



**The Lincoln National Life Insurance Company
Lincoln Life & Annuity Company of New York**

Illustration Procedure Change – Effective February 23, 2009

To ensure compliance with the state illustration regulations, Lincoln Life New Business (we) have made some changes to current new business processing. The regulations require that the illustration be obtained "at solicitation" of the life insurance application. Currently, we require a signed illustration be obtained upon delivery of the policy. The regulation's intent is to provide as much disclosure to the client as possible at the beginning of life insurance purchase. To comply with the intent, we have changed our procedure to require the signed illustration with the life insurance application. We will begin to enforce this on February 23, 2009. For cases submitted before that date, we will not make any changes. The enforced guidelines will apply only to formal applications received on or after February 23, 2009.

We recognize that this change may mean additional work for producers at the beginning of the application submission process. We are committed to being as "easy to do business" with as possible when we develop processes within our own jurisdiction. However, we must comply with regulatory requirements.

The following guidelines provide detailed information by product type about the new rules effective February 23, 2009:

- For Universal Life and Indexed Universal Life products, we must receive a signed illustration or signed Illustration Compliance Certification form (BJ-7972) with the signed, formal application. The latest this can be received is prior to the issuing of the policy. We will also ask for an unsigned, but correct illustration prior to policy issue.
- For Variable Universal Life products, we need an unsigned, but correct illustration prior to policy issue for all cases. This can then be signed on policy delivery and will not hold up issue of the case.
- For Term products, we will not require an illustration.
- For cases where the insured is an active member of the military, special handling in addition to the above requirements is needed. For these cases, we require the illustration used in the sale of all cases, including Term insurance. The term insurance illustration used in the sale is not signed, but must be received prior to issue. For UL, IUL, and VUL illustrations, the illustration and signature requirements for active military are the same as stated above, except for UL and IUL cases we cannot accept the Illustration Compliance Certification form (BJ-7972).

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

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