

CARRIER GUIDELINES: 1035 EXCHANGES WITH EXISTING LOANS

Carrier	Will Accept 1035 Exchanges with a Loan Balance?	Maximum Loan to Account Value Ratio	Comments
ANICO	Yes	75%	The ratio of the loan to account value cannot exceed 75%. The cash surrender value in the first year of IUL policy must be enough to collateralize the 1035 loan amount.
Banner Life	No		NA
Corebridge Financial	Yes	50%	None
Equitable	Yes	75%	Equitable will accept the transfer of an existing loan as part of a Section 1035 transfer to a new BrightLife Grow policy, subject to certain limitations. Under our current administrative rules, the carryover loan amount cannot exceed 75% of the initial premium on the new policy and must be supportable by the policy. We do not permit loans to be carried over to an inforce policy.
F&G Life	No		NA
Foresters Financial	No		NA
Global Atlantic	Yes	50%	None
John Hancock	Yes	None Published	No published maximum loan ratio limits. Each case reviewed on an individual basis to determine best solution.
Lincoln Financial	Yes	None Published	The loan must be able to fit on the new Lincoln policy. You will need to illustrate the loan coming over. If it can't be illustrated, then the loan does not fit and the client will need to pay down the loan prior to the 1035 exchange.
MassMutual	Yes	Needs to have enough Net CV to cover the premium load on ALIR/LISR and loan interest to End of Year 1	NA
Mutual Of Omaha	No		NA
Nationwide	Yes	50% - 60%	Nationwide would need to review policy design
New York Life	No		NA
North American	No		NA
OneAmerica			N/A
Principal	Yes	50%	Reach out to Home Office for any ratio above 50%
Protective	Yes	80%	The loan cannot be more than 80% of the total 1035 amount. We allow loans on Strategic Objectives II VUL and ProClassic II UL only.
Prudential	Yes	80 - 85%	Minimum Net Cash Value requirement is \$25,000. If Loan value is higher than 80 - 85%, would require pre-approval.
Sagicor	No	N/A	
Securian Financial	No		NA
Symetra	Yes	95%	The loan balance cannot exceed 95% of the rollover cash value.
Transamerica	No		NA
William Penn	No		NA
Zurich	Yes	50%	Only Available on the Zurich Wealth Builder IUL

Updated 2/26/23

For informational purposes only. Not Binding. Please consult carrier documentation for additional details.