

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking	)	
and Insurance, State of New Jersey, to fine	)	CONSENT
Lincoln National Life Insurance Company,	)	ORDER
Ref. No. 7665676.	)	

TO: **Lincoln National Life Insurance Company**  
100 North Greene Street  
Greensboro, NC 27401

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Lincoln National Life Insurance Company (“Respondent”), currently licensed as a foreign life and health insurance company pursuant to N.J.S.A. 17:17-10, has violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, pursuant to N.J.S.A. 17B:25-37, an annuity disclosure statement containing specific information, shall be distributed to annuity applicants within five business days of receipt of the application; and

WHEREAS, pursuant to N.J.A.C. 11:4-59.4(d), the disclosure statement form to be used in connection with an annuity shall be filed with the Department as part of the filing of the annuity form; and

WHEREAS, pursuant to N.J.A.C. 11:4-40.5(a), no insurer shall deliver or issue for delivery in this State any form, including annuity contracts and related documents, unless the form has been approved by the Commissioner pursuant to the procedures set forth in this subchapter; and

WHEREAS, on or about July 8, 2014, Lincoln submitted forms 13-618FNJ, SP-618RF, and SP-618F (“the forms”) to the New Jersey Department of Banking and Insurance (“the Department”) for approval and was subsequently advised that there were no approved disclosure statements for use with the forms on file with the Department, in violation of N.J.A.C. 11:4-59.4(d) and N.J.A.C. 11:4-40.5(a); and

WHEREAS, on or about October 28, 2014, Lincoln submitted the disclosure statement for review and approval under the documentation tab of the original submission, in violation of N.J.A.C. 11:4-40.5(a); and

WHEREAS, on or about November 20, 2014, and again, on or about December 15, 2014, the Department informed Lincoln that the forms could not be approved for use in New Jersey unless a disclosure statement was submitted under a separate submission and the forms could not be used in New Jersey without an approved disclosure statement; and

WHEREAS, Lincoln began using the forms without an approved disclosure statement and issued two contracts in New Jersey with a disclosure statement that was not approved by the Department, in violation of N.J.S.A. 17B:25-37, N.J.A.C. 11:4-59.4(d) and N.J.A.C. 11:4-40.5(a); and

WHEREAS, Respondent:

- 1) Has admitted responsibility for the aforementioned violations; and
- 2) Has cooperated with the investigation conducted by the Department; and
- 3) Has declared that these acts were unintentional; and
- 4) Has agreed to retroactively provide a free look back period in accordance with N.J.A.C. 11:4-59.4(g); and

WHEREAS, cause does exist under N.J.S.A. 17:29A-23 to impose a fine; and

WHEREAS, Respondent has waived its right to a hearing on the aforementioned violations and has consented to the payment of a fine in the amount of \$10,000.00; and

WHEREAS, this matter should be resolved upon the consent of the parties without resort to a formal hearing on the aforementioned violations, and further good cause appearing; and

NOW, THEREFORE, IT IS on this 17<sup>th</sup> day of JUNE, 2015

ORDERED AND AGREED, that Respondent pay a fine in the amount of \$10,000.00 to the Department; and

IT IS FURTHER ORDERED AND AGREED, that said fine shall be paid by certified check, cashier's check or money order made payable to the State of New Jersey, General Treasury, with a fine payment of \$10,000.00 due and payable immediately upon execution of this Consent Order by Respondent; and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order together with the fine payment of \$10,000.00 shall be remitted to:

New Jersey Department of Banking and Insurance  
ATTN: Virgil Downtin, Chief of Investigations  
9<sup>th</sup> Floor – Enforcement Unit  
P.O. Box 329  
Trenton, New Jersey 08625

IT IS FURTHER ORDERED AND AGREED, that within 30 days of receiving an approved disclosure statement from the Department, Respondent shall provide a free look back period to the two New Jersey insureds in accordance with N.J.A.C. 11:4-59.4(g) and provide the Department with satisfactory proof of same; and

IT IS FURTHER ORDERED AND AGREED, that Respondent shall take all reasonable steps requested by the Commissioner for the implementation of these actions, including

submitting documents requested pursuant to this order to the Department for approval prior to use and/or issuance; and

IT IS FURTHER ORDERED AND AGREED, that any subsequent life insurance policy, or application, if a written application is required and is to be made a part of the policy, or printed rider or endorsement for use with the policy, that shall be delivered or issued for delivery in this State will comply with all aspects of New Jersey insurance laws and regulations; and

IT IS FURTHER ORDERED AND AGREED, that in the event full payment of the fine is not made in accordance with this Order, the Commissioner may exercise any and all remedies available by law, including but not limited to recovery of any unpaid amounts in summary proceedings, in accordance with the penalty enforcement law N.J.S.A. 2A:58-10 et seq.; and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein; and

IT IS FURTHER ORDERED AND AGREED, that Respondent shall cease and desist from engaging in the conduct that gave rise to this Consent Order and hereafter, shall comply in all respects with the New Jersey insurance laws and regulations.

  
\_\_\_\_\_  
Peter L. Hart  
Director of Insurance


Consented to as to  
Form, Entry, and Content

**Lincoln National Life Insurance Company**

  
\_\_\_\_\_  
*Joseph D Spada, VP: CO, Cite: Annals*  
(Print Name and Title)

Date: 6/5/15

**Alexander B. Sixbey  
NOTARY PUBLIC  
State of Connecticut  
My Commission Expires  
May 31, 2019**

Subscribed and sworn to before me  
this 5 day of JUNE, 2015  
  
\_\_\_\_\_  
Notary Public  
My Commission Expires ~~June 30, 2016~~  
May 31, 2019