

**COTTON STATES LIFE INSURANCE COMPANY**  
**ASSIGNMENT OF LIFE INSURANCE POLICY AS COLLATERAL**

For value received, the undersigned hereby assigns, transfers, and sets over to \_\_\_\_\_  
("Assignee"), whose address is \_\_\_\_\_, Policy Number \_\_\_\_\_  
issued by Cotton States Life Insurance Company ("Insurer"), and any supplementary contracts issued in connection with the policy, (the policy and supplementary contracts are herein called the "Policy") upon the life of \_\_\_\_\_ and all claims, options, privileges, rights, title, and interest therein, subject to all the terms and conditions of the Policy and to any outstanding indebtedness in favor of the Insurer.

The undersigned and the Assignee jointly and severally agree to the following conditions and provisions set forth in this assignment:

1. Without limiting the foregoing, the Assignee shall have the sole right to:
  - (a) collect the net proceeds of the Policy from the Insurer when it becomes a claim by death or maturity;
  - (b) surrender the Policy and receive the surrender value;
  - (c) obtain loans or advances on the Policy from the Insurer;
  - (d) collect and receive all distributions or shares of surplus, dividends, deposits, or additions to the Policy, and to exercise all options contained in the Policy, provided that unless and until the Assignee specifically notifies the Insurer in writing to the contrary, the distributions or shares of surplus, dividend deposits, and additions shall continue on the plan in force at the time of this assignment;
  - (e) 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.
2. The following rights, so long as the Policy is not surrendered, are reserved and excluded from this assignment:
  - (a) the right to collect from the Insurer any disability benefits payable in cash that do not reduce the amount of insurance;
  - (b) the right to designate and change the beneficiary;
  - (c) the right to elect an optional mode of settlement;but the reservation of these rights shall in no way impair the right 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.
3. This assignment is made and the Policy is to be held as collateral security for any and all liabilities of the undersigned to the Assignee, either now existing or that may arise between the undersigned and the Assignee (all of which liabilities are herein called 'Liabilities').
4. Assignee agrees:
  - (a) that any balance of sums received from the Insurer remaining after payment of the then existing Liabilities, matured or unmatured, shall be paid by the Assignee to the person entitled under the terms of the Policy had this assignment not been executed;
  - (b) not to exercise either the right to surrender the Policy or (except for the purpose of paying premiums) the right to obtain Policy loans from the Insurer, until there has been a default in payment of any of the Liabilities or a failure to pay any premium when due. In addition, not less than 20 days prior to surrender or a policy loan, the Assignee shall have mailed to the undersigned notice of intention to exercise such right;
  - (c) upon the undersigned's request, to forward without reasonable delay to the Insurer the Policy for endorsement of any designation or change of beneficiary or any election of an optional mode of settlement.
5. Insurer is 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 amount of the Liabilities or the existence of any default, or the giving of any notice required under section 4(b) 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 herein. The sole receipt of the Assignee for any sums received shall be a full discharge and release to the Insurer. Checks for any of the sums payable under the Policy and assigned by this assignment, shall be drawn to the exclusive order of the Assignee if, when, and in such amounts as may be requested by the Assignee.
6. Assignee shall be under no obligation to pay any premium, or principal or interest on any loans or advances on the Policy whether or not obtained by the Assignee, or any other charges on the Policy, but any such amounts paid by the Assignee from its own funds shall become part of the Liabilities, immediately due, and drawing interest at a rate fixed by the Assignee from time to time, not exceeding 6% per annum.
7. Assignee may exercise any right, option, privilege, or power given by this assignment (except as restricted by section 4(b) above) without notice to or assent by the undersigned or any other person, and without affecting the liability of, or releasing any interest assigned by the undersigned.
8. 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 Policy hereby assigned or any amount received on account of the Policy by the exercise of any right permitted under this assignment, without resorting or regard to other security.
9. In the event of conflict between this assignment and the note or other evidence of the Liabilities, with respect to the Policy or rights of collateral security in the Policy, the provisions of this assignment shall prevail.
10. The undersigned warrants and represents that no proceedings in bankruptcy are pending against them and that none of their property is subject to any assignment for the benefit of creditors.

\_\_\_\_\_  
PLACE OF SIGNING (CITY/STATE)

\_\_\_\_\_  
DATE

\_\_\_\_\_  
SIGNATURE OF OWNER

\_\_\_\_\_  
SIGNATURE OF WITNESS

\_\_\_\_\_  
SIGNATURE OF IRREVOCABLE BENEFICIARY (IF ANY)