



Banner Life Insurance Company
 3275 Bennett Creek Avenue
 Frederick, Maryland 21704
 (800) 638-8428

COLLATERAL SECURITY AGREEMENT

Insured: _____

Policy Number: _____

Assignee: _____

Address: _____

For Value Received, the undersigned hereby assign policy No. _____ issued by Banner Life Insurance Company on the life of _____ to _____, Assignee.

This assignment is collateral security for any and all liabilities of the undersigned or any of them to the Assignee now existing or that may hereafter arise in the ordinary course of business between any of the undersigned and the Assignee.

The undersigned expressly agree that the Assignee shall have the sole right to receive all benefits and to exercise all options and privileges described in the said policy or allowed by the Insurance Company except the right to designate and change the beneficiary, or the right to elect any optional mode of settlement permitted by the Policy or allowed by the Insurer or the right to collect from the insurer any disability benefit payable in cash that does not reduce the amount of insurance, but the right of the Assignee to surrender the Policy completely is not impaired and any designation or change of beneficiary shall be subject to this assignment.

The Assignee by acceptance of this assignment agrees that any sums received hereunder shall be applied only to the secured liabilities or to pay premiums, and any balance remaining after payment of the secured liabilities in full shall be paid by the Assignee to the persons entitled thereto under the terms of the policies had this assignment not been made; and further, the Assignee agrees not to surrender the Policy unless there has been a default in the secured liabilities, nor until twenty days after mailing to the undersigned at the addresses given below notice of intention to do so.

The Insurer is hereby 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 the amount of the liabilities or the existence of any default therein, or the application to be made by the Assignee of any amounts to be paid to the Assignee. The sole signature of the Assignee and the sole receipt of the Assignee for any sums received shall be a full discharge and release to the Insurer.

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, but any such amounts so paid by the Assignee from its own funds, shall become a part of the liabilities hereby secured, shall be due immediately, and shall draw interest at a rate fixed by the Assignee from time to time not exceeding 6% per annum.

The exercise of any right, option, or privilege given herein to the Assignee shall be at the option of the Assignee, but (except as restricted above), the Assignee may exercise any such right, option or privilege without notice to, assent by or affecting the liability of, or releasing any interest hereby assigned by the undersigned.

The Assignee may take or release other security, may release any party primarily or secondarily liable for any of the liabilities, may grant extensions, or renewals 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.

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, the provisions of this assignment shall prevail.

This is a warranty that no proceedings in bankruptcy or insolvency are pending against the undersigned and that this property is not subject to any assignment for the benefit of creditors.

Both the original and duplicate of this agreement must be sent to the Home Office of Banner Life Insurance Company, one copy being retained by the Company and the other returned.

Banner Life Insurance Company has returned the original of this agreement, but assumes no responsibility for its validity.

Home Office Approval _____

Date _____

Policy Number: _____

Policy Owner name _____

Address _____

Policy Owner
**(sign, date and provide
policy owner's title- Required)** _____

Joint Policy Owner name,
if any _____

Address _____

Joint Policy Owner
(sign and date - Required) _____

Irrevocable beneficiary
name, if any or additional
name**, if any _____

Address _____

Irrevocable beneficiary, if any
or additional signature**,
if any **(sign and date - Required)** _____

** AZ, CA, ID, LA, NV, NM, TX, WA, WI, and Puerto Rico are community property law states. These laws may apply depending on your current marital status, marital status at the time of policy issuance, state where your policy was issued, residence state at time of issuance, and residence state(s) since issuance. Consult with your legal or tax advisor to determine whether these laws apply to you and whether a spousal signature is required on this form. Banner Life Insurance Company disclaims any responsibility for determining the applicability of community property laws or the validity of the requested change.
