



PILLAR LIFE INSURANCE COMPANY

1035 EXCHANGE FORM

This form can be used to accomplish a FULL or a PARTIAL Exchange of policies pursuant to Internal Revenue Code (IRC) Section 1035. Complete the requested information concerning the existing policy and contract, check the appropriate boxes, and date and sign this form. Refer to the application and any state required forms for additional important disclosures and information.

Check with the surrendering company for form requirements specific to the transaction that is being initiated. Some surrendering companies may require you to use their forms or to obtain verification of your signature.

Complete one form for each surrendering company.

1. Receiving Company Information

Pillar Life Insurance Company
Receiving Company Policy Number:
711 SW D Ave #100
Lawton, OK 73501

2. Surrendering Company Information

Surrendering Company Name:
Surrendering company Policy Number:
Surrendering Product Type:
Mailing Address Line 1:
Mailing Address Line 2:
City: State: Zip Code:
Phone Number: Extension:

3. Owner Information. Please print or type.

Primary Full Legal Name (or Trust Name if a Trust):
Trustee Name:
Social Security Number or Tax ID Number:

Joint Owner Full Legal Name
Social Security Number or Tax ID Number

4. Annuitant Information. Please print or type.

Full Legal Name:
Social Security Number or Tax ID Number:

5. 1035 Exchange Surrendering Instructions

- Full
 Partial \$ _____ or _____ %

By executing this form, I authorize the full or partial liquidation of my existing contract or account in accordance with the sections completed above. I hereby instruct the parties to process that liquidation:

- As soon as possible after receipt of all necessary forms
 On a specific date: _____

I / We also understand it is my / our responsibility to confirm with the surrendering company their processing guidelines to selecting a specific transfer date.

6. Taxpayer Identification Number Certification

Under penalties of perjury, I certify that:

1. The number on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. person (including a U.S. resident alien).

Check this box if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return.

7. Disclosures and Acknowledgments

- a. I fully assign and transfer all claims, options, privileges, rights, title and interest to either all of the life insurance policy, all of the annuity contract or part of the annuity contract value identified in the Contract Information section on page 1 to the receiving company. The sole purpose of this assignment is to effect a tax-free exchange under Section 1035(a) of the Internal Revenue Code. All of the powers, elections, appointments, options and rights I have as owner of the contract, including the right to surrender, are now exercisable by the receiving company. Simultaneous with a full assignment, I also revoke all existing beneficiary designations under the Assigned Policy. Other than the above mentioned owner, no person, firm, or corporation other than myself and the insurer that issued the above numbered policy, has an interest in said policy. No proceedings in insolvency or bankruptcy have been instituted by or against me. I understand that the receiving company intends to surrender the contract for the cash value; or if this is a partial exchange, the portion assigned, subject to its terms and conditions, and to use the proceeds as the purchase payment for the new contract to be issued by the receiving company. I authorize the surrendering company to send the proceeds directly to the receiving company and understand that fees and surrender charges may apply. This exchange is subject to acceptance by the receiving company. The receiving company is not liable for changes in market value that may occur before the proceeds are received by the receiving company in good order and allocated to the new contract. Prior to the date of receipt of the proceeds by the receiving company, no value will accrue or be earned on the receiving company contract.
- b. If this is a partial exchange, I understand that it is subject to Revenue Ruling 2003-76, which dictates how much of the original contract's cost basis must be allocated to the new contract. The cost basis should be allocated ratably between the two contracts based on the percentage of the value retained in the original contract and the percentage of the value transferred to the new contract. For example, if the contract value is \$100,000 and basis is \$50,000, and I assign 30% for

a partial exchange, then \$15,000 (30% of \$50,000) of the basis would be applied to the new contract. I understand that the IRS has raised concerns about annuity contract owners using partial exchanges to avoid income tax, and I certify that I am not entering into this transaction for the purpose of reducing or avoiding income tax or the 10% penalty tax for early withdrawals.

I expressly represent that the sole purpose is to effect a partial 1035 exchange of an annuity contract. However, I acknowledge that Revenue Procedure 2011-38 states that withdrawals from annuitization, taxable owner or annuitant changes, or surrenders, other than an amount received as an annuity for a period of 10 years or more or during one or more lives, of either the original contract or the new contract during the 180 day period following the partial exchange, may affect the tax free status of the partial exchange.

Note: Other exceptions may apply and a subsequent direct transfer of all or a portion of either contract involved in the exchange could have tax and tax reporting consequences. Please consult your tax advisor. Please confirm with the carrier if they will support partial 1035 exchanges.

I acknowledge that the receiving company has made no representations concerning any tax treatment of this transaction. I understand that the receiving company has neither responsibility nor liability for the validity of this transaction or for my treatment under Section 1035(a) of the Internal Revenue Code or otherwise. Therefore, I agree to release and hold harmless the receiving company and its agents from any and all liability arising from, relating to, or in connection with, the taxation of a partial exchange of the above listed contract. I authorize the receiving company and the surrendering institution to share information necessary to maintain accurate records of the annuity cost basis and to ensure proper withholding and tax reporting. I have been directed to consult my tax or legal advisor before proceeding.

- c. I authorize the receiving company to rely upon the cost basis information provided by the surrendering company, but agree that the receiving company will assume no responsibility for determining or verifying cost basis. If cost basis is not provided, I acknowledge that more restrictive or less beneficial tax rules may apply to the amounts transferred. I acknowledge that the receiving company provides this form and participates in this transaction as an accommodation to me. The receiving company does not give tax or legal advice on the tax consequences for replacing one contract for another, and assumes no responsibility or liability for the validity of this assignment or for the tax treatment of this exchange under IRC Section 1035(a) or other laws or regulations.
- d. I agree that if the receiving company, in its sole discretion, determines that it is unlikely to receive timely payment of the full contract cash surrender values, the receiving company may reassign ownership of the policy/contract back to me.
- e. RETURN OF LIFE INSURANCE POLICY OR ANNUITY CONTRACT - Does not apply to partial 1035 exchanges on annuity contracts. Unless the surrendering company's policy or contract is attached, I affirm that the policy or contract has been destroyed or lost and that reasonable effort has been made to locate it. To the best of my knowledge no one else has any right, title or interest in the contract, nor has it been assigned, pledged or encumbered, unless this is a life insurance policy with a loan to carry forward.
- f. MAXIMUM ISSUE AGE DISCLOSURE - An annuity contract may not be issued should the funding requirements be received after reaching maximum issue age for the annuity contract applied for. If the funds are received after the maximum issue age, the contract may be rejected and the funds returned to their original source. The surrendering company may or may not take the funds back, which could result in a taxable event.

- g. NON-QUALIFIED TRANSFER OF FUNDS (NON 1035 EXCHANGE) - The receiving company will apply all such funds received to an annuity contract issued to me. I understand that the receiving company assumes no responsibility for tax treatment of this matter and I shall be responsible for payment of all federal, state and local taxes incurred with respect to the liquidation of such account. I acknowledge that the earnings credited under the annuity contract will begin to accrue when the receiving company receives these proceeds and all other necessary paperwork in good order. For index annuities, fixed account interest under the annuity contract will begin to accrue on the next Issue Day.

8. Signatures:

(Owner or Trustee Signature) (Date - mm/dd/yyyy)

(Joint Owner Signature, if any) (Date – mm/dd/yyyy)

(Annuitant Signature if applicable) (Date - mm/dd/yyyy)

(Irrevocable Beneficiary Signature if applicable) (Date - mm/dd/yyyy)

(Spouse Signature if applicable) (Date - mm/dd/yyyy)
Required in AZ, CA, ID, LA, NV, NM, TX, WA and WI only

9. A. ACCEPTANCE OF 1035 EXCHANGE / TRUSTEE TRANSFER

By signature of an authorized officer below, the receiving company accepts assignment of all (or a portion of the assets if this is a partial exchange) to the above contract for purposes of complying with the client's intention of effecting a nontaxable exchange under IRC Section 1035. Please issue a check payable to the receiving company, the owner of the contract, for the full cash surrender value of the contract or a portion if it is a partial surrender.

B. eCONSENT and ACKNOWLEDGMENT (Applies to eSignature Transactions Only)

To the extent the receiving company has obtained electronic signatures to effectuate the transaction(s) set forth in this form, the receiving company, by the below signature of its authorized officer, hereby represents and warrants to the surrendering company that:

- a. This form has been completed using an electronic system that has an integrated e-signature capability;
- b. All consumer consents have been obtained under, and this form was signed using an e-signature process that complies with, all applicable federal and state e-signature requirements, including, but not limited to, the federal E-Sign Act, and the applicable states' versions of the Uniform Electronic Transactions Act;
- c. It shall indemnify, defend, and hold harmless the surrendering company from and against all losses, costs, liabilities, claims, threatened claims, demands, suits, obligations, expenses, judgments, and

- damages, including, but not limited to, reasonable attorneys' fees and witness' fees, arising from or related to: (i) the receiving company's breach of the warranties set forth in (a) and/or (b) above; (ii) a liability imposed by any municipal, state or federal governmental body relating to the receiving company's violation of an applicable e-signature law or regulation; and (iii) the receiving company's gross negligence, willful misconduct or illegal acts, including, but not limited to, claims that the e-signatures obtained on this form by the receiving company are invalid or were improperly obtained; provided, however, that (x) the surrendering company shall provide the receiving company of prompt written notice of any claim that the surrendering company believes falls within this scope of this paragraph, and (y) the surrendering company shall not settle any claim that adversely affects any rights of the receiving company without the receiving company's prior written consent; and
- d. Shall promptly provide to the surrendering company and/or its designee(s) any and all information in the receiving company's possession (or within the receiving company's reasonable control) as may be necessary to evidence the validity of the electronic signatures that were obtained to effectuate the transaction(s) set forth in this form.

Name of Authorized Officer:
Title of Authorized Officer:

(Authorized Officer Signature)

(Date - mm/dd/yyyy)

10. Return Instructions

Please return this form to

Pillar Life Insurance Company
711 SW D Ave #100
Lawton, OK 73501

11. Payment Instructions for Surrendering Carrier

Please make check payable to Pillar Life Insurance Company and include the receiving company policy number in the memo line.

Please send checks to

USPS Mailing Address:

PILLAR LIFE INSURANCE COMPANY
PO Box 676297
DALLAS, TX 75267-6297

Overnight Courier Address:

PNC BANK C/O PILLAR LIFE INSURANCE COMPANY
Lockbox Number 676297
1200 E CAMPBELL RD STE 108
RICHARDSON, TX 75081

Please send cost basis information to

Pillar Life Insurance Company
711 SW D Ave #100
Lawton, OK 73501