

The Lincoln Leader

January 14, 2019– Vol. 17 Issue 01

Coming Soon – Lincoln Unified Application

Effective February 11, 2019, Lincoln will launch a new application and new paper ticket for all life insurance products and submission methods, integrating all life insurance product processes into one streamlined approach.

Key benefits

- **ONE Application** for all submission methods and life products
- **ONE Tele-App interview script** for *Lincoln TermAccel* and *LincXpress* Tele-App interviews, creating consistency in all workflows
- **ONE Exam Process** for all life insurance products, enabling seamless transitions from one product to another saving time and creating a better experience

What you need to know

- The new application and paper ticket will be available on the Lincoln Forms Tool on February 11, 2019
- The new electronic application and ticket will be available on all eSubmission platforms on February 11, 2019
- The new application and ticket will be available for:
 - All Term, UL, IUL and VUL products
 - All ages and all face amounts
 - All submission methods (Traditional paper application, Tele-App paper ticket/eTicket and eApp)
- *Lincoln TermAccel* will remain a fully electronic process with eTicket submissions only and required eDelivery
- Exclusions: The new application is not for use in New York or for Lincoln *MoneyGuard* cases

Transition details

Paper Application Submissions

- There will be a 90-day transition period from February 11, 2019 through May 10, 2019 in which Lincoln will accept either the current application or the new paper application for all states that have approved the new application.
- For states that have not approved the new application as of February 11, 2019, the 90-day transition will begin when the new application is approved.
- Note: Currently pending approval in Virgin Islands. Not available in New York.

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Tele-App Ticket Submissions

- Effective on or after February 11, 2019, only the new ticket will be accepted.
- If an old *LincXpress* paper ticket is submitted on or after February 11, 2019, the agent will be contacted for any missing information required for the new paper ticket. Once received, the new application process will be followed.
- Beginning February 11, 2019, only the new eTicket will be available on electronic submission platforms.

More detailed information on the application will be available in the Lincoln Life Leader launch announcement on February 11, 2019.

Coming Soon – Expansion of Automated Underwriting capabilities

Streamlining the Tele-App process

As a leader in the market, Lincoln Underwriting & New Business is committed to providing an excellent experience for our agents and customers. To further streamline the underwriting process, beginning February 11, 2019, we will be expanding our existing automated underwriting capabilities to *LincXpress* Tele-App submissions.

What we are doing

Automated Underwriting is a seamless underwriting process where cases are processed straight-through and do not require a traditional underwriting review. Lincoln's existing automated underwriting capabilities will be expanded to *LincXpress* Tele-App submissions in two phases:

- **February 11, 2019** | *Lincoln LifeElements* Level Term
- **Early Q2 2019** | All single-life UL, IUL and VUL products

Key benefits

- Streamlined and consistent underwriting experience
- Faster turnaround times within the underwriting and new business process
- Enables your dedicated Lincoln Underwriting team to focus on more complex cases

What you need to know

- Cases meeting the following criteria will go through the streamlined automated underwriting process:
- *LincXpress* Tele-App paper ticket or eTicket submissions
 - Ages 18-60
 - Face amounts \$1 million or less
- Lab-Free underwriting opportunity will be available – the automated rules engine will waive lab work for qualifying clients
- Some cases that are submitted through this process may require further review by an underwriter
- Exclusions: Not available in New York, with Survivorship life insurance products or for Lincoln *MoneyGuard* cases
- NOTE: eTicket submission is not available for VUL products. There will be no changes to the existing *Lincoln TermAccel* fully electronic process; paper ticket submission and paper policy delivery is not available for *Lincoln TermAccel*.

More detailed information on the automated underwriting process including a workflow graphic will be available in the Lincoln Life Leader launch announcement on February 11, 2019.

Post Level Term Rate Reduction Update

Lincoln has been running the Post Level Term Rate Reduction Program since 2015. We are pleased to continue this innovative rate reduction program and will expand the offerings as products are approved for future rate reductions.

The list below contains all approved books of business that are eligible for this program to date. **Not sure if your clients are part of this program?** You can simply use the plan codes below within your version of the Lincoln Book of Business tool to see if any of your client's policies are included in the premium reduction.

Plan Description	Plan Series	Issuing Company	Plan Code
FPP Great Term Options (GTO) Series 1 – Level 20 Years	1	FPP	GTO-20
FPP Great Term Options (GTO) Series 2 – Level 20 Years	2	FPP	2GTO-20
FPP Great Term Options (GTO) Series 6 – Level 15 Years	6	FPP	6GTO-15
LNL Great Term Options (GTO) Series 9 – Level 15 Years	9	LNL	9LGTO-15
FPP Great Term Options (GTO) Series 10 – Level 15 Years	10	FPP	10GTO-15
LNL Great Term Options (GTO) Series 10 – Level 15 Years	10	LNL	10LGTO-15
LNY Great Term Options (GTO) Series 10 – Level 15 Years	10	LNY	10GNY-15
FPP Great Term Options (GTO) Series C – Level 20 Years	C	FPP	CGTO-20
FPP Super Term Options (STO) Series 2 – Level 20 Years	2	FPP	2STO-20
LNL Leadership Term - Series 2 – Level 20 Years	2	LNL	2LLT-20
JP Score Twenty – Level 20 Years	1	JP	SC20/VNS20
FPP Super Term Options (STO) Series 3 – Level 20 Years	3	FPP	3STO-20
LNL Presidential Term- Series 3 - Level 20 Years	3	LNL	3LPT-20
FPP Great Term Options (GTO) Series 3 – Level 20 Years	3	FPP	3GTO-20
LNL Leadership Term - Series 3 – Level 20 Years	3	LNL	3LLT-20
FPP Capital Choice Term – Series 3 – Level 20 Years	3	FPP	3CTO-20
FPP Super Term Options (STO) – Series 4 – Level 20 Years	4	FPP	4STO-20
LNL Presidential Term – Series 4 – Level 20 Years	4	LNL	4LPT-20
FPP Great Term Options (GTO) Series 4 – Level 20 Years	4	FPP	4GTO-20
LNL Leadership Term – Series 4 – Level 20 Years	4	LNL	4LLT-20

When additional products are added to this program, active servicing agents will receive advanced notification if they have clients with a policy in the newly added product. Eligible policy owners will continue to be notified of the reduction with their billing notice.

Coming Soon – Managing Level Override Compensation Update – Effective March 1, 2019

Effective March 1, 2019, updates will be made regarding override compensation payments. Override Commissions are the assignment of commissions, service fees, brokerages or other valuable consideration to an agency/managing level or person who does not sell, solicit or negotiate insurance.

There are three possibilities based upon Lincoln’s interpretation of state regulations:

- The license status will not impact the release of override compensation
- The override will be held until the managing level is licensed and or appointed (license can be effective after application date). Once the license is confirmed, override compensation will be released
- The managing level cannot be paid the override on the business (license must be effective prior to application date). Upline can assign override to another licensed entity.

Please note: writing agent compensation is not impacted and will still be released per normal pay cycles.

The grid below outlines the changes by state.

Grid Legend:

Must license be effective prior to the application date to pay override?

- (1) No. The override must be held until the Managing Level is licensed and/or appointed.
- (2) Yes. If the Managing Level is not licensed at the time of the sale the Managing Level cannot be paid the override on the business.

STATE	Current Rules		Future Rules	
	Individuals	Corporations	Individuals	Corporations
Delaware	None	None	2 (License and Appointment)	None
Florida	None	None	2 (License and Appointment)	2 (License only)
North Carolina	None	None	2 (License and Appointment)	None
Ohio	None	None	2 (License and Appointment)	None
Puerto Rico	2 (License and Appointment)	2 (License and Appointment)	2 (License and Appointment)	None
South Dakota	None	None	2 (License and Appointment)	None
Tennessee	None	None	2 (License only)	None
Virginia	2 (License and Appointment)	2 (License and Appointment)	1 (License and Appointment)	1 (License and Appointment)
Virgin Islands	1 (License and Appointment)	1 (License and Appointment)	2 (License and Appointment)	2 (License and Appointment)

Florida Agency License Requirement – Effective March 1, 2019

The State of Florida requires that corporations receiving compensation for business written in Florida must hold a Florida agency license; a Florida agency appointment is not required. The Florida agency license must be effective prior to the application date for the agency to receive managing level override compensation.

Consideration and flexibility for new Voya applications – Available through January 31, 2019

Reprinted in part from the Lincoln Life Leader, November 12, 2018

With the recent announcement from Voya to cease new individual life insurance sales at the end of 2018, Lincoln's Underwriting and New Business team will be offering considerations and flexibility to better serve clients during this time of potential elevated need in the industry.

Effective immediately through January 31, 2019, for any Voya individual life insurance policy not yet placed:

- Lincoln will start the Underwriting process for a new Lincoln fixed life insurance policy upon receipt of a Voya Individual Life Insurance Application, Voya Agent's Report and Lincoln required forms identified below
- Lincoln will consider a match of Voya's underwriting offer for issued cases meeting certain criteria

These considerations expand upon Lincoln's current process to accept items such as labs and medical records from other companies to initiate the Underwriting process.

Please note, that Lincoln will prepare and issue the policy with a Lincoln Individual Life Insurance Application and Amendment and signatures will be required upon policy delivery.

Voya Application Consideration Overview

<p>Product eligibility</p>	<ul style="list-style-type: none"> • Lincoln LifeElements® Level Term • Lincoln UL and SUL Portfolio • Lincoln IUL and SIUL Portfolio
<p>Application guidelines</p>	<p>To start the Lincoln Underwriting process, the following forms must be submitted to Lincoln, through your standard submission process, by 1/31/19:</p> <ul style="list-style-type: none"> • Voya Individual Life Insurance Application (Signed on or after 9/1/18) • Voya Agent's Report • Voya completed medical exams and lab slip (Exams not yet completed should be cancelled and Lincoln will order an exam, if needed) • Lincoln Authorization for Release of Information (HIPAA) (LF02896 or state variations) • Lincoln Important Notice: Replacement of Life Insurance or Annuities (LF10087 or state variations) • Lincoln Receipt of Privacy Practices Notice and Important Notice Acknowledgment Form (LF10244) • Additional forms will be required based on product applied for, state and replacement status • Signed Lincoln Illustration

<p>Application guidelines (continued)</p>	<p>If the Voya policy has been issued but not placed, the following is required:</p> <ul style="list-style-type: none"> • Lincoln Declaration of Insurability Supplement [LFF10069 or state variations] • Voya Policy Pages indicating proof of issued underwriting offer (comparable to LNL’s Policy Specifications Page) <p>All cases will follow the <i>LincXpress</i> Tele-App paper ticket process and Agent/Insured/Owner signatures for the Lincoln Individual Life Insurance Application Packet will be required upon delivery of the policy</p>
<p>Underwriting qualifications</p>	<ul style="list-style-type: none"> • Ages up to 70 and all face amounts • Subject to age/risk class guidelines based on product applied for • Lincoln will consider an underwriting offer match for issued Voya policies with a face amount of \$2.5 million or less (Face amounts of \$5 million or less for survivorship cases) <ul style="list-style-type: none"> ○ Only Voya cases issued, but not placed, at standard or better will be eligible for the underwriting offer match consideration
<p>Exclusions</p>	<ul style="list-style-type: none"> • <i>Lincoln TermAccel</i>[®], Variable Universal Life, Simplified Issue/Guarantee Issue, cases with the Exec Rider, Table Reduction Program for an underwriting offer match and Lincoln <i>MoneyGuard</i>[®] • Cases placed in New York • 1035 Exchanges already initiated by Voya • In-force Voya policies

For additional details, click to view the [Frequently Asked Questions](#).

Please contact your Lincoln Underwriting and New Business team with any questions

Per Diem Limit for 2019 – Reminder

The Per Diem Limit is the maximum daily benefit used for determining certain benefits under the *Lincoln LifeEnhance*[®] Accelerated Benefits Rider and *Lincoln LifeAssure*[®] Accelerated Benefits Rider. Lincoln will use the limit in effect at the beginning of each Benefit Period for the entire Benefit Period. The Internal Revenue Service establishes this limit annually on January 1st. The Per Diem Limit for **2019 will be \$370** which is an increase of \$10 from the 2018 rate.

State Approvals

Updates from December 31, 2018:

Lincoln WealthAdvantage® Indexed UL – The withdrawal date for this product has been extended to 4/30/2019.

[View State Availability Grids](#)

Products and features are subject to availability and may vary by state.

Contractual obligations and Guarantees are subject to the claims-paying ability of the issuing company:

- The Lincoln National Life Insurance Company of Fort Wayne, IN; or
- Lincoln Life & Annuity Company of New York of Syracuse, NY.

Variable products distributed by Lincoln Financial Distributors, Inc.

Members of Lincoln Financial Group.

The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so.

Variable insurance products are sold by prospectus. Consider the investment objectives, risks, charges, and expenses of the variable product and its underlying investment options carefully before investing. The prospectus contains this and other information about the variable product and its underlying investment options. Please review the prospectus available online for additional information. Read it carefully before investing.

Only registered representatives can sell variable products.

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