



AGREEMENT FOR EXCHANGE OF INSURANCE AND
NONQUALIFIED ANNUITY CONTRACTS UNDER SECTION 1035 OF
INTERNAL REVENUE CODE

USAA Life Insurance Company will be referred to as USAA Life in this form.

USAA Number _____

Social Security Number _____

Complete and attach this form with your current contract(s), unless verified as "lost", to your application.

I _____, the undersigned, own the following:

- life insurance contract (L)
endowment contract (E)
annuity contract (A)

Table with 4 columns: LOST CONTRACT, POLICY/CONTRACT NUMBER and TYPE (L, E or A), ISSUING COMPANY'S NAME AND ADDRESS AND PHONE NUMBER, INSURED/ANNUITANT'S NAME. Includes checkboxes for 'and' and 'ISSUING COMPANY'S PHONE NUMBER'.

collectively called "Old Contract(s)" which I hereby agree to exchange pursuant to Section 1035 of the Internal Revenue Code for:

- a Life Insurance Contract
an Annuity Contract

called "New Contract" on the life of the same insured or with the same annuity owner named in the Old Contract(s) if USAA LIFE approves my application, dated _____ for the New Contract and I accept it.

In consideration of USAA Life's furnishing this form and assisting me with the exchange of contracts under Section 1035 of the Internal Revenue Code, I hereby further represent and agree as follows:

At the time of the exchange, is the Old Contract a Modified Endowment Contract (MEC) under Internal Revenue Code Section 7702A?

- YES
NO

1. Ownership of Old Contract(s)

I am the sole owner of the Old Contract(s). No other person (including fiduciaries whether or not court-appointed), firm, corporation or governmental unit has any legal or equitable claim or interest in or against the Old Contract(s), except as follows (describe):

NOTE: Collateral assignees, irrevocable beneficiaries, etc. must sign on back of form as indicated.

2. Absolute Assignment of Old Contract(s)

I hereby assign, irrevocably transfer and deliver the Old Contract(s) described above to:

USAA Life Insurance Company, Federal ID #74-1472662

together with all right, title and interest therein and thereto, unless I have affirmed them as LOST by checking the "Lost Contract" box(es) above. Otherwise, my copy of this form is my receipt for the Old Contract(s).

3. USAA Life Will Not Pay Premiums on Old Contract(s)

I understand and agree that USAA Life is not obligated to and will not make any premium payments on the Old Contract(s). Therefore, I further agree for myself, my heirs and assigns that USAA Life is not liable if the Old Contract(s) lapses for non-payment of premiums. I understand that if the Old Contract(s) is/are reassigned to me under the terms of Paragraph 5, and it has lapsed because premiums have not been paid, I can reinstate it only if the terms of the Old Contract(s) permit it to be reinstated.

4. Surrender of Old Contract(s)

I understand and agree that:

FOR A LIFE INSURANCE CONTRACT

If USAA Life approves and issues the New Contract, and I accept it, USAA Life will apply for the surrender of the Old Contract(s) for the cash value after the New Contract is delivered to me.

As of the Surrender Date, if the Old Contract(s) is/are a life insurance or endowment policy, it will no longer provide life insurance protection in the event of the insured's death.

If the insured under the Old Contract(s) dies BEFORE the Surrender Date, and USAA Life's Home Office is given written notice of the death before the Surrender Date, USAA Life will reassign the Old Contract(s) to the owner or the owner's legal representative. The beneficiary named in the Old Contract(s) may then apply to the issuer of the Old Contract(s) for any death benefit available under the Old Contract(s). Upon such reassignment, USAA Life shall be discharged from all liability with respect to the Old Contract(s). FURTHER, IN THIS SITUATION, USAA LIFE SHALL NOT BE OBLIGATED OR HAVE ANY LIABILITY TO PAY DEATH PROCEEDS TO ANY BENEFICIARY UNDER THE NEW CONTRACT EXCEPT TO THE EXTENT SAID PROCEEDS EXCEED THE DEATH PROCEEDS OF THE OLD CONTRACT.

If the insured dies ON or AFTER the Surrender Date, I understand that no death benefits will be available under the Old Contract(s). I understand that the cash values of the Old Contract(s) will be applied by USAA Life as a non-repeating premium under the New Contract.

FOR AN ANNUITY CONTRACT

If USAA Life approves my application, it will apply for the surrender of the Old Contract(s) for its cash value. Upon receipt of the cash proceeds, USAA Life will issue a New Contract **at the interest rate then in effect.**

FOR A LIFE POLICY

USAA Life will apply the entire cash surrender value it receives from the Old Contract(s) as a non-repeating premium for the New Contract issued by USAA Life.

5. Reassignment of Old Contract(s)

In the event:

- USAA Life declines my life insurance application for the New Contract; or
- I refuse to accept the New Contract; or
- I return the New Contract to USAA Life under the Free Look Provision of the New Contract; or
- The insured under the Old Contract(s) dies BEFORE the Surrender Date, and written notice of the death is given to USAA Life's Home Office BEFORE the Surrender Date;

then this Agreement shall be null and void and USAA Life shall reassign the Old Contract(s) to me or my legal representative, whereupon USAA Life shall have no further obligation with respect to the Old Contract(s).

I UNDERSTAND THAT AFTER THE SURRENDER DATE, THE OLD CONTRACT(S) CANNOT BE RETURNED TO ME AND THAT NO DEATH BENEFIT WILL BE PAID UNDER LIFE CONTRACT(S) IF THE INSURED DIES.

6. Outstanding Contract Loan Consequences

If a loan(s) exist(s) on the cash value(s) in this/these contract(s), there could be negative tax consequences and taxes could be owed on this transaction. Therefore, any loan(s) existing on contract(s) being exchanged MUST be paid off prior to the completion of the 1035 exchange. If a loan is not paid off, constructive receipt of the balance of the loan is assumed and reported by the surrendering company as a taxable distribution. For more information, contact your USAA Life Sales Representative at 1-800-531-USAA (8722).

7. Acknowledgment of Responsibility for Tax Obligations

I understand and agree that USAA Life is furnishing this form and participating in this transaction at my specific request. Accordingly, I am not relying on USAA Life, its agents or employees for any tax advice whatsoever with respect to this transaction. I understand that any tax obligations resulting from this transaction are mine. Further, I assume any and all risk with respect to the accomplishment of a valid Section 1035 exchange under the Internal Revenue Code.

I also request that, as required, the surrendering company send to USAA Life a report on any taxable gain or loss on Old Policy(s)/Contracts(s).

8. Coverage of New Contract (Life Insurance Only)

I understand that this Agreement creates no insurance.

<p>9. I would like to have my funds sent by (check one):</p> <p><input type="checkbox"/> Regular Mail <input type="checkbox"/> Certified Mail* <input type="checkbox"/> Overnight Mail* <input type="checkbox"/> Wire*</p> <p>*There is no guarantee that all options are available. Fees may be charged which may be deducted from your account balance. Please confirm your request with the surrendering company and with USAA Life.</p>	
<p>For either company, if CHECK is used:</p> <p>USAA LIFE INSURANCE COMPANY P.O. Box 34030 San Antonio, Texas 78265-9933</p> <p>Make checks payable to: USAA Life Insurance Company</p> <p>FBO: <u>(Owner's Name)</u></p>	<p>For either company, if WIRE is used:</p> <p>JPMorgan Chase Bank, N.A. ABA Transit Routing: #021000021 Account Number: 662634385 Account Name: USAA Life Insurance Company</p> <p>FBO: <u>(Owner's Name)</u></p> <p>Owner's USAA# _____</p> <p>Contract # (if known) _____</p>

10. Signatures as Required:

Signed at <u>x</u> _____ (City and State)	On <u>x</u> _____ (Date)
<u>x</u> _____ (Owner)	<u>x</u> _____ (Witness)
<u>x</u> _____ (Joint Owner, if any)	<u>x</u> _____ (Witness)
<u>x</u> _____ (Irrevocable Beneficiary, if any)	<u>x</u> _____ (Collateral Assignee, if any)

FOR USAA LIFE HOME OFFICE USE ONLY

Received and recorded at the Home Office of USAA LIFE INSURANCE COMPANY:

Date: _____ By: _____
Authorized Signature