



**POLICY EXCHANGE AGREEMENT/ABSOLUTE ASSIGNMENT**

for IRC Section 1035 Life Insurance Exchange

Do not use this form for collateral security purposes. Be sure all appropriate blanks are filled in and boxes checked. The Company does not guarantee that any form is valid or sufficient, and provides this form only as a convenience.

Policy(ies) to be exchanged (Contract(s)): \_\_\_\_\_

Issued by (Current Insurer): \_\_\_\_\_

Insured's Name: \_\_\_\_\_

Owner's Name \_\_\_\_\_

Owner's SSN/TIN: \_\_\_\_\_

Is there a Collateral Assignment on this Contract?  Yes  No

Will this Assignment be transferred to the new policy/certificate? (Appropriate forms will need to be completed.)  Yes  No

Name: \_\_\_\_\_

Check here if original policy(ies)/certificate(s) is lost or destroyed.

- Check one:**  I intend to pay the initial premium in cash when the policy/certificate is issued and presented for delivery.
- I intend to use the proceeds from the exchanged contracts to pay the initial premium due. I understand that by using this option that there may be a delay in the issuing of the Company's policies/certificates until the current Insurer releases the contract proceeds.

**The undersigned Owner(s) understand and agree to the following:**

- The Owner(s) assign and transfer to the Company and its executors, administrators, successors or assigns all rights, title and interest in the Contract for the purpose of affecting an exchange of the Contract for a new policy/certificate to be issued by the Company. The Company will not exercise any rights under this assignment until all requirements for issuance of a new policy/certificate have been satisfied. If the Company declines, cancels, or postpones the new application for insurance, the Company will release this assignment. The Owner(s) understand and agree that without limitation, this assignment specifically includes, unless otherwise specified below:
  - the right to surrender the Contract to the Current Insurer for its cash value, if any
  - the right to transfer any and all rights under this assignment
  - the right to receive any death benefit payable under the Contract, and
  - the right to exercise all the other options and privileges, all without consent of the Owner(s) and without notice to the Owner(s)
- No Contract listed above is subject to any of the following:
  - collateral assignment not disclosed above
  - divorce or separation agreement
  - attachments
  - irrevocable beneficiary arrangement
  - any legal action
  - tax lien
  - insolvency proceedings
- The Owner(s) will continue to pay the premiums necessary to keep the Contract in force until the Contract's surrender proceeds are released from the Current Insurer. The Company bears no responsibility for payment of any premiums. Failure to pay premiums on the Contract prior to surrender may create a loan, or reduce coverage, or eliminate surrender proceeds, or create a potential lapse in coverage.
- If requested, the Company will carry over to the new policy/certificate an existing loan as allowed by applicable provisions of the Internal Revenue Code and in accordance with the Company's policy/certificate provisions. If an existing loan is not carried over, there may be taxable income upon completion of this transaction.

**Check one: (This option does not pertain to MoneyGuard® Reserve)**

- The Contract is subject to an outstanding loan for the approximate amount of \$\_\_\_\_\_. The new policy/certificate will be issued subject to the same loan amount as on the contract.
- The Contract is subject to an outstanding loan, and the new policy/certificate will not be issued subject to a loan, which may result in a taxable event.
- The Contract is not subject to an existing loan

If a loan carryover is requested on this form, the Owner(s) agree that:

- The loan will be carried over to the new policy/certificate subject to any minimum and maximum loan amount restrictions or the Company's other product guidelines. (Please consult with your agent regarding any applicable restrictions.)
- Upon the Company's receipt of the Contract's surrender proceeds, if the Company determines that the loan amount does not meet the product guidelines for the new policy/certificate, the Company has the right to rescind the new policy/certificate.

Upon rescission, the Company, at the direction of the Owner(s), shall: a) return all premiums received under the new policy/certificate, including the Contract's surrender proceeds, to the Current Insurer (subject to acceptance by the Current Insurer); or b) return all premiums received under the new policy/certificate, including the Contract's surrender proceeds, to the Owner(s); whereupon, the Company shall be released from any further obligations under this assignment or the new policy/certificate.

**If a loan carryover is not requested on this form, but is subsequently requested, the Company has the right to refuse to process the loan carryover.**

- 5. If the application for the new policy/certificate is cancelled, declined or postponed by the Company for any reason, or if the Owner(s) should, for any reason, cancel or not accept the new policy/certificate or fail to complete the requirements necessary to issue it, the Company will release this assignment. If the Company has already requested surrender of the Contract or actually received the Contract's surrender proceeds, then the Company, at the direction of the Owner(s), shall either: a) return all premiums received under the new policy/certificate, including the Contract's surrender proceeds, to the Company (subject to acceptance by the Company); or b) return all premiums received under the new policy/certificate, including the Contract's surrender proceeds, to the Owner(s); whereupon, the Company shall be released from any further obligations under this assignment or the new policy/certificate.
- 6. Coverage under the Company's new policy/certificate becomes effective when: **(See below for MoneyGuard®)**
  - the application has been approved by the Company, a signed and valid illustration has been received by the Company; and
  - the appropriate parties have signed and accepted any amendments required to render an underwriting decision, such as questions related to health, avocations and amount of insurance in-force or applied for with other companies; and
  - The Company has mailed this agreement to the Current Insurer, unless the Current Insurer determines that this agreement is not in good order; or a premium has been paid to the Company.

A delay in receipt of the Contract's surrender proceeds or other premiums may affect the newly issued policy/certificate's illustrated premiums, death benefits, and/or guarantees.

**For all MoneyGuard® products coverage is effective only for the amount of the death benefit and does not cover LTC benefits.**

- 7. Should the Insured die after coverage becomes effective under the Company's new policy/certificate (as provided in paragraph 6), payment of benefits will be governed by the terms of the Company's new policy/certificate. If coverage is not yet effective under the Company's new policy/certificate, payment of benefits will be governed by the terms of the Contract. During the application and exchange process, coverage will be available to the Owner(s) and/or any beneficiaries either under the Contract or under the Company's new policy/certificate, but not under both. Coverage under any Temporary Insurance Agreement or Conditional Receipt shall be unaffected by this assignment.
- 8. In effecting this change in accordance with the above provisions, the Company is hereby held harmless with respect to any damages the Owner(s) may incur resulting from the exchange. The Owner(s) understand that the Company is not responsible for any tax consequences which may result from the policy exchange or the failure of the policy exchange to occur. The Company has made no representation concerning the tax treatment of the policy exchange under the Internal Revenue Code, and the Owner(s) will not rely on the Company or any of the Company's agents or employees for any tax advice.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.  
*(month)* *(year)*

\_\_\_\_\_  
Signature of Owner/Trustee if Owner is a Trust  
(Provide Title if policy/certificate is owned by a Trust)

\_\_\_\_\_  
Printed Name of Corporation (if Owner is a Corporation)

\_\_\_\_\_  
Printed Name of Owner with Title

\_\_\_\_\_  
Authorized Signature and Title, if Owner is a Corporation

\_\_\_\_\_  
Spousal Signature (If Community Property State)

\_\_\_\_\_  
Printed Name and Title, if Owner is a Corporation

\_\_\_\_\_  
Printed Name of Spouse (If Community Property State)

\_\_\_\_\_  
Authorized Signature and Title, if Owner is a Corporation

\_\_\_\_\_  
Authorized Signature of Assignee (If applicable)

\_\_\_\_\_  
Printed Name and Title, if Owner is a Corporation

Signed on behalf of the above-indicated Company:

By: \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_,  
Duly Authorized Officer of the Company and Title