REGULATORY SETTLEMENT AGREEMENT

This Regulatory Settlement Agreement ("**Agreement**") is entered into by and between the following insurance companies: **Lincoln National Life Insurance Company; Lincoln Life and Annuity Company of New York; First Penn Pacific Life Insurance Company and each of its predecessors, successors, and assigns and subsidiaries** (collectively referred to herein as the "**Company**"), and the California Department of Insurance; Florida Office of Insurance Regulation; Illinois Department of Insurance; Indiana Department of Insurance; New Hampshire Insurance Department; North Dakota Insurance Department; and Pennsylvania Insurance Department as Lead States ("**Lead States**") in the multi-state targeted market conduct examination of the Company called on August 9, 2011 (the "**Multi-State Examination**"), and the insurance departments executing a Participating State Adoption in the form set forth on Schedule B (the "**Participating States**"). The **Lead States and Participating States** are collectively referred to as the "**Departments**." The **Departments** and the **Company** are collectively referred to herein as the "**Parties**."

RECITALS

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; and

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.

NOW, THEREFORE, the Parties agree as follows:

1. **Defined Terms.** Those capitalized terms in this Agreement not otherwise defined in the text shall have the following meanings:

    a. "**Accountholder**" means the owner of a "Retained Asset Account."

    b. "**Annuity Contract**" means a fixed or variable annuity contract other than a fixed or variable annuity contract issued (1) in connection with an employment based plan subject to the Employee Retirement Income Security Act of 1974, or (2) to fund an employment-based retirement plan, including any deferred compensation plans.

    c. "**Annuity Contract Owner**" means the owner of an Annuity Contract.

    d. "**Beneficiary**" or "**Beneficiaries**" means the party or parties entitled or contingently entitled to receive the Proceeds from a Policy, an Annuity Contract, or a Retained Asset Account.

    e. "**Company Records**" means in-force and certain lapsed Policies, Annuity Contract and Retained Asset Account information maintained on the Company's administrative systems or the administrative systems of any third-party retained by the Company, as opposed to such information being maintained by a group life insurance customer or some other third party retained by the group customer. Company Records does not include lapsed Policies that

have been compared against the DMF for eighteen (18) months following the lapse date of the applicable policy.

f. **"Date of Death"** means the date on which an Insured has died.

g. **"Date of Death Notice"** means the date the Company first has notice of the Date of Death of an Insured. For purposes of this Agreement Date of Death Notice shall include, but not be limited to, the date the Company received information of a DMF match or any other source or record maintained or located in Company Records.

h. **"DMF"** means a version of the United States Social Security Administration's Death Master File or any other database or service that is at least as comprehensive as the United States Social Security Administration's Death Master File for determining that a person has reportedly died.

i. **"DMF Match"** means a match of an Insured contained in the Company Records to a unique biological individual listed in the DMF under the criteria provided in the attached Schedule A.

j. **"Effective Date"** means the date this Agreement has been executed by the Company, each of the Departments of Insurance of California, Florida, Illinois, Indiana, New Hampshire, North Dakota, and Pennsylvania (the "**Lead Departments**") and the Departments of at least thirteen (13) "Participating States."

k. **"Exception"** means a fact situation described in subparagraphs i. – iii. below which serves to exclude the Proceeds from payment to a beneficiary or escheatment as a result of a DMF Match:

   i. for death benefits under a Policy, Annuity Contract and Retained Asset Account: (a) the individual identified in the Date of Death Notice as the Insured is either alive or not the Insured; (b) the Policy was not in force at the Date of Death; (c) there is no death benefit due and payable upon death due to, among other things: (i) the application of a contestability period, (ii) the existence of an exclusionary event or (iii) pending litigation; (d) the beneficiary is a minor and unable to accept payment of the Proceeds under applicable Uniform Transfer to Minors Act; (e) the death benefit under an Annuity Contract is within the five (5) year deferral period under the Internal Revenue Code and the Beneficiary has indicated an intent to deter; (f) the death indicated was the first of two Insureds or Annuity Contract Owners to die under a second to die policy; (g) the dormancy period has not expired; (h) claims received under non-Recordkeeper group life insurance or

annuity contracts (including group life insurance or annuity certificates issued where the Company lacks and/or is unable to obtain sufficient information necessary to determine that a life insurance or annuity benefit is due or is unable to determine the benefit amount without contacting a third party) (i) the full value of any benefits due and payable upon death has in fact been remitted to the Beneficiary or reported and remitted as Unclaimed Property to the affected jurisdiction(s);

ii. for Annuities that have reached their Maturity Date: (a) there is no benefit due and payable on the Maturity Date; (b) documented contact has occurred with the Annuity Contract Owner including but not limited to a request by the Annuity Contract Owner to change the designation of a Beneficiary, Annuity Contract Owner or annuitant; a non-automated request to reallocate the value of the Annuity contract among variable investment options; or a non-automated request to renew or change a fixed interest guarantee period under the Annuity contract; (c) the Annuity Contract Owner has taken action which is inconsistent with the desire to annuitize; (d) the value of the Proceeds payable upon Maturity Date is the subject of pending litigation; and/or (e) the full value of any benefits due and payable upon the Maturity Date has in fact been remitted to the Annuity Contract Owner or Beneficiary or reported and remitted as Unclaimed Property to the affected jurisdiction(s);

iii. for Retained Asset Accounts: (a) the Accountholder has taken affirmative action in respect to the Retained Asset Account that is inconsistent with abandonment (automatic financial or administrative transactions, including automated deposits or withdrawals prearranged by the account owner, and/or the non-receipt by the Company of returned mail shall not constitute "affirmative action" for this purpose, except to the extent where the affected jurisdiction specifically recognizes that such activity is sufficient to prevent property from being presumed abandoned); or (b) the full value of the Retained Asset Account has in fact been remitted to the Beneficiary or reported and remitted as Unclaimed Property to the affected jurisdiction(s).

l. "**Future Settlement Agreement**" means any agreement entered into by any other insurer and the Departments concerning the subject matter of this Agreement.

m. "**Insurance Laws**" means the insurance laws, rules and regulations in effect in each of the Department's jurisdictions and any official guidance issued by one or more of the Department under such laws, rules and regulations.

n. "**Insured**" means an individual identified in a Policy, Retained Asset Account or Annuity Contract whose death entitles a beneficiary or other person to file a claim for, or otherwise receive "Proceeds" in accordance with the terms of the Policy, Retained Asset Account or Annuity Contract.

o. "**Maturity Date**" means the date in an Annuity Contract that annuity payments are scheduled to begin, unless the records of the Company indicate that the Maturity Date has been extended with documented contact with the Annuity Contract Owner, or (ii) the Annuity Contract Owner has taken action with respect to the Annuity Contract that is inconsistent with a desire to annuitize. For purposes hereof, "action in respect to the Annuity Contract that is inconsistent with a desire to annuitize" shall mean a partial annuitization, a partial withdrawal of contract value (including required minimum distributions or systematic withdrawals, unless such distributions or withdrawals remain uncashed, and partial exchanges of the Annuity Contract for another annuity contract), termination or surrender of the Annuity Contract, payment of all Proceeds due, fund transfers, beneficiary changes, or payment of additional annuity considerations.

p. "**Policy**" means any individual life insurance policy or endowment policy or group life insurance policy or certificate of life insurance for which the Company performs "Recordkeeping" services and provides a death benefit. The term "Policy" shall not include credit or mortgage life insurance policies or certificates issued thereunder, other group life insurance policies or certificates issued thereunder where the Company does not perform Recordkeeping functions; or any benefits payable under accidental death or health coverages, including but not limited to disability and long term care arising from the reported death of a person insured under such coverage.

q. "**Proceeds**" means the benefits payable under a Policy, Annuity Contract or Retained Asset Account of the Company.

r. "**Recordkeeping**" means maintaining the information contained in the Company's Records necessary to process a claim, including without limitation, the Insured's full name, address, date of birth, telephone number, Social Security Number, coverage eligibility, premium payment status, benefit amount and Beneficiary's information, including without limitation, the Beneficiary's full name, address, date of birth, telephone number and Social Security Number.

s. "**Retained Asset Account**" means any mechanism whereby the settlement of proceeds payable under a Policy or individual Annuity Contract, including, but not limited to, the payment of cash surrender value, is accomplished by the Company or an entity acting on behalf of the Company establishing an account with check or draft writing privileges, where those proceeds are retained by the Company, pursuant to a supplementary contract not involving annuity benefits.

t. "**Thorough Search**" means that the:

i. Company shall use its best efforts, as described below, to identify, and determine a current address for, and contact the Beneficiary. The Company shall make at least two (2) attempts to contact the Beneficiary in writing at the address maintained in Company Records.

a. Protocol for No Response to Letters

i. If no response to the letters in (i) above is received, the Company shall attempt to contact the Beneficiary at least two (2) times at the most current telephone number contained in the Company's Records if such telephone number exists in the Company Records or is obtained by the Company by an online search or locator tool;

ii. If no response to the calls described in (a)(i) above is received or no telephone number is available, the Company shall attempt to contact the Beneficiary at the most current available e-mail address, if any, that exists in the Company Records;

iii. If no response to the e-mail described in (a)(ii) above is received or no e-mail address exists in the Company Records, the Company shall conduct research to locate a more updated or accurate mailing address using a national online search or locator tool, such as Lexis Nexis, Accurint or other comparable databases and send a third and final first class letter to the Beneficiary at the address, if any, found by the Company using such database service;

b. Protocol for Returned Mail

i. If any writing described in (i) above is returned as undeliverable, the Company will not be required to send any additional mailings to that address and will within thirty (30) days conduct research to locate a more updated or accurate address using a national online search or locator tool, such as Lexis Nexis, Accurint or other comparable databases;

ii. If the Company obtains an updated address using national online search or locator tools described in (b)(i) above, the Company shall make at least two

(2) attempts in writing to contact the Beneficiary at that address;

iii. If no response to the letters in (b)(i) or (b)(ii) is received or there is no updated address found or the letters described in (b)(ii) are returned as undeliverable, the Company shall attempt to contact the Beneficiary at least two (2) times at the most current telephone number contained in the Company's Records or is obtained by the Company by a national online search or locator tool;

iv. If no response to the calls described in (b)(iii) above is received by the Company or no telephone number is available, the Company shall attempt to contact the Beneficiary at the most current available e-mail address, if any, that exists in the Company Records;

v. If no response is received by the Company to the activities of (b)(iii) or (b)(iv) above, Company shall send a third and final first class letter to the address identified in (b)(i), if any.

ii. The Company shall maintain documentation of all its Thorough Search efforts.

The Company may utilize any alternative methodology to the above process to locate a Beneficiary that the Company can demonstrate to the Lead States provides equivalent or better results.

If the value of a policy, contract, or account is *de minimis* (defined as $100 or less), the Company may satisfy its obligations to conduct a Thorough Search by making at least one (1) attempt to contact the Beneficiary or Beneficiaries by mail at the address indicated in the Company Records, or, if the Company Records do not identify a Beneficiary and address, may report and remit the funds to the affected jurisdiction(s) as Unclaimed Property in accordance with Unclaimed Property Laws.

Notwithstanding the foregoing, the Company's obligation to conduct a Thorough Search shall cease upon documented contact with a Beneficiary. In the event that the Company fails to locate a Beneficiary, including through the efforts described above, the Company shall report and remit the policy proceeds in accordance with the applicable jurisdiction's Unclaimed Property Laws.

u. **"Unclaimed Property"** means property subject to state Unclaimed Property

Laws.

v. **"Unclaimed Property Audit Agreement"** means (i) the Global Resolution Agreement between the Company, Verus Financial, LLC and the Unclaimed Property regulators and (ii) the agreement between the Company and the Florida Department of Financial Services.

w. **"Unclaimed Property Laws"** means the Laws, Rules and Regulations regulating unclaimed property in each of the Departments' jurisdictions that apply to insurance companies.

2. **Specific Business Practices and Reforms.** For the term of this Agreement, the Company will institute the following policies and procedures, or continue the same if they have been heretofore adopted, as the case may be:

a. The Company shall compare all Insureds in its Company Records against the complete DMF, and against any updates to the DMF at least quarterly thereafter. The Company shall have no responsibility for errors, omissions or delays in information contained in the DMF or any update files. The Company shall use the comparison criteria specified in Schedule A.

b. If the Company is not contacted by a Beneficiary within one hundred twenty (120) days from the Date of Death Notice, the Company shall promptly commence a Thorough Search, which shall be completed within one (1) year from the Date of Death Notice. The obligation to conduct a Thorough Search under the terms of this Agreement shall not abrogate the right of the Company to complete any due diligence within the timeframe required by any applicable law. If (i) the Beneficiary cannot be located by a Thorough Search and (ii) the Company is unable to establish an Exception, it shall report and remit the Proceeds as Unclaimed Property to the affected jurisdiction(s) within three (3) or five (5) years, as applicable, from the Date of Death.

c. For the sole purpose of this Agreement, the Company shall implement policies and procedures to establish that a DMF Match shall require the Company to initiate its death claims process and conduct a Thorough Search for Beneficiaries in accordance with this Agreement. Nothing herein is intended nor shall be deemed to determine, waive or otherwise satisfy the requirements for establishing proof of death for any purpose, or to confer any rights on any party other than the Company and the Departments.

d. In the event of a DMF Match, such match will be deemed a Date of Death for all of Company's applicable lines of business.

e. In the event that one of the Company's line of business conducts a search for matches of its Insureds against the DMF at intervals more frequent than those provided for in this Agreement and such DMF Match results in action being

taken with respect to a Policy, Annuity Contract, or Retained Asset Account, then that line of business shall share the relevant Insured information among applicable lines of business.

f. In the event that the beneficiary contacts the Company as a result of a Thorough Search, the Company shall provide the appropriate claim forms or instructions, if required, to the Beneficiary to make a claim, including instructions as to the need to provide an official death certificate if consistent with law and the Policy, Annuity Contract, or Retained Asset Account. The Company reserves the right to require satisfactory confirmation of death, including a death certificate, as due proof of death, before Proceeds are paid to a Beneficiary or a Beneficiary's legal representative if consistent with law and the Policy, Annuity Contract, or Retained Asset Account. Nothing in this Agreement shall be construed to supersede the Company's right to maintain effective procedures and resources to deter and investigate fraudulent insurance acts as required by applicable law.

g. To the extent permitted under applicable law, the Company may disclose the minimum necessary personal information about an Insured or Beneficiary to a person whom the Company reasonably believes may be able to assist the Company locate the Insured or Beneficiary or a person otherwise entitled to payment of the Proceeds, provided however, the Company shall not implement policies or practices that will or may diminish the rights of or amounts of Proceeds due to Beneficiaries under its Policies, Annuity Contracts, or Retained Asset Accounts.

h. The Company shall conduct a Thorough Search for group life insurance policies, including group life insurance certificates issued thereunder, where a group life insurance claim is received for which the Company, from information in its administrative systems and/or the group policy claim form, is able to determine that a benefit is due and is able to determine the benefit amount, but the beneficiary cannot be identified and/or located.

i. Within six (6) months after the Effective Date of this Agreement the Company shall establish policies and procedures to ensure that:

    i. With respect to any Annuity Contract for which an Exception does not apply, at least two (2) first class mail letters are sent to an Annuity Contract Owner, with the first letter mailed no less than forty-five (45) days and the second letter (if no response to the first letter is made) no less than twenty (20) days prior to the Maturity Date of an Annuity Contract that: (a) identifies the options available to the Beneficiary (e.g., annuitization, extension of the Maturity Date; surrender of the Contract); and (b) notifies the Annuity Contract Owner that an extension of the Maturity Date requires affirmative consent;

ii. If any letter described in 2(i)(i) above is returned as undeliverable, the Company shall promptly conduct research to locate a more updated or accurate mailing address using a national online search or locator tool such as Lexis Nexis or Accurint or other comparable database and send a final first class letter to the Annuity Contract Owner at the address, if any, found by the Company using such database service;

iii. An affirmative request by an Annuity Contract Owner or authorized representative shall be required by the Company before a Maturity Date is extended, and such request will be recorded in the Company's books and records;

iv. If the Company's letters described in (i) and/or (ii) above are not returned to the Company as undeliverable and the Company receives no response to the letters, the Company will effect the Annuity Contract's annuity maturity contractual default option as soon as reasonably practicable, but in no event more than forty-five (45) days following the Maturity Date, unless the Annuity Contract expressly requires otherwise, in which case the Company will administer the Annuity Contract in accordance with its terms.

j. The Company shall ensure that all Retained Asset Accounts are monitored for inactivity and each Accountholder is notified that the failure to make a withdrawal from the account or to respond to communications from the Company may cause the account to be declared dormant and subject to escheat based on the last documented contact with the Accountholder or the Accountholder's authorized representative. The value of the Retained Asset Account(s) shall be the value of the account as of the date the property is paid to the Accountholder or reported and remitted to the affected jurisdiction(s).

k. A Thorough Search for a Beneficiary of a Retained Asset Account or an Accountholder, as appropriate, shall commence following the passage of three (3) or five (5) years in accordance with the Unclaimed Property Laws of the affected jurisdiction after the later of: (i) the date that the Accountholder last initiated a financial or administrative transaction or (ii) the last Accountholder-authenticated response to the Company that is documented on the Company's books and records. In the event that, within one (1) year after the commencement of the Thorough Search, the Company is unable to locate a Beneficiary or Accountholder and is unable to establish an Exception, it shall report and remit the Proceeds of the Retained Asset Account as Unclaimed Property to the affected jurisdiction(s) in accordance with the Unclaimed Property Laws.

l. Within twelve (12) months after the Effective Date of this Agreement, the Company shall establish policies and procedures to ensure that prior to the

delivery of a Policy or Annuity Contract or establishment of a Retained Asset Account, and upon any change of a Beneficiary, the Company shall request, at a minimum, the name, address, date of birth, social security number, and telephone number of every Insured and Beneficiary of such Policy, Annuity Contract or Retained Asset Account, as applicable.

3. **Regulatory Oversight.** Each of the Departments shall maintain independent regulatory oversight over the Company's compliance with the terms of this Agreement and in furtherance thereof, the Company agrees to the following:

   a. For a period of thirty-six (36) months following the Effective Date, the Company shall provide to the Lead Departments quarterly reports on the implementation and execution of the requirements of this Agreement. Each report shall be delivered to each of the Lead Departments within forty-five (45) days following the end of the applicable reporting period. Copies of these reports will also be made available to a Department's designated examiner, upon reasonable request, to assist the Departments in monitoring compliance with the requirements of this Agreement.

   b. Thirty-Nine (39) months following the Effective Date the Lead Departments shall conduct a multi-state examination of Company's compliance with the requirements of this Agreement that shall be a continuation of the Multi-State Examination. The Lead Departments shall provide a report summarizing the results of that examination to the Company and Departments. The examination shall be performed with the cost of the examination to be borne by Company in accordance with the Lead Departments respective laws.

   c. The Company may petition a Department to terminate or modify this Agreement in that jurisdiction. Such petition may include, but not be limited to the following grounds: (i) the Agreement's terms, in whole or in part, are inconsistent with the statutes, rules, controlling case law, or regulations then in effect in that jurisdiction or (ii) that a Future Settlement Agreement with a company possessing substantial market share is more favorable than this Agreement. A Department shall not unreasonably withhold its consent to the relief requested by the Company in its petition. Once made by the Company, the Multi-State Examination Payment, as allocated to each Department, is final and non-recoverable from the Departments or any other governmental agency or official within the States signing this agreement under any circumstances including termination of this Agreement.

   d. In addition to the payments set forth in Paragraph 5, the reasonable costs and expenses of the Departments incurred after the date of this Agreement and related to the monitoring of the Company's compliance with the Agreement, including the costs and expenses of conducting any reviews or examinations permitted by the Agreement, as well as participating in any meetings,

presentations or discussions with the Company, shall be borne by the Company as costs of the Multi-State Examination.

e. If the jurisdiction of any Department adopts any Insurance Law addressing insurance companies' use of the DMF (or its equivalent) in connection with insurance companies' procedures concerning the payment of Proceeds to Beneficiaries, then the Company's compliance with the terms of such Insurance Law of that jurisdiction after the Effective Date of this Agreement shall be deemed to comply with the terms of this Agreement (i) which relate solely to the use of the DMF; and (ii) for the purposes of compliance herewith for that jurisdiction alone.

f. The monitoring of the Company for compliance with the terms of this Agreement constitutes an ongoing examination by each of the Departments in accordance with the laws of its jurisdiction. Consistent with applicable law, each Department shall accord confidential treatment to the work papers, recorded information, documents, copies of work papers, and documents produced by, obtained by or disclosed by Company.

g. No later than five years following the Effective Date, the Lead Departments will complete the Multi-State Examination with a final review concerning the Company's compliance with the Agreement. If that review confirms that the Company has fulfilled its obligations under the Agreement, the Multi-State Examination will be closed. The Agreement will terminate eight (8) years following the Effective Date (the "**Termination Date**"), contingent upon the Company's submission of its prospective policies and procedures for DMF matching and Beneficiary outreach to be used thereafter. This submission shall be made to the Lead Departments six (6) calendar months prior to the Termination Date.

4. **Company Covenants**. The Company covenants and agrees with each of the Departments as follows:

a. Proceeds under a Policy shall be determined in accordance with the Policy terms.

b. Proceeds under Annuity Contracts shall be determined in accordance with the contract terms.

c. The value of a Retained Asset Account shall be the value of the account as of the date the Proceeds are removed from the Retained Asset Account to be paid to the Beneficiary.

d. Beneficiaries shall not be charged for any fees or costs associated with a search or verification conducted pursuant to this Agreement.

e. The Company shall comply with the Unclaimed Property Audit Agreement.

5. Multi-State Examination Payment. Without admitting any liability whatsoever, the Company agrees to pay the Departments the sum of $12,600,000 (the "Payment") for the examination, compliance and monitoring costs incurred by the Departments associated with the Multi-State Examination which funds may be used for any purpose permitted by law. The Lead Departments shall be responsible for allocating the Payment among the Departments. The Company agrees to remit the Payment within ten (10) days after the Effective Date and the Lead Departments provide the Company with payment directions. Upon the receipt of the Payment, as allocated by each of the Departments, the Company's financial obligations incurred by the Departments arising out of the Multi-State Examination will be fully satisfied, except as set forth in Paragraph 3d. The Payment shall be in addition to the Company's obligation to reimburse the Lead Departments for reasonable third-party expenses, including expenses for consultants, incurred in connection with the Lead Department's role in the Multi-State Examination.

6. Miscellaneous.

a. This Agreement is an agreement solely between the named Parties as defined above, and no other person or entity shall be deemed to obtain or possess any enforceable rights against the Company as a third party beneficiary or otherwise as a result of this Agreement. The Parties agree that this Agreement is not intended to and shall not confer any rights upon any other person or entity and shall not be used for any other purpose. Nothing in this Agreement shall be construed to provide for a private right of action to any person or entity not a Party to this Agreement. Nor shall the Agreement be deemed to create any intended or incidental third party beneficiaries, and the matters herein shall remain within the sole and exclusive jurisdiction of the Departments.

b. This Agreement does not impair, restrict, suspend, or disqualify the Company from engaging in any lawful business in any jurisdiction, based upon, or arising out of, the Multi-State Examination regarding any alleged act or omission of the Company, provided that all matters set forth in this Agreement shall remain with the sole and exclusive jurisdiction of the Departments.

c. This Agreement contains the entire agreement between the Parties regarding the Company's claims settlement practices, procedures, policy administration relating to the matching of Insureds against the DMF or any similar database and there are no other understandings or agreements, verbal or otherwise, between the Parties, except as set forth herein. In entering into this Agreement, no Party has relied on a representation not set forth herein. No amendment or modification of any provision of this Agreement, or consent to any departure from this Agreement, shall be effective unless in writing and signed by the Party to be charged therewith, and then such modification or consent shall be effective only in the specific instance and for the specific purpose for which given.

d. Neither this Agreement, nor any of the communications or negotiations leading up to this Agreement, nor any actions taken or documents executed in connection with this Agreement, is now or may be deemed in the future to be an admission or evidence of any liability or wrongdoing by the Company with respect to the subject matter of the Multi-State Examination.

e. Subject to the Company's performance of and compliance with the terms and conditions in this Agreement and Schedules, each Department hereby releases the Company from any and all claims, demands, interest, penalties, actions or causes of action that each Department may have by reason of any matter, cause or thing whatsoever, regarding or relating to the subject matter of the Multi-State Examination; provided, however, that nothing herein is intended to relieve or release the Company from its obligations under this Agreement nor preclude the Lead Departments from conducting subsequent Multi-State Examinations to assess the Company's compliance with, or from enforcing, this Agreement.

f. In the event that any portion of this Agreement is enjoined or held invalid under the laws of a Department's jurisdiction, such enjoined or invalid portion shall be deemed to be severed only for the duration of the injunction, if applicable, and only with respect to that Department and its jurisdiction, and all remaining provisions of this Agreement shall be given full force and effect and shall not in any way be affected thereby.

g. Nothing in this Agreement shall be construed as an admission of any party's position as to the preemptive effect of the Employee Retirement Income Security Act of 1974, as periodically amended, or the law of the jurisdiction as applied to employment based plans.

h. This Agreement shall not be construed to allow or require the Company to implement policies or practices that will or may diminish the rights or the Proceeds due to Beneficiaries under the terms of its Policies, Annuity Contracts, or Retained Asset Accounts.

i. To the extent that any laws, rules, or regulations are adopted by any Department, or a regulatory agency of a Department that conflict with any of the terms and conditions of this Agreement, then the application of those affected terms and conditions shall be superseded by such laws, rules or regulations as it applies to that Department, provided that all other unaffected terms and conditions of the Agreement shall remain in full force and effect.

j. Nothing in this Agreement shall abrogate the obligations of the Company under the Unclaimed Property Audit Agreement.

k. The Parties represent and warrant that the person executing this Agreement on behalf of each Party has the legal authority to bind the Party to the terms

of this Agreement.

l. This Agreement may be executed in counterparts. A true and correct copy of the Agreement shall be enforceable the same as an original.

m. Company agrees that the Departments may adopt, agree to and approve the RSA through the issuance of an order, provided that it contains no provisions other than those set forth in the RSA.

7. **Enforcement.** The failure to comply with any provision of this Agreement shall constitute a breach of the Agreement, a violation of an Order of the Departments and a violation of Company's Agreement with the Departments, and shall subject Company to such administrative and enforcement actions and penalties as each Department deems appropriate, consistent with each Department's respective laws.

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT AS OF THE DATE SET FORTH AFTER EACH OF THEIR NAMES.

[*SIGNATURE PAGES IMMEDIATELY FOLLOW*]

COMPANIES SIGNATURE PAGE

Lincoln National Life Insurance Company; Lincoln Life and Annuity Company of New York; First Penn Pacific Life Insurance Company and each of its predecessors, successors, and assigns and subsidiaries

BY: _____

DATE: 11/25/13

LEAD DEPARTMENTS SIGNATURE PAGE

FLORIDA OFFICE OF INSURANCE REGULATION

BY: _____
KEVIN M. McCARTY, COMMISSIONER

DATE: 11-27-13

NORTH DAKOTA INSURANCE DEPARTMENT

BY: _____
ADAM HAMM, COMMISSIONER

DATE: _____

CALIFORNIA DEPARTMENT OF INSURANCE

BY: _____
DAVE JONES, COMMISSIONER

DATE: _____

PENNSYLVANIA INSURANCE DEPARTMENT

BY: _____
MICHAEL F. CONSEDINE, COMMISSIONER

DATE: _____

ILLINOIS DEPARTMENT OF INSURANCE

BY: _____
ANDREW BORON, DIRECTOR

DATE: _____

INDIANA DEPARTMENT OF INSURANCE

BY: _____
STEPHEN W. ROBERTSON, COMMISSIONER

DATE: _____

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY: _____
ROGER A.SEVIGNY, COMMISSIONER

DATE: _____

LEAD DEPARTMENTS SIGNATURE PAGE

FLORIDA OFFICE OF INSURANCE REGULATION

BY:_____
KEVIN M. McCARTY, COMMISSIONER

DATE:_____

NORTH DAKOTA INSURANCE DEPARTMENT

BY:_____
ADAM HAMM, COMMISSIONER

DATE: _____

CALIFORNIA DEPARTMENT OF INSURANCE

BY: Dave Jones
DAVE JONES, COMMISSIONER

DATE: 11/26/2013

PENNSYLVANIA INSURANCE DEPARTMENT

BY:_____
MICHAEL F. CONSEDINE, COMMISSIONER

DATE:_____

ILLINOIS DEPARTMENT OF INSURANCE

BY:_____
ANDREW BORON, DIRECTOR

DATE:_____

INDIANA DEPARTMENT OF INSURANCE

BY:_____
STEPHEN W. ROBERTSON, COMMISSIONER

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BY: Andrew Boron
ANDREW BORON, DIRECTOR

DATE: 11-26-13

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ILLINOIS DEPARTMENT OF INSURANCE

BY:_____
ANDREW BORON, DIRECTOR

DATE:_____

INDIANA DEPARTMENT OF INSURANCE

BY: Stephen W. Robertson
STEPHEN W. ROBERTSON, COMMISSIONER

DATE: 11/26/13

NEW HAMPSHIRE INSURANCE DEPARTMENT

BY:_____
ROGER A.SEVIGNY, COMMISSIONER

DATE:_____

SCHEDULE A
RULES FOR IDENTIFYING DEATH MATCHES

In comparing Company's records of its insured's, annuitants, Annuity Contract owners, and retained asset account owners against the DMF and any updates thereto, the governing principle to be followed shall be establishing whether or not a unique biological individual identified within the Company's data is the same as a unique biological individual identified on the DMF in a case where a benefit is due and payable. In comparing the Company's records of its insured's, annuitants, Annuity Contract owners, and retained asset account holders against the DMF, the Company shall utilize the following set forth below as the minimum standard for determining what constitutes a match.

Category 1: Exact Social Security Number Match occurs when the Social Security Number contained in the data found in the Company's records matches exactly to the Social Security Number contained in the DMF.

Category 2: Non-Social Security Number Match occurs in any of the following circumstances:

1. The Social Security Number contained in the data found in the Company's Records matches in accordance with the Fuzzy Match Criteria listed below to the Social Security Number contained in the DMF, the First and Last Names match either exactly or in accordance with the Fuzzy Match Criteria listed below and the Date of Birth matches exactly.

2. The Company's records do not include a Social Security Number or where the Social Security Number is incomplete (less than 7 digits) or otherwise invalid (e.g., 111111111, 999999999, 123456789), and there is a First Name, Last Name, and Date of Birth combination in the data produced by the Company that is a match against the data contained in the DMF where the First and Last Names match either exactly or in accordance with the Fuzzy Match Criteria listed below and the Date of Birth matches exactly, subject to paragraph 3 immediately below.

3. If there is more than one potentially matched individual returned as a result of the process described in paragraphs 1 and 2 immediately above, or if both the Social Security Number and Date of Birth found in the Company's Records match in accordance with the Fuzzy Match Criteria listed below, then the Company shall run the Social Security Numbers obtained from the DMF for the potential matched individuals against Accurint for Insurance or an equivalent database. If a search of those databases shows that the Social Security Number is listed at the address in the Company's records for the insured, then a Category 2 Match will be considered to have been made only for individuals with a matching address.

4. If the Company's systems do not contain a complete "Date of Birth," then a "Date of Birth" exact match will be found to exist where the data that is available on the

Company's systems does not conflict with the data contained in the DMF. By way of example, if the Company's systems only contain a month and year of birth, an exact "Date of Birth" match will exist if the DMF record contains the same month and year of birth. Additionally, if the Company's systems only contain a year of birth or contain a complete date of birth that includes a month and day of 1/1 (e.g., January 1) followed by a year of birth, the Date of Birth will be deemed to match exactly where the year of birth in the data that is available on the Company's systems is within one (1) year of the year of birth listed in the DMF. By way of example, if the Company's systems contain 1/1/1934, an "exact" Date of Birth match will exist if the DMF record contains a year of birth of 1933, 1934 or 1935.

Fuzzy Match Criteria:

1. A First Name fuzzy match includes one or more of the following:

    a. "First Name" "Nick Names:" "JIM" and "JAMES." The Company shall utilize a Nickname database, such as the pd Nickname database from Peacock Data, Inc. or an equivalent database, as well as publicly available lists of names and nicknames to identify matching First Names where a nickname is used on one or both sides of the match.

    b. "Initial" instead of full first name: "J FOX" and "JAMES FOX."

    c. "Metaphone" (a recognized and accepted phonetic name matching algorithm created by Lawrence Philips and originally published in 1990): "BUDDY" and "BUDDIE."

    d. Data entry mistakes with a maximum difference of one character with at least five characters in length: "HARRIETTA" and "HARRIETA."

    e. If First Name is provided together with Last Name in a "Full Name" format and "First Name" and "Last Name" cannot be reliably distinguished from one another: "ROBERT JOSEPH," Both "JOSEPH ROBERT" and "ROBERT JOSEPH."

    f. Use of interchanged "First Name" and "Middle Name:". "ALBERT E GILBERT" and "EARL A GILBERT."

    g. Compound "First Name:" "SARAH JANE" and "SARAH," or "MARY ANN" and "MARY."

    h. Use of "MRS." + "HUSBAND'S First Name + Last Name:" "MRS. DAVID KOOPER" and "BERTHA KOOPER" where the "Date of Birth" and "Social Security Number" match exactly and the Last Name matches exactly or in accordance with the Fuzzy Match Criteria listed herein.

2. A "Last Name" fuzzy match includes one or more of the following:

    a. "Anglicized" forms of last names: "MACDONALD" and "MCDONALD."

    b. Compound last name: "SMITH" and "SMITH-JONES."

    c. Blank spaces in last name: "VON HAUSEN" and "VONHAUSEN."

    d. "Metaphone" (a recognized and accepted phonetic name matching algorithm created by Lawrence Philips and originally published in 1990): "GONZALEZ" and "GONZALES."

    e. If First Name is provided together with Last Name in a "Full Name" format and "First Name" and "Last Name" cannot be reliably distinguished from one another: "ROBERT JOSEPH," Both "JOSEPH ROBERT" and "ROBERT."

    f. Use of apostrophe or other punctuation characters in "Last Name:" "O`NEAL" and "ONEAL."

    g. Data entry mistakes with a maximum difference of one (1) character for last name with at least eight (8) characters in length: "MACHIAVELLI" and "MACHIAVELI."

    h. Last Name Cut-off: A match will be considered to have been made where due to the length of the Last Name, some of the last letters were not saved in the database. Examples include: "Brezzinnows" and "Brezzinnowski" and "Tohightower"and "Tohightowers."

    i. Married Female "Last Name" Variations: A fuzzy "Last Name" match will be considered to have been made even though the data does not match on the last name of a female, if the "Date of Birth" and "Social Security Number" match exactly and the First Name matches exactly or in accordance with the Fuzzy Match Criteria listed herein.

3. "Social Security Number" fuzzy match includes one of the following:

    a. Two (2) Social Security Numbers with a maximum of two (2) digits in difference, any number position: "123456789" and "123466781."

    b. Two (2) consecutive numbers are transposed: "123456789" and "123457689"

    c. If a Social Security Number is less than nine (9) digits in length (with a minimum of seven (7) digits) and is entirely embedded within the other Social Security Number: "12345678" and "012345678."

Other Matches and Mismatches

Notwithstanding the fact that a policy is listed as a match in accordance with the foregoing rules, there will not be a reportable match if the Company is able to produce competent evidence to establish that the unique biological individual identified in the Company's data is not the same as a unique biological individual identified on the DMF or such individual is not dead.

SCHEDULE B
PARTICIPATING REGULATOR ADOPTION
LINCOLN COMPANIES
EXAMINATION RESOLUTION AGREEMENT

On behalf of _____,
(Jurisdiction)

I,_____,
(Chief Insurance Regulator)
hereby adopt, agree, and approve this Agreement.

BY:_____
(Signature)

JURISDICTION: _____

TITLE: _____

DATE:_____

Please provide the following information as to how your jurisdiction's allocation of the Multi-State Examination Payment should be sent from the Lincoln Companies.

CONTACT NAME: _____

MAILING ADDRESS:_____

_____

PAYMENT MADE TO:_____

_____

Please return this form to:
Christopher Monahan
Director of Market Actions
Pennsylvania Insurance Department
1311 Strawberry Square
Harrisburg, PA 17120
cmonahan@pa.gov
Fax: 717-787-8553