

1035 Exchange process overview

We are committed to our financial professionals and the people we serve together - that's why Securian Financial uses a 1035 Exchange process designed to help protect the consumer, and in turn, your practice.

In the past, if a client changed their mind during the 1035 Exchange process, the ceding carrier would commonly reinstate the surrendered policy. Now, it's more commonplace for the other carrier to refuse reinstatement. The client could lose their life insurance coverage and incur a taxable event when the policy values are distributed.

Many carriers, including Securian Financial, have a process in place to minimize this possibility.

How Securian Financial protects our clients during a 1035 Exchange

After the underwriting process, we will ask your client to confirm their continued good health and intention to accept our offer before we proceed with the policy exchange.

The document that requires your client's signature is automatically generated as soon as the underwriting process is complete - and is a required step before we proceed with the 1035 Exchange.

Take a minute to review the process - and mention this part of the process to your applicant so they are comfortable with the process as well.

1035 Exchange process

1

Application is received indicating 1035 Exchange

2

Underwriting decision received and 1035 Exchange confirmation form is requested¹

3

1035 Exchange confirmation is received and case is in good order to proceed

4

1035 Exchange is initiated²

5

We will follow up with the surrendering company every 5 business days, as needed

6

Policy issued as desired, after 1035 funds have been received in home office³

1. Remember, the client must sign this form before we initiate the 1035 Exchange.
2. Some carriers may not accept eSignatures and require additional paperwork.
3. Policy held until receipt of 1035 funds unless otherwise requested.

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