

Collateral Assignment Form



**Zurich American Life
Insurance Company (ZALICO)**

Administrative Offices:
PO Box 19097
Greenville, SC 29602-9097
800/449-0523

Contract/Policy Owner _____

Contract/Policy Number _____

Daytime Phone Number _____

Part A

For Value Received, the Contract/Policy owner listed above (herein called the "owner") hereby assigns, transfers and sets over to _____ (herein called the "Assignee") of _____

Street _____ City _____ State _____ Zip _____

Contract/Policy number _____ issued by **Zurich American Life Insurance Company** (herein called the "Insurer") of Schaumburg, Illinois and any supplementary contracts issued in connection herewithin all claims, options, privileges, rights, title, and interest therein and thereunder (except as provided in part herein) subject to all terms and conditions of the Contract/Policy and to all superior liens, if any, which the Insurer may have against the Contract/Policy. The owner(s) by this instrument jointly and severally agree, and the Assignee by the acceptance of this assignment agrees, to the conditions and provisions herein set forth.

Part B

It is expressly agreed that, without detracting from the generality of the foregoing, the following specific rights are included in this assignment and pass by virtue hereof:

- The sole right to collect from the Insurer the net proceeds of the Contract/Policy when it becomes a claim by death or maturity;
- The sole right to surrender the Contract/Policy and receive the surrender value thereof at any time provided by the terms of the Contract/Policy and of such other times as the Insurer may allow;
- The sole right to obtain one or more loans or advances on the Contract/Policy, either from the Insurer or, at any time, from other persons, and to pledge or assign the Contract/Policy as security for such loans or advances;
- The sole right to collect and receive all distributions or shares of surplus, dividend deposits, or additions to the Contract/Policy now or hereafter made or apportioned thereto, and to exercise any and all options contained in the Contract/Policy with respect thereto: provided that unless and until the Assignee shall notify the Insurer in writing to the contrary, the distributions of shares of surplus, dividend deposits, and additions shall continue on the plan in force at the time of this assignment; and
- The sole right to exercise all nonforfeiture rights permitted by the terms of the Contract/Policy or allowed by the Insurer and to receive all benefits and advantages derived therefrom.

Part C

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

- The right to collect from the Insurer any disability benefit payable in cash that does not reduce the amount of insurance;
- The right to designate and change the beneficiary;
- The right to transfer amounts among any of the investment options available under the Contract/Policy;
- The right to elect any optional mode of settlement permitted by the Contract/Policy or allowed by the Insurer; but the reservation of these rights shall in no way impair the right of the Assignee to surrender the Contract/Policy completely with all its incidents or impair any other right of the Assignee hereunder, and any designation or change of beneficiary or election of a mode of settlement shall be made subject to this assignment and to the rights of the Assignee hereunder.

Part D

This assignment is made and the policy is to be held as collateral security for any and all liabilities of the owner(s), or any of them, to the Assignee, either now existing or that may hereafter arise in the ordinary course of business between any of the owner(s) and the Assignee (all of which liabilities secured or to become secured are herein called "Liabilities").

Part E

The Assignee covenants and agrees with the owner(s) as follows:

- That any balance of sums received hereunder from the Insurer remaining after payment of the then existing Liabilities, matured or unmatured, shall be paid by the Assignee to the persons entitled thereto under the terms of the Contract/Policy had this assignment not been executed;
- That the Assignee will not exercise either the right to surrender the Contract/Policy or (except for the purpose of paying premiums) the right to obtain policy loans from the Insurer, until there has been default in any of the Liabilities or a failure to pay any premium when due, nor until twenty days after the Assignee shall have mailed, by first-class mail, to the undersigned of the addresses last supplied in writing to the Assignee specifically referring to this assignment, notice of intention to exercise such rights; and
- That the Assignee will, upon request, forward without unreasonable delay to the Insurer the Contract/Policy for endorsement of any designation or change of beneficiary or any election of an optional mode of settlement.

Part F

The Insurer is hereby authorized to recognize the Assignee’s claims to rights hereunder without investigating the reason for any action taken by the Assignee or the validity or the amount of the Liabilities or the existence of any default therein, or the giving of any notice under Section E above or otherwise, or the application to be made by the Assignee of any amount to be paid to the Assignee. The sole signature of Assignee shall be sufficient for the exercise of any rights under the Contract/Policy assigned hereby and the sole receipt of the Assignee for any sums received shall be a full discharge and release therefore to the Insurer. Checks of all or any part of the sums payable under the Contract/Policy and assigned herein shall be drawn to the exclusive order of the Assignee if, when, and in such amounts as may be, requested by the Assignee.

Part G

The Assignee shall be under no obligation to pay any premium, or the principal of or interest on any loans or advances on the Contract/Policy whether or not obtained by the Assignee, or any other charges on the Contract/Policy, but any such amounts so paid by the Assignee from its own funds shall become a part of the Liabilities hereby secured, shall be due immediately, and may draw interest at a rate fixed by the Assignee.

Part H

The exercise of any right, option, privilege, or power given herein to the Assignee shall be at the option of the Assignee, but (except as restricted by Section E, above) the Assignee may exercise any right, option, privilege, or power without notice too, or assent by, or affecting the liability of, or releasing any interest hereby assigned by the owner(s).

Part I

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 shall determine, the proceeds of the Contract/Policy hereby assigned or any amount received on account of the Contract/Policy by the exercise of any right permitted under this agreement, without resorting or regard to other securities.

Part J

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 Contract/Policy or rights of collateral security therein, the provisions of this assignment shall prevail.

Part K

The owner(s) declares that no proceedings in bankruptcy are pending against him/her and that this Contract/Policy is not subject to any assignment for the benefit of creditors.

Important Notice - Annuity Contract & MEC Owners

Under IRC Section 72(e), the value of any amounts assigned or pledged as collateral may be subject to taxation. Thus, the action you are taking may subject you to a taxable event. You may wish to consult with your attorney or tax advisor concerning this matter.

Note: only Non-Qualified contracts may be assigned.

Signatures

Name of Owner _____ Owner Signature _____ Date _____

Joint Owner’s name _____ Joint Owner Signature _____ Date _____

Name of Irrevocable Beneficiary (if any) _____ Irrevocable Beneficiary Signature _____ Date _____

Name of Guarantee _____ Date _____

Signature of Spouse _____ Date _____
(If the contract is owned by a resident of AZ, CA, ID, LA, NV, NM, TX, WA, or WI)

Zurich American Life Insurance Company shall be conclusively presumed not to have had any notice or knowledge of this assignment, unless the original or a duly executed duplicate thereof is filed with the company. This form is provided for convenience only. Zurich American Life Insurance Company can assume no obligation as to the validity or sufficiency of the assignment, and does not pass upon its legality, but reserves the right to demand proof of interest and extent thereof in case of a claim by the Assignee, and reserves the right to make payment by joint check.

Recorded and filed at Greenville, South Carolina on _____, 20 _____

Company Officer Signature _____ Title _____