

Collateral Assignment of Policy Benefits



Zurich American Life Insurance Company

Administrative Office
7045 College Boulevard
Overland Park, KS 66211-1523

Phone: 888.634.6780
Fax: 888.796.7545
www.zlifeusa.com

Policy Number

Name of Insured(s)

Name of Policy Owner (if other than Insured)

Address of Policy Owner

Owner's Telephone Number

For value received, the undersigned Policy Owner(s) ("Owner") assigns, transfers, pledges and grants all of his/her/its claims, options, privileges, rights, title and interest in, to and under the above described Policy, any and all additions, renewals and supplementary contracts issued in connection with the Policy, and any and all proceeds thereof (all such policies, contracts and proceeds collectively called the "Policy") as security for **[Describe indebtedness (e.g. "Promissory Note dated X", Loan Number Y", etc.) and state original principal amount in the space below]:**

to:

[State full name (no initials), complete address and social security or taxpayer identification number of Assignee in the space below. If Assignee is a corporation, also include state of incorporation and corporate seal (if any) and provide a corporate resolution or incumbency certificate. If Assignee is a partnership, state full names of all partners, complete address for partnership and social security or taxpayer identification number(s)]

its successors and assigns (collectively called the "Assignee"), subject to all terms and conditions of the Policy and this Collateral Assignment of Policy Benefits ("Assignment"). This Assignment includes, without limitation, assignment of the following rights:

- A. It is agreed that subject to the terms and conditions of the Policy and any superior lienholder rights, the following specific rights are included in this Assignment:
 1. The sole right to collect from Zurich American Life Insurance Company ("Insurer") the net proceeds of the Policy due to the death of the insured or maturity;
 2. The sole right to withdraw value from or surrender the Policy and receive the surrender value at any time provided by the terms of the Policy and at such other times as the Insurer may allow;
 3. The sole right to obtain one or more loans or advances on the Policy at any time, either from the Insurer or from other persons, and to pledge or assign the Policy as security for such loans and advances; and
 4. The sole right to exercise and receive benefits for all nonforfeiture rights permitted by the terms of the Policy.

- B. It is agreed that the following specific rights, so long as the Policy has not been surrendered or canceled, are reserved to the Owner and excluded from this Assignment:
1. The right to collect from the Insurer any disability benefit payable in cash that does not reduce the amount of insurance;
 2. The right to designate and/or change the beneficiary of the Policy; and
 3. The right to elect any optional mode of settlement permitted by the Policy or allowed by the Insurer;

Provided, however, the reservation of these rights to the Owner will in no way impair any other right of the Assignee, and any designation or change of beneficiary or election of a mode of settlement will be made subject to this Assignment and to the rights of the Assignee.

- C. This Assignment is made, and the Policy is to be held, as collateral security for any and all liabilities of the Owner(s) to the Assignee, either now existing or that may hereafter arise in the ordinary course of business between the Owner(s), (or any of them), and the Assignee (all of which liabilities secured or to become secured are called "Liability" or, in the aggregate, "Liabilities").
- D. The Assignee covenants and agrees with the Owner as follows:
1. That any balance of sums received from the Insurer remaining after payment of the then existing Liabilities, matured or unmatured, will be paid by the Assignee to the persons entitled to the sums under the terms of the Policy had this Assignment not been executed;
 2. That the Assignee will not exercise either the right to withdraw value from or surrender the Policy or (except for the purpose of paying premiums) the right to obtain policy loans from the Insurer until there has been a default in any of the Liabilities or a failure to pay any premium when due, nor until twenty (20) days after the Assignee has mailed by first class mail to the Owner at the address last supplied in writing to the Assignee specifically referring to this Assignment, notice of intention to exercise such right; and
 3. That upon the Owner's request, the Assignee will forward the Policy without unreasonable delay to the Insurer for endorsement of any designation or change of beneficiary or any election of an optional mode of settlement.
- E. The Insurer is authorized to recognize the Assignee's claims to rights under this Assignment without investigating the reason for any action taken by the Assignee, or the amount of the Liabilities or the existence of any default, or the giving of any notice provided under Paragraph D.2 above, or otherwise, or the application made by Assignee of any amounts to be paid to Assignee. The sole signature of the Assignee will be sufficient for the exercise of any rights under the Policy assigned and the sole receipt of the Assignee for any sums received will be a full discharge and release to the Insurer. Checks for all or any part of the sums payable under the Policy, will be drawn to the exclusive order of the Assignee if, when and in such amounts as may be requested by the Assignee.
- F. The Assignee is under no obligation to pay any premium, or the principal of or interest on any loans or advances on the Policy whether or not obtained by the Assignee, or any other charges on the Policy. Any such amounts so paid by the Assignee from its own funds will become a part of the Liabilities secured under this Assignment and due immediately, drawing interest at a rate fixed by the Assignee.
- G. The exercise of any right, option, privilege or power given the Assignee under this Assignment is at the option of the Assignee. Except as restricted by Paragraph D.2 above, the Assignee may exercise any such right, option, privilege or power without notice to, or assent by, or affecting the liability of, or releasing any interest assigned by the Owner, or any of them.
- H. The Assignee may take or release other security, may release any party primarily or secondarily liable for any of the Liabilities, may grant extensions, renewals, or indulgences with respect to the Liabilities, or may apply to the Liabilities in such order as the Assignee may determine, the proceeds of the Policy assigned or any amount received on account of the Policy by the exercise of any right permitted under this Assignment, without resorting or regard to other security or any guaranty. No waiver of any provision of this Assignment will be effective unless it is writing and signed by the parties.

- I. In the event of any conflict between the provisions of this Assignment and the provisions of the note or other evidence of any Liability, with respect to the Policy or rights of collateral security, the provisions of this Assignment will prevail.
- J. Each Owner declares that no proceedings in bankruptcy or insolvency have been filed or are pending against him/her/it and that his/her/its property is not subject to any assignment for the benefit of creditors.
- K. At such time as the Liabilities have been paid and performed in full, the Assignee will promptly terminate this Assignment and the security interest granted by it.
- L. The Insurer will recognize this Assignment as being in full force and effect and will act accordingly until such time that it receives written notice that this Assignment has been released.

Signed and dated in: _____ on _____
 (City/State) Date (MM/DD/YYYY)

 Signature of Policy Owner Name of Policy Owner (please print)

 Signature of Additional Policy Owner (if any) Name of Additional Policy Owner (please print)

 Signature of Irrevocable Beneficiary (if any) Name of Irrevocable Beneficiary (please print)

 Signature of Irrevocable Beneficiary (if any) Name of Irrevocable Beneficiary (please print)

 Signature of Witness Name of Witness (please print)

 Address of Witness Witness Telephone Number

 Signature of Assignee (and Title if corporation) Assignee's Telephone Number

 Signature of Assignee (and Title if corporation) Assignee's Telephone Number

 Signature of Witness Name of Witness (please print)

 Address of Witness Witness Telephone Number

Recording Acknowledgment

Received and duplicate filed at Zurich American Life Insurance Company's Administrative Office, 7045 College Boulevard, Overland Park, KS 66211-1523. By such filing, the Insurer assumes no responsibility as to the document's validity and expressly reserves the right to require proof satisfactory to the Insurer of the Assignee's interest before making any settlement under the Policy.

ZURICH AMERICAN LIFE INSURANCE COMPANY

By _____
Title _____ Date Recorded _____

Sample Assignee Designations (Not a part of this assignment)

1. **Bank:** "The First National Bank, 123 Main St, Anytown, CA 90021, TIN 39-1234567, under Assignment agreement dated [insert date]."
2. **Corporation:** "The Major Motors Corporation, TIN 39-1234567, a [state of incorporation] corporation, with its principal place of business at 123 Main St, Anytown, CA 90021."
3. **Partnership:** "The Smith & Jones Company, a partnership consisting of, [names of ALL partners], with its principal place of business at 123 Main St, Anytown, CA 90021."
4. **Trustee:** "[Name of bank or individual Trustee], 123 Main St, Anytown, CA 90021, as Trustee(s) under agreement dated [date of trust] with [Name of person(s) who established the trust] as Settlor(s) of the Trust, TIN 39-1234567."

Instructions

1. Use this form only for an assignment of the policy as collateral security for loan(s) - do not use for change of ownership. Submit a separate form for each policy assigned.
2. Use full name(s) (no initials) and complete address(es). Include social security and/or taxpayer identification numbers. If Assignee is a corporation, also include state of incorporation, corporate seal (if any) and furnish a corporate resolution or incumbency certificate.
3. This form must be completed in full, legible, and signed by all necessary persons.
4. **Please do not submit your Policy with this form.** A recorded copy of the assignment will be returned to the owner(s) and assignee(s).

Mail or fax the completed form to:

**Zurich American Life Insurance Company
7045 College Boulevard
Overland Park, KS 66211-1523
Fax: 888.796.7545**

**INSURER WILL NOT RECOGNIZE ANY ASSIGNMENT UNTIL IT IS RECEIVED AND RECORDED
BY ZURICH AMERICAN LIFE INSURANCE COMPANY**