



ASSIGNMENT OF LIFE INSURANCE POLICY AS COLLATERAL

Liberty Life Insurance Company

A. For Value Received the undersigned hereby assign, transfer and set over to

NAME OF ASSIGNEE
ADDRESS OF ASSIGNEE
CITY STATE ZIP

its successors and assigns, (herein called the "Assignee") Policy No. issued by Liberty Life Insurance Company (herein called the "Insurer") and any supplementary contracts issued in connection therewith (said policy and contracts being herein called the "Policy") upon the life of and all claims, options, privileges, rights, title and interest therein and thereunder (except as provided in Paragraph C hereof), subject to all the terms and conditions of the Policy and to all superior liens, if any, which the Insurer may have against the Policy. The undersigned 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.

- B. It is expressly agreed that, without detracting from the generality of the foregoing, the following specific rights are included in this agreement and pass by virtue hereof:
1. The sole right to collect from the insurer the net proceeds of the Policy when it becomes a claim by death or maturity;
2. The sole right to surrender the Policy and receive the surrender value at any time provided by the terms of the Policy and at other times as the insurer may allow;
3. The sole right to obtain one or more loans or advances on the Policy, either from the Insurer or, at any time, from other persons, and to pledge or assign the Policy as security for such loans or advances;
4. The sole right to exercise all nonforfeiture rights permitted by the terms of the Policy or allowed by the Insurer and to receive all benefits and advantages derived therefrom.
C. It is expressly agreed that the following specific rights, so long as the Policy has not been 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 benefit payable in cash that does not reduce the amount of insurance;
2. The right to designate and change the beneficiary;
3. The right to elect any optional mode of settlement permitted by the Policy or allowed by the Insurer; but the reservation of these rights shall in no way impair the rights of the Assignee to surrender the 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.
D. This assignment is made and the Policy is to be held as collateral security for any and all liabilities of the undersigned, 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 undersigned and the Assignee (all of which liabilities secured or to become secured are herein called "Liabilities").
E. The Assignee covenants and agrees with the undersigned as follows:
1. 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 Policy had this assignment not been executed;
2. That the Assignee will not exercise either the right to surrender the Policy or (except for the purpose of payment 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 at the addresses last supplied in writing to the Assignee specifically referring to this assignment, notice of intention to exercise such right; and
3. That the Assignee will upon request forward without unreasonable delay to the Insurer the Policy for endorsement of any designation or change of beneficiary or any election of an optional mode of settlement.
F. The Insurer is hereby authorized to recognize the Assignee's claim to rights hereunder without investigating the reason for any action taken by the Assignee, or the validity or the amount of Liabilities or the existence of any default therein, or the giving of any notice under Paragraph E(2) above or otherwise, 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 the sole receipt of the Assignee for any sums received shall be a full discharge and release therefor to the Insurer. Checks for all or any part of the sums payable under the 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.
G. In the event of any conflict between the provisions of this assignment and provisions of the note or other evidence of any Liability, with respect to the Policy or rights of collateral security therein, the provisions of this assignment shall prevail.
H. Each of the undersigned declares that no proceedings in bankruptcy are pending against him and that his property is not subject to any assignment for the benefit of creditors.

Signed this day of 20

••• COMPLETE FOR INDIVIDUALLY OWNED POLICY •••

••• COMPLETE FOR CORPORATE OWNED POLICY •••

POLICYOWNER

NAME OF CORPORATION

SIGNATURE OF SPOUSE REQUIRED IN COMMUNITY PROPERTY STATE

SIGNATURE OF PRESIDENT OR VICE PRESIDENT - INDICATE TITLE

••• PLEASE COMPLETE ACKNOWLEDGMENT ON PAGE 2 •••

INDIVIDUAL ACKNOWLEDGMENT

STATE OF _____)
)ss:
COUNTY OF _____)

On the _____ day of _____, 20 _____ before me personally came _____, to me known to be the individual _____ described in and who executed the assignment on Page 1 hereof and acknowledged to me that ___he___ executed the same.

NOTARY PUBLIC

MY COMMISSION EXPIRES _____



CORPORATE ACKNOWLEDGMENT

STATE OF _____)
)ss:
COUNTY OF _____)

On the _____ day of _____, 20 _____ before me personally came _____, who being by me duly sworn, did depose and say that he resides in _____ that he (she) is the _____ of _____, the corporation described in and which executed the assignment on the Page 1 hereof; that he knows the seal of said corporation; that the described in and which executed the assignment on Page 1 hereof; and that he (she) as an authorized officer of said corporation executed the assignment on behalf of said corporation.

NOTARY PUBLIC

MY COMMISSION EXPIRES _____



ACKNOWLEDGMENT OF LIBERTY LIFE INSURANCE COMPANY

The Liberty Life Insurance Company has recorded the assignment and retained a duplicate copy.

DATED _____ BY _____
POLICY ADMINISTRATION