

## New Business Handling Process for non-PBR and/or 2017 CSO Compliant cases AFTER December 31, 2019 Life Insurance Cases

To comply with the new industry-wide Principle-Based Reserving (PBR) and 2017 Commissioners Standard Ordinary (CSO) Mortality Table regulations, all life insurance products sold, issued or placed on or after January 1, 2020 **must** be compliant with the new regulations. This includes business initiated in 2019.

For any non-PBR and/or 2017 CSO compliant case that has not been placed in-force with premium and placement-restrictive requirements on or before December 31, 2019, one of the following actions will occur:

- **Inactive cases will be closed.** This includes cases past the cancel date, and/or cases with no activity for over 90 days (requirements, communication, etc.).
- **Active cases must switch to a compliant product.** Consult state and firm product availability; additional requirements will be needed.
- **Active pending cases in which the state has not approved the new PBR/2017 CSO compliant product;** the case will be closed.

### Life Insurance Product Switch Process

**This process includes any 1035 exchange that has already been initiated.**

#### **Any non-PBR/2017 CSO compliant Term, UL, IUL or VUL to a PBR/2017 CSO compliant product**

The following requirements will be needed:

##### **Prior to policy issue:**

- **Cases without a signed illustration on file:** Lincoln will need a signed revised illustration\*
- If the request for a product switch includes moving from a Term product to a Permanent product, additional forms may be required
- If a Tele-App interview and/or exam has already been conducted, the client will not be required to complete the process again

##### **Signed on delivery is acceptable:**

- **Cases with a signed illustration on file:** Lincoln can receive the revised signed illustration on delivery
- A new application will not be required, Lincoln will amend the Part I Product & Rider Sections

### Executed Life 1035 Exchanges

**For any pending non-PBR and/or 2017 CSO compliant life insurance case (UL, IUL, VUL) in which the 1035 exchange has been executed but funds are not received, or if only partial funds have been received by December 31, 2019, options include:**

1. Client can partially fund Life policy (if funds differ upon receipt of 1035 exchange, Lincoln cannot rewrite the policy), or
2. Client can choose to switch to a PBR/2017 CSO compliant product, or
3. 1035 Exchange proceeds can be returned to the Current Insurer (subject to acceptance by the Current Insurer); or to the Owner(s) with potential tax implication

\*Not applicable for Term

## Executed Life New York Reg 60

**For pending New York Reg 60 Life insurance cases in which funds have not been received, or if only partial funds have been received, options include:**

1. Lincoln will use the Good Faith Estimate on the Disclosure, or
2. Client can choose to switch to a PBR/2017 CSO compliant product, or
3. 1035 Exchange proceeds can be returned to the Current Insurer (subject to acceptance by the Current Insurer); or to the Owner(s) with potential tax implication

Visit [www.LFG.com/YearEnd2019](http://www.LFG.com/YearEnd2019) for complete transition guidelines, including a list of Lincoln's PBR/2017 CSO compliant product portfolio.

Life insurance issued by The Lincoln National Life Insurance Company, Fort Wayne, IN and Lincoln Life & Annuity Company of New York, Syracuse, NY, and distributed by Lincoln Financial Distributors, Inc., a broker-dealer. Contractual obligations are backed by the claims-paying ability of the issuing insurance company. The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so. Lincoln Financial Group is the marketing name of Lincoln National Corporation and its affiliates.