



\*L-11531\*

## POLICY SETTLEMENT AGREEMENT

Insured \_\_\_\_\_ Policy Number \_\_\_\_\_

Mailing Address \_\_\_\_\_  
(Street) (City) (State) (Zip) (Telephone No.)

1. ☐ **CHANGE ADDRESS** as shown above for ☐ I insured ☐ Owner ☐ Payor

### 2. BENEFICIARY DESIGNATION

This agreement, when appropriately signed and recorded by the company, will put into effect the following beneficiary designation and method of payment, subject to the provisions of the policy. **All prior beneficiary designations and methods of settlement are hereby revoked.**

Primary: \_\_\_\_\_ Relationship: \_\_\_\_\_

Contingent: \_\_\_\_\_ Relationship: \_\_\_\_\_

### 3. METHOD OF PAYMENT

#### A. Primary Beneficiary:

- ☐ Lump Sum Payment  
☐ Pay \$\_\_\_\_\_ (or entire net proceeds, if less) in one sum to the primary beneficiary designated above.  
 Pay the remaining proceeds, if any, as follows:  
☐ Fixed Period Option for \_\_\_\_\_ years  
☐ Fixed Amount Option of \$\_\_\_\_\_ until funds are exhausted  
☐ Life Income Option for \_\_\_\_\_ months certain  
☐ Interest Option  
☐ Other:  
 Interest or installment payments under this section shall be paid:  
☐ Annually ☐ Semiannually ☐ Quarterly ☐ Monthly

If the primary beneficiary dies before the insured, pay net proceeds to the secondary beneficiary as stated in Section

#### C. If the primary beneficiary dies after the insured and while receiving payments under Section A, such payments shall be:

- ☐ Continued to the Secondary Beneficiary as provided in Section 3A  
☐ Commuted value shall be paid according to Section 3C

#### B. Secondary Beneficiary:

- ☐ Lump Sum payment  
☐ Fixed Period Option for \_\_\_\_\_ years  
☐ Fixed Amount Option of \$\_\_\_\_\_ until funds are exhausted  
☐ Life Income Option for \_\_\_\_\_ months certain  
☐ Interest Option  
☐ Other:  
 Interest or installment payments under this section shall be paid:  
☐ Annually ☐ Semiannually ☐ Quarterly ☐ Monthly

#### C. Final Beneficiary:

Method of payment to the final beneficiary shall be in one lump sum.



\*L-11532\*

### SPECIAL REQUESTS:

Notwithstanding any provisions to the contrary, all designations of this agreement are subject to the following checked paragraphs:

- [ ] **Right of Withdrawals and Commutation** - The beneficiaries, when entitled to payments under this agreement, shall have the right to make withdrawals or commute the proceeds according to company rules, subject to the following limitation:
- [ ] **Common Disaster** - If any stated beneficiary survives the insured, but dies within [ ] 15 days [ ] 30 days after the insured's death (exclusive of the date of death), payments shall be made in the same manner as if the beneficiary had died before the insured.
- [ ] **Change Method of Payment** - Prior to payment of any proceeds, give \_\_\_\_\_ the right to change any method of payment as follows: \_\_\_\_\_
- [ ] **Payment of Deceased Child's Share** - If any child of the insured dies while entitled to a share of the proceeds paid to or held for him/her, then that child's share shall be paid in equal lump sum payments to the then surviving children of such deceased child of the insured.
- [ ] **Power of Appointment** - After the insured's death the insured's spouse, by filing a written request at the home office of the company, may revoke the interests of all other beneficiaries without their consent and has authority to appoint any beneficiary to receive any amount payable hereunder in one sum after his/her death. This appointment shall be without prejudice to the company for any payment made by it before receipt of said written request at its home office.
- [ ] **Payment of Child's Share to Trustee** - Any payment which becomes due to a child under the age of majority, will be made instead to:

_____ (Trustee)	_____ (Relation to child)	_____ (Address)
		_____ (City, state, zip)
_____ (Successor)	_____ (Relation to child)	_____ (Address)
		_____ (City, state, zip)

as trustee, for the use and benefit of the child. If more than one trustee is named, they shall serve in the order named, unless otherwise stated. Said trustee shall pay over to the child or expend for his/her benefit so much of or all of the amount received as said trustee, with absolute discretion, shall deem advisable for the support, maintenance, and education of said child in the manner and to the extent that said trustee deems suitable or proper. **Any payment by the insurer to said trustee pursuant to this agreement shall fully discharge the insurer with respect to any amount so paid, and the insurer is under no duty or liability to be responsible for the proper discharge by the trustee of his/her responsibilities and duties on behalf of the child.** Upon the child's attainment of the age of majority, or upon the child's prior death, any amount then held by said trustee or any unpaid balance due this child, shall be paid to said child, if then living, otherwise to the executor/administrator of said child's estate.

In the event of the death, inability, or refusal to act of all trustees, payment will be made to the child's legally appointed guardian.

This request must be currently dated and signed. Please refer to the reverse side of this form for provisions and signature requirements.

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Owner)

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(Irrevocable beneficiary)

\_\_\_\_\_  
(Spouse consent - AZ, CA, ID, LA, NM, NV, WA, WI)

ADMINISTRATIVE OFFICE USE ONLY



\*L-11533\*

## **GENERAL PROVISIONS**

### **ASSIGNMENTS**

The rights of every beneficiary under this agreement shall be subject and subordinate to any collateral assignment whether made prior or subsequent to the date of this agreement, or any absolute assignment made subsequent to the date of this agreement provided said assignments are recorded with the company.

### **BENEFICIARY**

Each class of beneficiary shall receive payment in the order of its designation and no payments shall be made to any subsequent class of beneficiary until the completion of all payments to beneficiary(ies) of a preceding class. Unless otherwise provided in this agreement, beneficiaries designated in the same class shall share equally. The share of a deceased beneficiary shall be apportioned and paid in equal shares to the living members of his/her class, if any, and if none, to the living member of the next class of beneficiary. Such shares shall be paid under the method of payment requested for the beneficiary, except that the company reserves the right to pay the share of a deceased beneficiary in one sum. Unless stated otherwise, if no designated beneficiary lives to receive payment, proceeds shall be paid according to the terms of the policy.

### **PAYMENTS**

All payments under any method of settlement are subject to the provisions of the policy. No periodic payment of less than \$100 will be made to any one beneficiary. If the periodic payment becomes less than \$100, the payment will revert to quarterly, semiannual or annual, as the case may be. If any annual payment becomes less than \$100, the policy proceeds then held by the company for such beneficiary shall be paid in one lump sum.

If, at the time the policy becomes payable or by reason of withdrawal, the amount due any beneficiary will be less than \$2,000, the amount due will be paid to such beneficiary in one sum.

Whenever payments are made contingent upon the prior death of any beneficiary, it shall be the duty of the remaining beneficiaries to furnish the company at its home office of proof of such death. Until such proof has been furnished, the company shall not be liable for any payment made in regular course without such proof. The company may, as to any facts relating to any of the beneficiaries, such as their name, date of birth, and address, rely upon the affidavit of any beneficiary who may be of age, and the company is hereby released from any and all liability whatsoever in making payments according with such affidavit.

Unless otherwise provided, any funds due or any right granted any minor child shall be paid to, or be exercised by, the legal guardian of such child. The company shall not be liable for the use of money by any trustee named in this agreement, and may rely upon the sole signature of such trustee to any receipt, release or waiver or any other instrument which affects this agreement or any rights hereunder.

### **PROTECTION OF PROCEEDS**

No person entitled to any part of the proceeds or any installments of interest, shall be permitted to commute, encumber, alienate, or assign the same or any part thereof except upon the owner's written authority filed with the company during the insured's lifetime. To the extent permitted by the laws either of the state in which the policy was delivered or of the state which may have jurisdiction over the disposition of the proceeds, no payments of interest or principal shall be in any way subject to said person's debts, contracts, or engagements, nor to any judicial processes to levy upon or attach the same for payment.

### **WITHDRAWALS**

The right of withdrawal shall not be considered as effectively exercised unless the company shall receive at its home office a written and dated request for withdrawal signed by the person entitled to make such withdrawal. The withdrawals shall be in sums of not less than \$500 each, and no more than four such withdrawals in any given calendar year.

### **COMPLETION OF THIS FORM**

Any provision not completed in writing, shall not be a part of this agreement. No provision in this agreement which is immediately preceded by a box [ ] shall be part of this agreement unless said box is marked with an "X" or a check mark. Any checked provision shall prevail over any other provision. This agreement shall not be binding on the company until accepted and recorded by it. The company may refuse to accept this agreement if it deems the same to be incorrectly completed or executed.



\*L-11534\*

## INSTRUCTIONS

The policyowner must check the appropriate box on this request to indicate the change(s) desired and include all relative information in spaces provided. This form must be filled out, dated and signed. Following these instructions will assure that the change(s) are made promptly and accurately.

Section 1. **CHANGE ADDRESS** - Check this box if the address stated is to appear on all future billings and correspondence.

Section 2. **BENEFICIARY CHANGE** - Clearly print the full name, age (if minor) and relationship of the new beneficiary(ies) to the insured.

- (a) A sample beneficiary wording "John B. Doe, Spouse of the insured, if living, if not living to Mary J. Doe, Daughter of the insured."
- (b) Proceeds apportioned in shares must be shown as percentages or fractions. **Please do not use dollar amounts when stating shares.**
- (c) "Children" includes those born of the marriage and legally adopted. Step-children are not represented in this term and must be listed specifically.
- (d) Trust arrangements may be "living" or "testamentary". When naming a living trust, provide the full name of the trustee, the type of trust, and the full date of the trust agreement. A copy of the trust agreement is not required for our records.

Living (inter vivos) trust is effective during the trustor's lifetime. Sample designation: "The Blank Trust Company, Chicago, Illinois, as trustee, or its successor in trust, under the John Smith revocable living trust agreement dated January 1, 1993".

Testamentary trust is effective only at the trustor's death. A trustee qualification period (usually 12 months) must be specified in testamentary designations to avoid lengthy delays in payment of the policy proceeds. Sample designation: "trustee, or any successor, appointed under the Insured's will; however, if no trustee qualifies within 12 months following the death of the Insured, payment shall be made to..."

A designation made "without the right of revocation" cannot be changed by the policyowner without written permission of the irrevocable designee.

Idaho, Michigan, Vermont and Washington require that the address of all beneficiaries are provided.

## SIGNATURE REQUIREMENTS

States governed by **Community Property Laws** - joint signatures of owner and owner's spouse.

**Trust** - trustee(s) signature. When signing on behalf of a trustee (inter vivos or living, pension, profit sharing, or other trust vehicle) "trustee" must be written next to the signature.

**Corporation** - signature and title of an authorized officer (preferably other than the insured). Write the name of the company above the signature and the title must be written next to the signature.

**Partnership** - signatures of all partners are needed for any exercise of owner rights, unless otherwise provided via written instructions from the partnerships signed by all partners.

**Deceased Owner** - certified copy of the owner's death certificate must be furnished. The policy provides that owner rights pass to the executor or administrator of the deceased owner's estate, unless a secondary owner is named.

**Minor** - may not exercise owner rights prior to attaining legal age in the state which he/she resides; except through a court appointed guardian.

**"X" or other Mark** - must be witnessed by a disinterested adult and the address of the witness must be provided.

**Guardian, Conservator, or Power of Attorney** - currently certified letters of appointment (less than one year old) must accompany the request.

\*\*\*\*\*

Any questions concerning completion of the form may be directed to your agent or the Client Service Representatives at the Administrative Office of the Company.