanding loan may have tax consequences. The Policyowner assumes responsibility for any tax consequences.
- (c) If for any reason Security Mutual is unable to surrender the Current Policy(ies), the Current Policy(ies) will be reassigned to the Policyowner. Upon receipt of the "Reassignment of Policy" form (IO-4481) or within 3 business days after Security Mutual mails such of said form to the Policyowner's address of record, the New Policy will be cancelled. In such event, the Policyowner agrees to return the New Policy to the Home Office of Security Mutual.

- 4. Security Mutual will not pay premiums on the Current Policy(ies).** The Policyowner understands and agrees that Security Mutual will not make any premium payments on the Current Policy(ies). Therefore, the Policyowner further agree for myself, my heirs, beneficiaries, and assigns that Security Mutual is not liable if the Current Policy(ies) lapse(s) for nonpayment of premiums. The Policyowner agrees that Security Mutual is under no duty to notify the Policyowner of the pending lapse of the Current Policy(ies). The Policyowner knowingly assumes the risk of such lapses.

- 5. No Legal Proceedings Pending.** The Policyowner expressly warrants that the Policyowner is the sole owner of the Current Policy(ies) and that no other person (including fiduciaries, whether or not court appointed), firm, corporation, or governmental unit has any legal or equitable claim against or interest in the Current Policy(ies) except as indicated below. In addition, the Policyowner certifies that the Current Policy(ies) is (are) not involved in any proceeding instituted or pending, in bankruptcy collection, unpaid assessments, or other legal actions of any nature. In addition, no Current Policy(ies) listed on page 1 is (are) subject to any of the following: divorce or separation agreement, legal action, attachment, tax lien or any solvency proceedings.

6. Responsibility for Tax Consequences. The Policyowner understands and agrees that neither Security Mutual nor its agents, in providing this agreement and in facilitating this exchange of insurance policies, are thereby or in connection therewith providing the Policyowner with legal or tax advice regarding the exchange. The Policyowner agrees to consult the Policyowner’s own tax professional for advice regarding the tax consequences of participating in the exchange.

Signatures

Signed at (City and State)_____ Date_____

Policyowner (print name)_____

Policyowner Signature & Title _____

(If owner is a corporation or business firm, provide full name of entity followed by the signature and title of authorized officer. If owner is a trust, provide full name of trust and trust date followed by the signature(s) of trustee(s). Insert the title “Trustee(s)” following the signature.)

Witness (print name) _____

Witness Signature_____

Witness Address _____

Spouse Signature (If policyowner resides in a Community Property State) _____
(AZ, CA, ID, LA, NV, NM, TX, WA, WI)

Irrevocable Beneficiary Signature, if applicable _____

For Home Office Use Only

Received and recorded at the Home Office of Security Mutual Life Insurance Company of New York,

Date _____ By_____

Title_____