

Regulation 187 Q&A

Starting on February 1, 2020, New York's Regulation 187 will require agents to comply with a "best interest" standard when selling life insurance to New York residents.

When does Regulation 187 go into effect?

February 1, 2020.

Will LGA provide product training?

Yes, LGA's LIMRA training module will include a link to the [Products At A Glance](#) flyer, which will provide training on all of our product features.

Will LGA provide a Reg. 187 form for me to use?

Yes, LGA has created a form for you to use to satisfy your obligation to conduct a best interest analysis. **Download** [here](#).

To whom should I provide copies of the completed form?

Submit your completed best interest form with the application to William Penn and CareValue, and provide a copy to your client.

William Penn Licensing Department

wp_agent_licensing@lgamerica.com

CareValue Licensing Department

license@carevalue.com

When must I submit the Reg. 187 form to LGA?

Since you are required to engage in the best interest analysis at the time of a recommendation, you must submit the Reg. 187 form with the application.



WILLIAM PENN LIFE INSURANCE COMPANY OF NEW YORK

A Legal & General America Company
3275 Bennett Creek Avenue
Frederick, MD 21704-7608
(800) 346-4773

Best Interest and Suitability Disclosure Form

Insured A Name: _____ / _____ / _____ / _____
(First) (Middle) (Last) (Suffix)

Insured B Name: _____ / _____ / _____ / _____
(First) (Middle) (Last) (Suffix)

Insured A Date of Birth (mm/dd/yyyy): ____ / ____ / ____ Insured B Date of Birth (mm/dd/yyyy): ____ / ____ / ____

General Information (Based on the Owner/Applicant)

1. a. Owner (Select One)

Individual: _____ / _____ / _____ / _____
(First) (M.I.) (Last) (Suffix)

Trust/Entity: _____
Trustee/Officer: _____ / _____ / _____ / _____
(First) (M.I.) (Last) (Suffix)

b. Date of Birth/Trust Date (mm/dd/yyyy): ____ / ____ / ____ c. SSN/TIN: _____

d. **Answer Only if Owner is a Trust:** Is this a revocable grantor trust? (If "Yes", complete the Life Suitability Form based on the Insured's(s)/Grantor's overall income, assets and health.)..... Yes No

2. a. Joint Owner Name (if any): _____

b. Date of Birth/Trust Date (mm/dd/yyyy): ____ / ____ / ____ c. SSN/TIN: _____

3. Proposed Insured Rate Class Applied:

- Preferred Plus Non-Tobacco
- Preferred Non-Tobacco
- Standard Non-Tobacco
- Rated Non-Tobacco Table (insert A, B, C or D) _____
- Preferred Tobacco
- Standard Tobacco
- Rated Tobacco Table (insert A, B, C or D) _____

4. Type of Policy Applied For: _____

5. Amount of Proposed Coverage: _____

6. Anticipated Premiums: _____

7. Tax Status:

If Individual, select one of the following:	<input type="checkbox"/> Single	<input type="checkbox"/> Married Filing Jointly	<input type="checkbox"/> Married Filing Separately
	<input type="checkbox"/> Head of Household	<input type="checkbox"/> Qualifying Widower with Dependent Child	
If Business, select one of the following:	<input type="checkbox"/> C Corporation	<input type="checkbox"/> S Corporation	<input type="checkbox"/> Limited Partnership
	<input type="checkbox"/> Limited Liability Corporation (LLC)	<input type="checkbox"/> Sole Proprietorship	

Financial Information (Responses below should be for combined household excluding dependents.)

A. \$1 - \$24,999	B. \$25,000 - \$49,999	C. \$50,000 - \$99,999	D. \$100,000 - \$249,999
E. \$250,000 - \$499,999	F. \$500,000 - \$749,999	G. \$750,000 - \$999,999	H. \$1,000,000 & Over
			I. None/Zero

8. Choose the corresponding letter from the box above to answer the following financial questions.

- a. Annual Income: _____
(Total should include Annual plus any other recurring sources of income you receive)
- b. Existing Assets: _____
(Total of all your Assets, including value of all annuities and cash value of permanent life insurance)
- c. Total Net Worth: (Assets minus Liabilities) _____
- d. Liquid Net Worth: _____
(Net worth that can readily be turned into cash - Not applicable to Term Life Insurance)

9. For each type of liability or financial obligation that you currently have, check the corresponding box and complete the requested information. Check here if you have no liabilities or financial obligations:

<input type="checkbox"/> Mortgage(s): <i>(Provide combined amounts of all mortgages)</i> Mortgage Balance(s): \$ _____ Total Monthly Payment: \$ _____ Remaining term of liability (Years left to pay off longest mortgage): _____ years
<input type="checkbox"/> Credit Card(s): <i>(Provide combined amounts of all credit card debt)</i> Credit Card Debt Balance(s): \$ _____ Total Monthly Payment: \$ _____ Estimated time you plan to pay off all credit card debt: _____ years
<input type="checkbox"/> Auto/Student/Personal Loans: <i>(Provide combined amounts of all loans)</i> Loan Balance(s): \$ _____ Total Monthly Payment: \$ _____ Remaining term of liability (Years left to pay off the longest loan): _____ years
<input type="checkbox"/> Life Insurance and/or Annuity Premium Payments: <i>(Provide combined amounts of all current inforce policies)</i> Total Annual Premiums: \$ _____ Estimated time you plan to stop premium payments on all policies: _____ years

Other liabilities not listed above:

Type	Balance	Monthly Payment	Term
	\$	\$	_____ years
	\$	\$	_____ years
	\$	\$	_____ years
	\$	\$	_____ years
	\$	\$	_____ years

Financial Experience

10. Provide length of experience by selecting the appropriate number of years for the following investment vehicles you have owned.

Check "1-4 years", "5+ years", or "Never Owned" for each of the below.	1 to 4 years	5+ years	Never Owned
Annuities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Life Insurance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CDs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Checking/Savings Account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employer Retirement Account	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Source of Funds

11. What is the source of funds for purchasing this life insurance policy? *(Check all boxes that apply)*

- | | |
|--|--|
| <input type="checkbox"/> Single Premium Immediate Annuity | <input type="checkbox"/> **Money from a Canceled Life Insurance Policy or Annuity Contract |
| <input type="checkbox"/> Financial Distributions | <input type="checkbox"/> Current Income |
| <input type="checkbox"/> Savings/Checking | <input type="checkbox"/> CDs |
| <input type="checkbox"/> Home Equity Loan | <input type="checkbox"/> Gift/Inheritance |
| <input type="checkbox"/> Money Market | <input type="checkbox"/> Premium Finance Loan |
| <input type="checkbox"/> Investment Products (Stocks, Bonds, etc.) | <input type="checkbox"/> Brokerage Account/Cash |
| | <input type="checkbox"/> Loans (Other than Home Equity or Premium Finance) |
| | <input type="checkbox"/> Employer Retirement Account |

12. a. Have you surrendered or replaced any annuity or life insurance policy within the past 36 months? *(This question applies to partial or full surrenders/replacements.)*..... Yes No

b. If "Yes", will funds from the surrendered contract be used (directly** or indirectly**) toward the premium of this proposed contract? *(If "Yes", complete Question 14 below and any applicable Replacement forms.)*..... Yes No

13. Will the proposed life insurance policy replace an existing annuity contract or life insurance policy? *(If "Yes", complete Questions 14 below and any applicable Replacement forms.)*..... Yes No

Required if Question 12b. and/or Question 13. is "Yes."

14. What significant material benefit(s) will you realize by replacing your current contract or policy? (Check all boxes that apply - None or N/A are not acceptable)

- Long-Term Care Protection
- Level/Guaranteed Death Benefit Protection
- Increased Potential for Cash Value Growth
- Other _____
- Guaranteed Level Premiums for New Level Term Period
- Reduction in Premium Cost
- Increased Death Benefit Protection with Better Product Pricing

Product Considerations (To be completed by the Agent.)

15. a. In recommending the purchase or exchange of an annuity or life insurance product, has your client been reasonably informed of the following various features and considerations (but not limited to) of this life insurance policy?..... Yes No

- Basic policy fee
- Product restrictions or exclusions
- Potential charges for features or riders
- Contractual Conversion Provisions
- The manner in which the producer is compensated
- Others

b. How do the following factors or features impact the recommendation?

Unless indicated, check "Supports", "Neutral" or "Does Not Support" for each of the below.	Supports	Neutral	Does Not Support
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Annual income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial situation and needs, including the financial resources used for funding the policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Intended use of the policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial time horizon, including duration of existing liabilities and obligations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Existing assets, including investment and insurance holdings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (describe) _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

c. If any options were chosen in the "Does Not Support" column above, please explain/describe.

Agent/Representative's Statement (Respond to each of the below statements by checking the appropriate answer.) I believe the purchase or modification of this life insurance policy is suitable and is in the best interest of the client based on information provided by the Owner/Applicant(s) regarding his/her insurance needs and financial objective(s). I have discussed the advantages and disadvantages of the life insurance policy with my client, including any replacement concerns or issues mentioned above. I have a reasonable basis to believe that the customer has the financial ability to meet the financial commitments of the life insurance.

16. a. My recommendation to the owner/applicant to purchase the proposed life insurance policy is based on the following significant material benefit(s) to the client: (None or N/A are not acceptable)

- Death Benefit Protection
- Business Insurance Needs
- Guaranteed Level Premiums for New Level Term Period
- Reduction in Premium Cost
- Increased Death Benefit Protection with Better Product Pricing
- Other _____

b. Did you provide the owner/applicant with a copy of the current version of the product illustration, projection of values or applicable product disclosure, if applicable?..... Yes No

c. Did you disclose to the owner/applicant the manner in which you receive compensation for the sale and servicing of this policy?..... Yes No

**Denotes Replacement

d. In your professional opinion based on the information the owner/applicant provided, **is the recommended life insurance policy suitable and in the client's best interest for the client's needs and objectives**, as compared to other life insurance products that you are appropriately authorized to offer, and is based on your evaluation of relevant suitability information and reflects the care, skill, prudence, and diligence that a prudent person acting in a like capacity and familiar with such matters would use under similar circumstances?..... Yes No

e. In making this recommendation, have you considered only the interests of the consumer and has **receipt of compensation or other incentives not influenced the recommendation?**..... Yes No

f. Did you provide the customer with the reasonable summary format disclosure?..... Yes No

I hereby attest to the following:

That if the transaction related to this application was not recommended by me to the customer, it was due to:

- I made reasonable efforts to collect the required suitability information from the customer but he/she refused to provide it and I have not made any recommendation;
- I did not make a recommendation in connection with the transaction related to this application; or
- The customer wishes to enter into the transaction related to this application even though I did not recommend it.

Signature of Licensed Agent

____/____/_____
Date (MM/DD/YYYY)

Printed Name of Licensed Agent

OWNER/APPLICANT'S STATEMENT

17. I confirm the information given is accurate. My Agent/Representative has discussed surrender charges and other costs with me and I believe that the life insurance policy is appropriate for my insurance needs and financial objective(s). I acknowledge that I did not receive any advice from William Penn Life Insurance Company of New York regarding the purchase or investment of the life insurance policy.

Owner/Applicant's Signature
Provide Title if Owner is a Trust or Corporation

____/____/_____
Date (MM/DD/YYYY)

Owner/Applicant's Signature
Provide Title if Owner is a Trust or Corporation

____/____/_____
Date (MM/DD/YYYY)