



# Instructions for Form 1099-LS

(Rev. December 2019)

## Reportable Life Insurance Sale

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Section references are to the Internal Revenue Code unless otherwise noted.

### Future Developments

For the latest information about developments related to Form 1099-LS and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1099LS](https://www.irs.gov/Form1099LS).

### Reminders

In addition to these specific instructions, you should also use the current [General Instructions for Certain Information Returns](https://www.irs.gov/InformationReturns). Those general instructions include information about the following topics.

- Who must file.
- When and where to file.
- Electronic reporting.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers.
- Backup withholding.
- Penalties.
- Other general topics.

You can get the general instructions at [IRS.gov/1099GeneralInstructions](https://www.irs.gov/1099GeneralInstructions) or go to [IRS.gov/Form1099LS](https://www.irs.gov/Form1099LS).

**Continuous-use form and instructions.** Form 1099-LS and these instructions have been converted from an annual revision to continuous use. Both the form and instructions will be updated as needed. For the most recent version, go to [IRS.gov/Form1099LS](https://www.irs.gov/Form1099LS).

**Online fillable Copies B, C, and D.** To ease statement furnishing requirements, Copies B, C, and D have been made fillable online in a PDF format available at [IRS.gov/Form1099LS](https://www.irs.gov/Form1099LS). You can complete these copies online for furnishing statements to recipients and for retaining in your own files.

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## General Instructions

This form is used by the acquirer of any interest in a life insurance contract (also known as a life insurance policy) in a reportable policy sale to report the acquisition. In general, a reportable policy sale is any direct or indirect acquisition of any interest in a life insurance contract if the acquirer, at the time of the acquisition, has no substantial family, business, or financial relationship with the person insured under that contract, apart from the acquirer's interest in such life insurance contract. See section 101(a)(3). Certain exceptions may apply. See Regulations section 1.101-1(c)(2). The acquisition of an interest in a partnership, trust, or other entity that holds an interest in a life insurance contract may be an indirect acquisition of that interest in a life insurance contract and may be a

reportable policy sale. See Regulations section 1.101-1(e)(3)(ii).

### Who Must File

Generally, file Form 1099-LS if you are the acquirer of any interest in a life insurance contract in a reportable policy sale.

An acquirer is any person that acquires an interest in a life insurance contract (through a direct acquisition or indirect acquisition of the interest) in a reportable policy sale.

You may not have to file Form 1099-LS if the interest in a life insurance contract was transferred to you gratuitously, if you qualify for an exception in Regulations section 1.6050Y-2(f), or if another acquirer or third party information reporting contractor reports on your behalf under the unified reporting provisions of Regulations section 1.6050Y-2(b). You may qualify for an exception in Regulations section 1.6050Y-2(f) if you are a foreign person, if you report reportable policy sale payments made to a person other than the seller under section 6041 or 6041A, or if you acquire a life insurance contract in a section 1035 exchange.

If you are the acquirer, enter your name, address, telephone number, and taxpayer identification number (TIN). Additionally, enter the name, address, and telephone number of your information contact, if different from your own. This contact information must provide direct access to a person who can answer questions about this information return.

### Reporting

If you are the acquirer, you must file a separate Form 1099-LS for each payment recipient with respect to each interest in a life insurance contract you acquired in a reportable policy sale. Enter the name, address, and taxpayer identification number (TIN) of the payment recipient, the name of the issuer of the life insurance contract, the policy number of the life insurance contract, the amount paid to the payment recipient, and the date of the sale. See Regulations section 1.6050Y-2.

### Payment Recipient

In general, a reportable policy sale payment recipient (payment recipient) is any person that receives a reportable policy sale payment in a reportable policy sale. A payment recipient may include any seller in the reportable policy sale (any person that holds an interest in a life insurance contract and transfers that interest, or any part of that interest, to an acquirer in a reportable policy sale), as well as any broker or other intermediary that retains a portion of the cash or other consideration transferred in the reportable policy sale. See Regulations

section 1.6050Y-1(a)(16)(i) for the definition of a reportable policy sale payment recipient and section 1.6050Y-1(a)(18)(i) for the definition of seller. However, a person other than a seller is not a payment recipient if that person received aggregate payments of less than \$600 with respect to a reportable policy sale. See Regulations section 1.6050Y-1(a)(16)(ii).

**Issuer**

The issuer is the person responsible for administering the life insurance contract, including collecting premiums and paying death benefits under the contract, on the date a Form 1099-LS is required to be furnished under section 6050Y(a), or their designee. See Regulations section 1.6050Y-1(a)(8)(i), (ii), and (iv).

**Policy Number**

The policy number is the unique identifying number assigned to the life insurance contract by the issuer named on the Form 1099-LS.

**Statements to Payment Recipient and Issuer**

If you are required to file Form 1099-LS, you must generally furnish a statement or acceptable substitute to each payment recipient and to the issuer, as shown in the table below. The requirement to furnish a statement to the issuer applies only with respect to a Form 1099-LS filed with respect to the seller and only if your acquisition of an interest in a life insurance contract in a reportable policy sale is a direct acquisition. See Regulations section 1.6050Y-2(d)(2)(i). Statements furnished to the issuer should be directed to the administrative office that, pursuant to the life insurance contract, processes transfers of ownership. You may not have to furnish statements to the payment recipient and issuer if another acquirer or third party information reporting contractor reports on your behalf under the unified reporting provisions of Regulations section 1.6050Y-2(b).

IF the statement is for the...	THEN use...
Payment recipient	Copy B
Issuer	Copy C

For more information about the requirement to furnish a statement to the payment recipient and the issuer, see part M in the current General Instructions for Certain Information Returns.

**Truncating recipient’s TIN on payment recipient statements.**

Pursuant to Regulations section 301.6109-4, all filers of this form may truncate the payment recipient’s TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on statements furnished to a payment recipient (Copy B). Truncation is not allowed on any documents the filer files with the IRS. An acquirer’s TIN may not be truncated on any form. See part J in the current General Instructions for Certain Information Returns.

**Rescission of Reportable Policy Sale**

If a reportable policy sale is rescinded and you have filed a Form 1099-LS with respect to the reportable policy sale, you must file a corrected Form 1099-LS within 15 calendar days of the receipt of notice of the rescission. If a reportable policy sale is rescinded and you have furnished a statement with respect to the reportable policy sale to a payment recipient or issuer, you must furnish the recipient of that statement with a corrected statement within 15 calendar days of the receipt of notice of the rescission. See Regulations section 1.6050Y-2(e).

**Specific Instructions**

**Box 1. Amount Paid to Payment Recipient**

Enter the total amount paid to the payment recipient in the reportable policy sale. The acquirer is not required to report this information to the issuer of the life insurance contract. Reporting the amount paid to the payment recipient is therefore optional on Copy C.

**Box 2. Date of Sale**

Enter the date of the reportable policy sale.