Online Account Access Loan Request Terms & Conditions

Loans
A policyowner may borrow the loan value of the policy, using only the policy as security for the loan.

Loan Value.
Loan value is the amount of cash value available as a policy loan, subject to the terms of your policy's loan provision. Loan value may be less than the policy's cash value. Dividend and Growth Option Rider values, if any, are not excluded from the loan amount.

The amount of any new loan you take may not be more than the loan value, less any existing loan and accrued loan interest (to the extent deductions for these amounts are not already reflected in the loan value). If you request an increase to an existing loan, the additional amount requested will be added to the amount of existing loan and accrued loan interest.

Interest Rate
The interest rate charged applies to both outstanding and new loans in a policy year. Please refer to your prospectus/policy for complete details regarding your policy's interest rate.

Loan Interest
Loan interest is due on each policy anniversary. If the interest is not paid when due, it will be added to the existing loan balance, in the form of an additional loan.

Repayment
Repayment is optional, however, the amount of any unpaid loan and loan interest will be deducted from the policy proceeds at the insured's death, on surrender, maturity or lapse.

You may repay a loan and loan interest in whole or in part at any time while the Insured is living and the policy is in effect.

Effect on Policy
Variable Life Policies For AXA products, a policy loan results in the redemption of units of the separate account according to your monthly deduction allocations. For MONY products, the loaned amount will be disbursed from any investment options that have fund value, based on a prorated calculation. If specific investment option(s) are desired, a loan request form will need to be completed and sent in. A loan has a permanent effect on the Policy Account Value and on the benefits under the policy even if the loan is repaid. That's because the credited interest earned on the loaned amount impaired section of the Policy Account, may be lower than the declared interest earned on the unloaned portion of the Policy Account. Further, policy loan interest charged is generally nondeductible for Federal Income Tax purposes, though credited interest on a loaned amount will be taken into account in determining to what extent a distribution under a policy is includible in income.
Variable Life and Whole Life Policies A policy loan does not generally result in taxable income to the policyowner at the time it is taken. You may incur a taxable gain if, with an outstanding loan on the policy, you surrender your policy, the policy matures, or if the policy ends with no value except as provided by law or the policy itself, or if you choose to change to reduced paid up coverage. The loan balance would be considered distributed under the policy even though there would be no actual cash distribution. The tax treatment of the deemed distribution would generally be to include it in income to the extent it exceeds any remaining cost basis you may have in the policy.

Loans from a policy classified as a Modified Endowment Contract (MEC) will be considered as distribution, and may be considered taxable income and may also be subject to a 10% federal penalty tax.

For MONY policies with the Dividend Capitalization concept, requesting a loan from a source policy could result in insufficient value to complete the payment of the amount due on the funded policies at some time in the future, and the amount billed would be increased accordingly at that time.

The amount of any unpaid loan, plus accrued interest, is deducted from policy proceeds at death or surrender. An outstanding loan also reduces the Cash Surrender Value available for withdrawal. The repayment of the loan from income tax free death benefit proceeds does not create a taxable event. If the loan balance plus accrued interest exceeds the Cash Surrender Value at the beginning of any policy month, the policy is in lapse and a notification letter is sent to the policy owner. The policyowner may prevent termination of the policy by paying the amount specified in the letter within a specific time period. If payment is not received, a termination letter is sent to the policyowner and coverage ends.

Please refer to your policy for complete details concerning your policy's loan provision.