



USFL
PO BOX 1419
Charlotte NC 28201-1419
Phone: 800-959-3894

(INSERT INSURED'S NAME AS IT APPEARS IN POLICY)

POLICY NUMBER(S)

PLEASE SEE "IMPORTANT NOTICES" ON PAGE 2

Section 1

ABSOLUTE ASSIGNMENT

FOR VALUE RECEIVED OR AS AN UNCONDITIONAL GIFT, all rights, title and interest of the undersigned in and to the above contract(s) is hereby assigned, transferred and sent over to:

(Name)

(Address)

Section 2

COLLATERAL ASSIGNMENT

FOR VALUE RECEIVED the above contract(s) is hereby assigned, transferred and sent over to:

(Name)

(Address)

AS ITS/HIS/HER INTEREST MAY APPEAR (unless a specific dollar amount is indicated here \$ _____)

Section 3

SIGNATURES

The undersigned guarantees the validity and sufficiency of this assignment. This assignment is made subject to all claims, liens and indebtedness against this contract if any, which may exist in favor of USFL.

Signature of Assignor

Date

Other Required Signature

Address

Section 4

RELEASE OF ASSIGNMENT

Assignee hereby releases and relinquishes all its/his/her rights as assignee in the policy(s) or contract(s) described above. The consideration for such assignment has been / has not been (circle one) satisfied fully paid.

Assignee (Print)

By (Authorized Person and Title)

Date

ACKNOWLEDGEMENT BEFORE NOTARY PUBLIC

NOTE: Must be completed for an Assignment or a Release of Assignment where the signature of the Assignor or the Assignee is the Insured signing on behalf of a Corporation, Firm or Partnership.

State of _____ County of _____

On this _____ day of _____ before me personally came _____

If a Corporation to me known, who did depose and say that he/she resides in _____ that he/she is the _____ of _____ the corporation described in and which executed this instrument, and that he/she signed his or her name with all requisite Corporate authority.

If an Individual known to me to be the person who executed this instrument.

If a Firm or a Partnership known to me to be the person who executed this instrument, who did depose and say that he/she is a member/partner of the firm/partnership of _____, consisting of him/herself and _____ and that he/she executed this instrument on behalf of the firm and had proper authority to do so. (Name or number of partners)

(Notary Public)

My Commission expires _____

FOR F.U. AGENCY USE ONLY

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PENDING TRANSACTION CONTRACT

☐

POLICYOWNER

☐

F.U.

☐

AGENCY

☐

COMPLETED TRANSACTION: SEND TO

☐

POLICYOWNER

☐

F.U.

☐

AGENCY

PRINT F.U. OR ASA NAME

CODE #

(Address)

HOW TO PREPARE THIS FORM

1. ORIGINAL AND DUPLICATE FORMS:

The original form should be completed and sent to USFL. A duplicate will be acknowledged at the USFL, Policyholder Service Department, PO BOX 1419, Charlotte NC 28201-1419 and will be returned to the policy owner and the assignee.

2. ACKNOWLEDGEMENT OF SIGNATURE BEFORE NOTARY PUBLIC:

Completion of an acknowledgement by a Notary Public is required when the Insured is signing on behalf of a Corporation, Firm or Partnership. All Releases of Assignment must be acknowledged.

3. PARTNERSHIPS AND LIMITED LIABILITY COMPANIES:

When an assignment or release is executed by a partnership or limited liability company, the name of the firm should be given and it should be signed by a general partner or member respectively other than the Insured.

4. CORPORATE SIGNATURES:

If you are signing on behalf of a corporation, please state its full legal name (as it appears on its Certificate of Incorporation or Charter) and your title. The officer signing as assignor or assignee should be someone other than the Insured. However, where the Insured is signing on behalf of a Corporation, Firm, or Partnership the Notary Public Acknowledgement must be complete.

5. POLICY OR CONTRACT:

It is not generally necessary to send the policy to the company along with the assignment form. Assignees may want to have possession of the policy/contract while the assignment is in force.

IMPORTANT NOTICES:

- (1) Whether an assignment is (or should be) absolute or collateral depends upon its purpose(s) and the mutual intent of the rightsholder and assignee. The nature of the assignment is not necessarily determined by the label (collateral or absolute) selected on this form. The descriptions below may assist you in selecting type of assignment that you prefer.
- (2) In the case of a collateral assignment of a USFL policy or contract, the assignee will NOT be able to exercise any prematurity rights (e.g., rights existing before the death of the insured or annuitant) without the written consent of the rightsholder even if there's a default under the loan secured by the assignment. The signatures of both assignee and rightsholder will be needed for any transaction (including surrenders, withdrawals and loans) except a change of beneficiary or optional mode of settlement, or a claim for waiver of premium.
- (3) The collateral assignment of an annuity will ordinarily result in immediate adverse income tax consequences to the contract owner. Under current tax laws, the interest that later becomes earned on the contract will become taxable on a current basis and it will also be subject to a 10% tax penalty. Consult your own tax advisor.
- (4) USFL will not be bound by the terms of any assignment until it is recorded and acknowledged at USFL, Policyholder Service Department, PO BOX 1419, Charlotte NC 28201-1419. USFL does not render any opinion as to the validity, extent, priority, enforceability, tax consequences or desirability of any assignment. Before making any loans, lenders may wish (i) to obtain current policy financial information, (ii) to confirm the in-force status of any policy or contract proposed for assignment before making any loan, and (iii) to determine whether any prior assignments currently encumber a policy.
- (5) This form is provided as a courtesy. USFL may accept any properly drafted assignment for recordation. Lenders are encouraged to submit the American Bankers Association life insurance assignment form no. 10 to USFL for recording.
- (6) If, within nine months of an insured/annuitant's death, an assignee neglects or refuses to make a claim to the policy or contract proceeds, then USFL may obtain proof of the payment or discharge of any indebtedness secured by such assignment and may pay the record beneficiary the entire proceeds after giving 30 days' prior notice of payment to assignee at the address on our records.

ABSOLUTE ASSIGNMENT – Section 1 - An absolute assignment is often described as an outright, complete, unconditional or unrestricted transfer of any and all those interests in the policy or contract that may be assigned. Absolute assignments are sometimes used to make a gift or sale of a policy or contract. If an absolute assignment is desired as a means of permanently transferring all privileges, rights and options of ownership, then the policyowner ("rightsholder") is encouraged to sign the USFL Title Change Form and to designate the proposed assignee as the new rightsholder under section 3 thereof.

COLLATERAL ASSIGNMENT – Section 2 - A collateral assignment is described as a conditional assignment (or temporary transfer) of the policy or contract. Most frequently, a collateral assignment is made to a bank or other lender to provide security for a loan. The policy or contract serves as collateral for a debt. The rights in the policy or contract that are transferred are intended to revert to the rightsholder (policyowner) when the loan is repaid. A collateral assignee is not a rightsholder (owner) and a collateral assignment is not a transfer of rights (ownership).

RELEASE OF ASSIGNMENT – Section 4 - The release of assignment nullifies or extinguishes the assignment. Generally, it is signed by the assignee when the loan secured by the assignment is fully paid. Unless a signed release is submitted to USFL, the assignment will continue to encumber the policy or contract. A release can only be signed by a duly authorized officer of a lender-assignee. USFL reserves the right to verify a particular officer's authority.

CREDITOR-BENEFICIARY DESIGNATION - Some policyowners choose to designate a creditor as a beneficiary of some or all of the death benefit proceeds (usually an amount sufficient to satisfy a debt). In such cases, the designation is revocable and the interest of the creditor may be eliminated by a subsequent change of beneficiary or a lapse of the policy without notice to the creditor. Therefore, creditors are admonished to obtain an assignment of the subject policies in lieu of such a designation.