Protective Life and Annuity Insurance Company
Life and Health Insurance Administration
P.O. Box 12687
Birmingham, AL 35202-6687

POLICY NO: **INSURED'S NAME:** **OWNER'S NAME:**

ASSIGNMENT OF POLICY AS COLLATERAL SECURITY

For value received, and as security for the indebtedness mentioned below, the undersigned sell, assign, transfer, and convey to _____ of

_____
Street City State Zip Code

its executors, administrators, successors or assigns (herein called "Assignee") the policy or contract identified above, issued, coinsured or assumed by Protective Life and Annuity Insurance Company (herein called "Insurance Company") and all rights, title and interest in and to the above identified policy, subject to all the terms and conditions of the policy and to all superior liens, if any, which the Insurance Company may have against the policy.

A. It is expressly agreed that the following rights and privileges are included in this assignment and pass to the Assignee:
   1. The sole right to collect from the Insurance Company the net proceeds of the policy when it becomes a claim by death or maturity.
   2. The sole right to surrender the policy and to receive the surrender value at any time provided by the terms of the policy and at such other times as the Insurance Company may allow and to secure one or more loans or advances on the policy.
   3. The sole right to collect and receive all dividend distributions, shares of surplus; dividend deposits or additions to the policy now or hereafter earned, and to exercise any and all participation options contained in the policy. Until the Assignee shall notify the Insurance Company in writing to the contrary, the distributions, shares of surplus, dividend deposits or additions in force at the time of this assignment shall continue on the plan.
   4. The sole right to exercise all non-forfeiture options permitted by the terms of the policy or allowed by the Insurance Company, and to receive all benefits and advantages derived from such options and to receive all benefits and advantages derived from such options.

B. It is expressly agreed that the following rights, so long as the policy has not been surrendered, are reserved and excluded from this assignment and do not pass to the Assignee:
   1. The right to collect from the Insurance Company 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 optional modes of settlement.

The reservation of these rights by the Owner shall in no way impair the Assignee's right to completely surrender the entire policy or impair any other right of the Assignee; and any election of an optional mode of settlement and any designation of change of beneficiary shall be subject to this assignment and to the rights of the Assignee.

C. This assignment is made and the policy is to be held as collateral security for all indebtedness of the undersigned Owner to the Assignee now existing or that may arise in the future in the ordinary course of business. Any balance after payment of such indebtedness shall be paid to the persons entitled under the terms of the policy. The Assignee shall be under no obligation to pay any premium, or the principal of or interest on any loans or advances on the policy whether or not obtained by the Assignee, or any other charges on the policy.

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D. The Insurance Company is authorized to recognize the Assignee's claims to rights provided under this assignment without investigating the reason for any action taken by the Assignee, the validity or the amount of the indebtedness secured by this assignment, the existence of any default, or the application to be made by the Assignee of any amounts to be paid him. The sole signature of the Assignee shall be sufficient for the exercise of any rights under the assigned policy and the sole receipt of the Assignee for any sums received shall be a full discharge and release to the Insurance Company. Checks for all or any part of the sums payable under the assigned policy, shall be drawn to the exclusive order of the Assignee if, when, and in such amounts, as may be requested by the Assignee.

E. The Assignee may exercise any right without notice to or assent by the undersigned or either of them or any other person, and without affecting the liability or releasing any interest assigned by the undersigned, or either of them.

F. In the event of any conflict between the provisions of this assignment and the evidence or documentation of any indebtedness to the Assignee, with respect to the policy or rights of collateral security under the policy, this assignment shall prevail.

G. Each of the undersigned declares that no proceedings in bankruptcy are pending against him.

H. As a result of the assignment of this Modified Endowment Contract, if we determine there is a taxable gain in this contract, it will be reported to the IRS for income tax purposes.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

Signed this _____ day of _____ (month), _____ (year).

_____ _____

Owner (Assignor) – **Provide Officer's title as well, if owner is a corporation**

Owner (Assignor) – **Provide Officer's title as well if owner is a corporation**

STATE OF _____

COUNTY OF _____

I, the undersigned authority, in and for said County, in said State, hereby certify that

_____ whose name is signed to the foregoing assignment, and

who is known to me, acknowledged before me on this day that, being informed of the contents of the assignment,

_____, executed the same voluntarily on the day the same

bears date. Given under my hand and official seal, this _____(date).

_____ My commission expires _____

Notary Public

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The Protective Life and Annuity Insurance Company shall not be deemed to have knowledge of this assignment until it has been filed at the Home Office of the Insurance Company in accordance with the terms of the Assignment Clause in the policy. The Insurance Company assumes no responsibility as to the validity or legality of any assignment.

RELEASE OF ASSIGNMENT

The INDEBTEDNESS secured by this Assignment having been fully paid and satisfied, Assignee hereby assign(s) and relinquish(es) to the Assignor _____ all interest conveyed by said Assignment.

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

_____ _____
Printed Name of Assignee Assignee Contact Number

_____ _____
Title of Assignee if Applicable Signature of Assignee Date

STATE OF _____ COUNTY OF _____

I, the undersigned authority, in and for the County, in said State, hereby certify that _____, whose name is signed to the foregoing partial assignment of policy as collateral security, and who is known to me, acknowledged before me on this day that, being informed of the contents of the partial assignment of policy as collateral security, _____ executed the same voluntarily on the day the same bears date.
Given under my hand and official seal this _____ day of _____ (month), _____ (year).

_____ My Commission Expires _____
Notary Public

SIGNATURE REQUIREMENTS

1. Please complete the forms in BLACK ink to ensure that they are legible for processing.
2. If the Policy is assigned, the Assignee does not have to sign.
3. If the Owner resides in a Community Property State, we recommend that the Owner's spouse join in signing this form. This is for the protection of both parties.
4. If the Policy is owned by a partnership, association or company, this form should be signed by an officer other than the Insured. The title of the officer signing the form should also be included.
5. If the Policy is owned by a corporation, this form should be signed by an officer other than the insured. The title(s) of the officer(s) signing the form should also be included. If there is only one corporate officer, please advise on this form.
6. Signatures must be witnessed by a disinterested party of legal age.