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BEFORE THE COMMISSIONER OF INSURANCE
OF THE STATE OF UTAH

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|-----------------------------------|---|------------------------|
| In Re: | : | |
| | : | |
| MULTISTATE REGULATORY | : | ADOPTION OF |
| SETTLEMENT AGREEMENT WITH: | : | REGULATORY |
| | : | SETTLEMENT AGREEMENT |
| | : | |
| LINCOLN NATIONAL LIFE INSURANCE | : | Docket No. 2013-154 AD |
| COMPANY; LINCOLN LIFE AND ANNUITY | : | |
| COMPANY OF NEW YORK; AND FIRST | : | Enf. Case No. 3433 |
| PENN PACIFIC LIFE INSURANCE | : | |
| COMPANY. | : | |

WHEREAS, a regulatory settlement agreement (“Regulatory Settlement Agreement” or “RSA”) has been entered into between (a) Lincoln National Life Insurance Company, Lincoln Life and Annuity Company of New York, and First Penn Pacific Life Insurance Company, and each of their predecessors, successors, assigns and subsidiaries (collectively referred to herein as “Lincoln,” the “Company,” or the “Companies”) and (b) the insurance regulators of California, Florida, Illinois, Indiana, New Hampshire, North Dakota, and Pennsylvania (“Lead States”),

which RSA was signed by Lincoln on November 25, 2013, and by each Lead State on November 26, 2013;

WHEREAS, the Departments have regulatory jurisdiction over the business of insurance conducted in their respective jurisdictions, including the authority to conduct market conduct examinations;

WHEREAS, the Departments are the Lead and Participating States in the Multi-State Examination that was called to assess the Company's settlement practices, procedures and policy administration relating to claims, and the use of the Social Security Death Master File ("DMF") or similar database or service, including the Company's efforts to identify the owners and beneficiaries of unclaimed Proceeds;

WHEREAS, based upon the information gathered to date, the Departments have identified concerns regarding the adequacy of the Company's policies and procedures to ensure that life insurance policies, annuities and Retained Asset Accounts are timely paid to Beneficiaries and are timely reported or remitted in accordance with the Unclaimed Property Laws and the Insurance Laws;

WHEREAS, the Company denies any wrongdoing or activities that violate any Insurance Laws in the jurisdiction of each Department or any other applicable laws, but in view of the complex issues raised and the probability that long-term litigation and/or administrative proceedings would be required to resolve the disputes between the Parties hereto, the Company and the Departments desire to resolve the differences between the Parties as to the interpretation and enforcement of Insurance Laws and all claims that the Departments have asserted or may assert with respect to the Company's claim settlement practices related to the use of the DMF;

WHEREAS, the Company represents that since as early as 1997, it has checked the DMF on a quarterly basis as a fraud protection measure for certain of its products – including lifetime payouts of individual annuity contracts, as well as limited subset of its individual life policies on premium waiver and individual disability policies. Specifically, the Company has checked the DMF for products where the claimant's beneficiary may have an incentive not to report the death of the claimant in order to continue fraudulently to receive some benefit from the Company. The purpose of these comparisons was to determine if a claimant was deceased so that premium waiver or disability payments could be stopped;

WHEREAS, the Company represents that from 1997 through 2011, the Company did not perform DMF quarterly comparisons to determine if its life insurance policyholders have died for the purpose of paying life insurance proceeds, because the anti-fraud rationale for the Company's quarterly check as described above was inapplicable where the claimant has a financial incentive, and a contractual duty to alert the company of the policyholders death;

WHEREAS, the Departments assert that this asymmetrical check is inconsistent with certain obligations under the Insurance Laws;

WHEREAS, the Company has cooperated with the Departments and their examiners in the course of the Multi-State Examination by making its books and records available for examination, and its personnel and agents available to assist as requested by the Departments and the Company represents that at all times relevant to this Agreement, the Company and its officers, directors, employees, agents, and representatives acted in good faith;

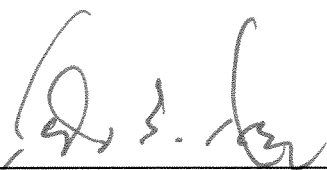
WHEREAS, the RSA will become effective upon the date the RSA has been executed by the Company, the Lead States, and the insurance regulators of at least 13 of the other “Participating States;” and

WHEREAS, the Commissioner of Insurance of the State of Utah has determined that it is in the best interests of the citizens of the State of Utah that the Utah Insurance Department participate in the settlement of the subject matter of the RSA;

NOW THEREFORE, IT IS HEREBY ORDERED:

The Commissioner of Insurance of the State of Utah, as executive director of the Utah Insurance Department, hereby adopts, agrees to, and approves the Regulatory Settlement Agreement by and between the Companies and the Participating States (including the Lead States) that was signed by Lincoln on November 25, 2013, and by each Lead State on November 26, 2013.

DATED this 31 day of January, 2014.



TODD E. KISER
Commissioner of Insurance
of the State of Utah
Utah Insurance Department
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CERTIFICATE OF MAILING

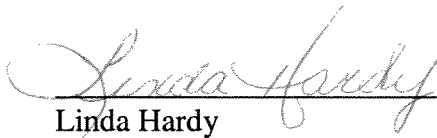
I do hereby certify that on this date I e-mailed to RA-IN-Market_Actions@pa.gov, and mailed by regular mail, postage prepaid, a true and correct copy of the attached:

ADOPTION OF REGULATORY
SETTLEMENT AGREEMENT

To the following:

Christopher Monahan(c/o Cherie Leese)
Director of Market Action
Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120

DATED this 3Rd day February, 2014


Linda Hardy