

REVOCABLE ASSIGNMENT OF DEATH BENEFIT PROCEEDS

Name of Insured: _____

Insurer: _____ Policy Number: _____

Owner of Policy: _____ Death Benefit: _____

Name and address of non-Funeral Provider beneficiary on policy: _____

Name and Phone of Funeral Provider: _____

Is Insurance Policy Variable? No Yes (Unable to accept) Is there a loan against policy? No Yes (Unable to accept)

I, _____, the Owner of a Life Insurance Policy insuring the life of _____ (“Insured”) hereby revocably assign to the “**Funeral Provider**” named below the beneficial right to receive payment of that portion of the death benefit of the life insurance policy referenced below (“**Policy**”) as is necessary to fully pay for the cemetery services or goods or funeral services or goods (“**Funeral Arrangements**”) as contracted for between me and the Funeral Provider (the “**Prefunded Funeral Agreement**”), a true copy of which is attached (this “**Assignment**”).

This Assignment may be revoked by the Owner or Owner’s successor or, if the Owner is also the Insured and deceased, by the representative of the Owner’s estate before the rendering of the Funeral Arrangements. If this Assignment is revoked, the death benefit under the Policy shall be paid in accordance with the beneficiary designation under Policy (“Beneficiary Designation”).

This Assignment is an inseparable part of the Prefunded Funeral Agreement. If this Assignment is revoked, the Prefunded Funeral Agreement will also be revoked, and the Funeral Arrangements may be obtained from any cemetery, funeral establishment, or seller. However, any additions or modifications to the Prefunded Funeral Agreement will not revoke either this Assignment or the Prefunded Funeral Agreement as to any services or merchandise not affected by the change. This Assignment is limited to that portion of the proceeds of the Policy which is needed to pay for the Funeral Arrangements as specified in the Prefunded Funeral Agreement.

After the Insured’s death and before the Funeral Arrangements are provided, Michigan law requires the Funeral Provider to send to a representative of the Insured’s estate: (i) a current price list for funeral merchandise and services agreed to in the Prefunded Funeral Agreement; (ii) a “Dispute Resolution Disclosure Statement” setting forth the rights explained below; and (iii) a form for authorizing the release of the Policy’s death benefit proceeds to the Funeral Provider. Payment of death benefit proceeds to the Funeral Provider is conditioned upon the receipt by the insurer, to its satisfaction, of authorization from the Trustee and the representative of the Insured’s estate to release the proceeds.

Signed this _____ day of _____, 20__

Signature of Owner

Witness

Acceptance by Insurance Company:

By: _____

Date: _____

In addition to the other terms and conditions stated herein, I acknowledge and understand the following:

Revocable Assignment of Proceeds

1. I am certifying that the Insured does not have other policies assigned as payment for preneed services which, together with this Assignment, would exceed the maximum assignment allowed by Michigan law; I understand the legal maximum assignment amount as of June 1, 2020 is \$11,160 (and \$11,280 after May 31, 2021) (as of the first premium paid for associated policies, and for nonassociated policies, as of the initial assignment), however, this amount has been or may be increased by changes in the Consumer Price Index as required by law;
2. If the Policy is an “associated policy” as defined under Michigan law, the actual price of the Funeral Arrangements when delivered may be more or less than the price in the Prefunded Funeral Agreement. However, no increase in the price of the Funeral Arrangements may exceed the ultimate death benefit provided under the Policy;
3. If the ultimate death benefit provided under the Policy is more than the actual price of the Funeral Arrangements when provided, the excess death benefits will be paid to the beneficiaries named in the then current Beneficiary Designation, or to the Insured’s estate;
4. If the Policy is “nonassociated policy” as defined under Michigan law, any increase in the price of the Funeral Arrangements shall not exceed the consumer price index or the retail price list in effect when death occurs, whichever is less. This Assignment is sufficient to cover the initial contract price agreed to in the Prefunded Funeral Agreement.
5. If neither the Beneficiary Designation nor the terms of the Policy as then in effect name a living beneficiary of excess death benefits who can be located within 120 days of the Insured’s date of death, excess death benefits will be paid to the Insured’s estate;
6. I have a right to cancel the Policy within the examination (“free look”) period as provided by Michigan Compiled Laws section 500.4015 or its successor; if I choose to cancel the Policy within that period, I will concurrently provide my cancellation notice to the current owner of the Policy, if different than me, and to the Funeral Provider;
7. I understand that, pursuant to the Irrevocable Transfer of Ownership being completed concurrently with this Assignment, ownership of the Policy is being transferred to the Trustee of The Abbit Directed Escrow Trust under Declaration of Trust dated March 10, 2021 (the “**Directed Escrow Trust**” or the “Trust”);
8. I authorize the insurer and the Trustee to rely on the authorization signed by the representative of the Insured’s estate to release the Policy’s death proceeds to the Funeral Provider described above and relieve the Insurer and Trustee of all liability in connection therewith;
9. I certify that all premium payments due under the policy have been made directly to the insurer, all future premium payments due under the policy will be made by me directly to the insurer, and that neither the Funeral Provider nor the Trustee have any responsibility for payment of premiums;
10. The Funeral Provider has provided a current price list to me as required by the price disclosure rules of the Federal Trade Commission;
11. By assigning Policy death benefit proceeds to a Funeral Provider, the Trustee of the Directed Escrow Trust is directed to instruct the insurer to pay an amount equal to the cost of funeral merchandise and services, but not to exceed the death benefit of the Policy, to the Funeral Provider named. The Trustee of the Directed Escrow Trust will only direct payment upon receipt of proof that funeral merchandise and services have been provided by the Funeral Provider as required by the terms of the Directed Escrow Trust;
12. *Dispute Resolution Disclosure Statement:* The following is to be provided to the representative of the Insured’s estate following the Insured’s death: (i) that the Funeral Provider has provided the Funeral Arrangements; (ii) That a representative of the Insured's estate has refused to authorize the insurer to release the assignment proceeds for the payment of the Funeral Arrangements, and (iii) That a representative of the Insured's estate may seek arbitration to resolve the payment dispute.
13. The insurer is responsible to pay the death benefit proceeds pursuant to the terms of the Policy as amended by this Assignment and the Trust;
14. To the extent there exists an ambiguity or conflict between or among the terms and conditions of the following instruments, the following order of priority shall control their construction, interpretation, application, and implementation: (i) the Directed Escrow Trust; (ii) the Irrevocable Transfer of Ownership; (iii) this Revocable Assignment of Death Benefit Proceeds; and (iv) the Prefunded Funeral Agreement;
15. I acknowledge that I have been provided with and have read all applicable disclosures.