

IMPORTANT CONSIDERATIONS FOR COLLATERAL ASSIGNMENTS

We are pleased to provide the enclosed form in response to your inquiry about assigning your group insurance as collateral security for indebtedness. Before completing the form, we suggest you consider the following points:

- The Group Policy is a contract between the Group Policyholder and the insurance company; the insured person is not a party to that contract. For example, the Group Policyholder and the insurance company have the right to amend or terminate the Group Policy, without the consent of an insured person.
- The Group Policy provides that coverage will terminate if the member ceases to make premium contributions. No third party has any right under the policy to maintain coverage on any insured person if the insured person wants to stop paying the required premium contributions.
- New York Life is not obliged to, nor will we, notify any assignee of termination of the insured person's coverage.
- If the insurance is already subject to an existing Collateral Assignment which has not been released, we cannot accept the second assignment until we receive a release of the existing assignment.
- If the insurance is already subject to an irrevocable beneficiary, we cannot accept a Collateral Assignment without the consent of the irrevocable beneficiary.
- Other than the right to collect disability benefits, the owner of the policy will retain all rights under the policy, including the right to surrender the policy and increase or decrease the benefit amount.

In view of the above, you and your Counsel may conclude that this group insurance is not appropriate for use as collateral security for indebtedness. In that case, please discard the enclosed form.

If you wish to proceed with the Collateral Assignment, please complete the enclosed form and return it to our office for recording on behalf of New York Life.

If you have any questions, please contact AMA Insurance at 800-458-5736 between 8am and 5pm Central time.



GROUP MEMBERSHIP COLLATERAL ASSIGNMENT OF
DISABILITY INSURANCE BENEFITS FORM

Owner Information:

Name:	Social Security Number (Last 4 digits):	
Address:		
City:	State:	Zip:
Group Policyholder Name:	Group Policy Number/Certificate Number:	

Assignee Information * If the assignee is a corporation, include name of corporation, and a corporate officer name and title:

Name:		
Address:		
City:	State:	Zip:

Having the legal capacity to execute this form, having no other existing assignment of my rights or benefit under the policy/certificate referenced above, and having no proceedings in insolvency or bankruptcy instituted by or against me:

I assign to the Assignee, its successor and assigns the certificate referenced above as collateral security. The Assignee will have the sole right to receive benefits under the certificate referenced above, if and when they become payable, as long as this assignment is in effect. The assignment is subject to the terms and conditions of the policy/certificate, and to any debt owed against the policy/certificate referenced above to New York Life Insurance Company (NYLIC).

Upon receipt of a written statement indicating the outstanding amount of the Assignor's indebtedness, I authorize NYLIC to pay the Assignee the amount needed to satisfy the Assignor's debt up to the total amount of coverage. The balance, if any, will be paid to me.

I understand that NYLIC shall have no responsibility to notify the Assignee of the termination of the Insured's insurance under the policy/certificate. I authorize NYLIC to recognize the Assignee's claims to rights under this assignment without investigating the reason for any action taken by the Assignee, or the validity or the amount of debt secured by this assignment. I further authorize NYLIC to provide information regarding policy/certificate status to the Assignee.

When NYLIC records this change, it will take effect as of the date this notice was signed, subject to any payment made or other action taken by NYLIC before recording. A copy of this change will be sent to the Owner and Assignee after the change has been recorded. I understand that NYLIC may rely upon the information provided to it by the Assignee.

Signature Owner (Assignor)

Date

I, the Assignor's spouse, consent to the above transaction. *(Required in Community Property States of AZ, CA, ID, LA, NV, NM, TX, WA & WI)*

Signature of Spouse

Date

RECORDED ON BEHALF OF NEW YORK LIFE, subject to the terms and conditions of the group policy.

By _____ Date _____

Please return this completed form to AMA Insurance 330 N Wabash Suite 39300 Chicago IL 60611. Assistance is available by calling 800 458-5736 between 8am and 5pm Central Time.