

Assignment of Policy as Collateral Security



Working with you, for life®

Fidelity Life Association
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Tel 800.369.3990 Fax 866.947.8738

PART A

For Value Received, the undersigned hereby assigns, transfers and sets over to _____ of _____ (herein called the "Assignee"), Policy Number _____ issued on the life of _____ (herein called the "Insured") by the Company, (herein called the "Insurer") all rights, title and interest therein and there under (except as provided herein) subject to the terms and conditions of the Policy and all superior liens, if any, which the insurer may have against the Policy.

PART B

The amount to be collaterally assigned is \$ _____

PART C

Purpose of the assignment (check one):

- ☐ To secure a loan provided by a financial institution.
- ☐ To secure a loan provided by an individual.
- ☐ To secure a lump sum settlement (such as selling a: government and/or corporate pension, a lump sum payment from a court approved structured settlement, annuities, etc.).
- ☐ Other: _____

PART D

Required supporting documentation:

- A copy of the loan repayment schedule; or
- A copy of the amortization schedule.

The Company is entitled to rely on the representation of the Assignee as to the balance of the debt at the time the contract proceeds are payable. Payment to the Assignee upon written demand by the Assignee of the amount stated by the Assignee to be the balance of the debt secured shall relieve the Company of any further liability for that amount paid, whether or not the amount demanded by the Assignee was an accurate accounting of the balance of the debt.

PART E

I. This assignment is made as collateral security for the purpose of securing an indebtedness of the Insured to the Assignee now existing and any additional indebtedness of the Insured to the Assignee which may exist at the time of settlement under the Policy. This assignment is expressly limited to such of the proceeds under the Policy as may be necessary to liquidate said indebtedness, the remainder of the proceeds being unaffected hereby.

II. The Assignee shall have the right to surrender the Policy and receive the surrender value thereof at any time provided by the terms of the Policy and at such other times as the Insurer may allow; provided; however, the Assignee shall not exercise the right to surrender the Policy until there has been a default in indebtedness secured hereby or a failure of the Insured to pay any premium when due, nor until twenty days after the Assignee shall have mailed, by first-class mail, to the Insured, notice of intention to surrender the Policy.

III. It is expressly agreed that the following rights, so long as the Policy is not surrendered, are reserved and excluded from this assignment and do not pass by virtue hereof:

1. The right to collect from the Insurer any disability, hospital, and/or accident benefits;
2. The right to designate and change the beneficiary;
3. The right to elect optional modes of settlement;
4. The right to receive such dividends as may be declared;

The reservation of these rights shall in no way impair the right of the Assignee to surrender the Policy or impair any other right of the Assignee

IV. The Insurer is hereby authorized to recognize the Assignee's claims hereunder without investigating the reason for any action taken by the Assignee, or the validity or amount of any claimed indebtedness or the existence of any default therein, or the giving of notice required in Paragraph III hereof, or the application to be made, by the Assignee, of any amounts to be paid to the Assignee. The sole signature of the Assignee shall be sufficient for the exercise of any rights under the Policy assigned hereby and to sole receipt of the Assignee for any sums received shall be a full discharge and release thereof to the Insurer. Checks for all or any part of the sums payable under the Policy and assigned hereby, shall be drawn to the exclusive order of the Assignee if, when, and in such amounts as may be requested by the Assignee.

V. The Assignee agrees:

1. That in the event the right to surrender the Policy is exercised, any balance of sums received hereunder from the Insurer remaining after payment of the then existing indebtedness shall be paid by the Assignee or the persons entitled thereto under the terms of the Policy had this assignment not been executed;
2. That, upon payment of the indebtedness secured hereby, written notice of the release of this assignment will be given to the Insurer.

VI. In the event of any conflict between the provisions of this assignment and the provisions of the note or other evidence of indebtedness, with respect to the Policy rights of collateral security therein, the provisions of this assignment shall prevail.

PART F

IMPORTANT- Assignment of your contract may be a taxable event. Please consult your tax advisor before signing.

Upon receipt of this document, properly completed, the Company will forward a letter of confirmation to the Assignor and Assignee. This assignment shall not be binding on the Company unless and until this Assignment has been filed with the Company and such letter of confirmation has been sent. The Company is not a party to this Assignment and shall not be responsible for the validity of any assignment, nor its effect. The parties hereto have had the opportunity to obtain legal and tax advice, have reviewed this form prior to signing, and have determined that it carries out their intentions.

Signed and sealed this _____ Day of _____, 20 _____.

Witness

*Owner

Address

** Spouse Signature (if applicable)

Address

County of _____
State of _____ } SS.

On the _____ Day of _____, 20 _____ before me personally appeared _____ to me known to be the identical person _____ described in and who executed the above assignment and acknowledged to me that the execution of same was _____ free act and deed for the purpose therein specified.

Notary Public

My commission expires on _____, 20 _____.

* For corporations, add signature and title of another officer and affix corporation resolution.

** The spouse, if any, must sign if the policy was issued to or is owned by a resident of the following community property states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington or Wisconsin.

Fidelity Life Association, A Legal Reserve Life Insurance Company