

**OCTOBER IS THE NEW DECEMBER:  
YOUR GUIDE TO YEAR-END PBR TRANSITION**

**Midwest Region**  
*30 On The 30 Meeting*

**Presenting:**  
*Christian Rossomando*  
*Senior Life Internal Wholesaler*

September 23, 2019



Hosted by  
Gene Fetter  
*Regional Sales Director*

Not a deposit	Not FDIC-insured	May go down in value
Not guaranteed by any bank or savings association		
Not insured by any federal government agency		

Products issued by:

The Lincoln National Life Insurance Company

**For agent or broker use only. Not for use with the public.**



# OCTOBER is the new DECEMBER

Insurance products issued by:  
The Lincoln National Life Insurance Company  
Lincoln Life & Annuity Company of New York

Not a deposit	Not FDIC-insured	May go down in value
Not insured by any federal government agency		
Not guaranteed by any bank or savings association		

Lincoln is updating our product portfolio  
to be compliant with recent industry regulations.

## IN-FORCE POLICIES

No impact<sup>1</sup>

## NEW SALES

PLACED BEFORE 1/1/2020

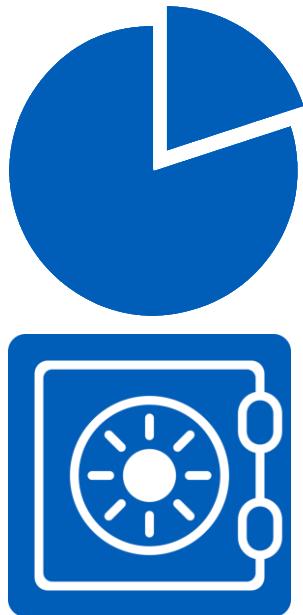
Both compliant and  
non-compliant products  
may be sold

PLACED 1/1/2020 OR LATER

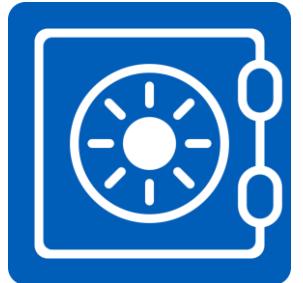
All policies  
**must be compliant**

<sup>1</sup> Refer to the Frequently Asked Questions document for exceptions

# What does **2020** Ready mean?



2017 CSO  
mortality tables



Principle-Based  
Reserving

Changes the way life insurance  
products are reserved

Required  
on all  
issued &  
placed  
policies  
starting  
**January 1,  
2020**



What



Principle-Based

Required  
on all

Products that are **not 2020 Ready**  
must be **PLACED WITH PREMIUM**  
on or before **December 31, 2019**

mean:

2020



## 2017 CSO mortality tables

Mortality rates required for reserving under current formulaic method and used in PBR

Serve as a maximum limit for cost of insurance charges

Last update to table was 2001 CSO, which became required for policies sold in 2009

Reserve levels reduced, particularly for term and GUL

Maximum guaranteed COI rates reduced from 2001 CSO level

Guideline and 7-pay amounts reduced 10 to 20%



## 2020 Ready versions...

Already available

Coming September 16

Coming October 14

Coming TBD

No current plans

## 2020 Ready versions...

**Already available**

	Nationwide noncompliant product	Formal application submitted by	Placed with premium by
	<i>Lincoln VUL<sup>ONE</sup> (2014)</i> <i>Lincoln Conversion UL</i>	Sept 13	Dec 31
Coming September 16	<i>Lincoln LifeGuarantee<sup>®</sup> UL (2013)</i>	Nov 1	Dec 31
Coming October 14			
Coming TBD			
No current plans			

## 2020 Ready versions...

Already available	Nationwide noncompliant product	Formal application submitted by	Placed with premium by
<b>Coming September 16</b>	<i>Lincoln AssetEdge® VUL (2015)</i>	Nov 1 <sup>1</sup>	Dec 31
Coming October 14	<i>Lincoln AssetEdge® EXEC VUL (2015)</i> <i>Lincoln WealthAccumulate® IUL (2019)</i>		
Coming TBD	<i>Lincoln SVUL<sup>ONE</sup> (2016)</i>		
No current plans			

<sup>1</sup> Subject to ICC/State Approval

# 2020 Ready versions...

Already available

Coming September 16

**Coming October 14**

Nationwide noncompliant product

*Lincoln WealthPreserve® IUL (2017)*

Formal  
application  
submitted by

Placed with  
premium by

Nov 1<sup>1</sup>

Dec 31

Coming TBD

No current plans

<sup>1</sup> Subject to ICC/State Approval

# 2020 Ready versions...

Already available

Coming September 16

Coming October 14

Coming TBD

Nationwide noncompliant product

*Lincoln LifeGuarantee® SUL (2013)*

Formal  
application  
submitted by

Placed with  
premium by

Nov 1<sup>1</sup>

Dec 31

No current plans

<sup>1</sup> Subject to ICC/State Approval

# 2020 Ready versions...

Already available

Coming September 16

Coming October 14

Coming TBD

**No current plans**

		Formal application submitted by	Placed with premium by
	Nationwide noncompliant product		
	<i>Lincoln LifeReserve® UL (2009)</i>	Sept 13	Dec 31
	<i>Lincoln LifeElements® Level Term w/ Conversion Products Enhancement</i>		
	<i>Lincoln LifeCurrent® UL</i>	Nov 1	Dec 31
	<i>Lincoln WealthPreserve® SIUL</i>		
	<i>Lincoln PreservationEdge® SVUL</i>		





# 2019 Year-end Transition Guidelines

[Underwriting & New Business enhancements](#) / 2019 Year-end Transition Guidelines

The life insurance industry is updating their product portfolios to be compliant with principle-based reserving (PBR) and 2017 CSO by January 1, 2020. [Learn more](#) about this industry update and how it can impact your business.

Lincoln is committed to providing competitive solutions to meet your clients' needs. Here are some key dates and tips to finish the year.

- All noncompliant products **must be placed in good order with PBR by January 1, 2019.** Note: Cannot backdate to qualify or sell in states that have PBR. There are no exceptions allowed.
- For all 1035 Exchanges, Tele-App submissions and Premium Financing, Lincoln suggests submitting application by 10/1/2019.

## FOR MORE INFORMATION:

[2019 PBR/2017 CSO Transition FAQ](#)

[Year-end guidelines for non-PBR/2017 CSO products](#)

[Best Practices for Life Insurance In-Good-Order submissions](#)

[Best Practices for Ordering Labs](#)

[Client Disclosure](#)

[Industry Impact of PBR and Key Lincoln Dates](#)

If you have any questions, please contact your Lincoln Representative.

Visit [LFG.com/YearEnd2019](http://LFG.com/YearEnd2019)  
For more info, including New York dates



# Lincoln VUL<sup>ONE</sup> (2019) vs. VUL<sup>ONE</sup> (2014)

Percentage that VUL<sup>ONE</sup> 2019's **premium** is higher or lower than VUL<sup>ONE</sup> 2014's \$1,000,000 death benefit, lifetime NLG

		Male										Female											
		30	35	40	45	50	55	60	65	70	75	80	30	35	40	45	50	55	60	65	70	75	80
Level Pay	Preferred Plus	0.0	0.0	0.0	-7.7	-8.1	-9.3	-3.0	-3.0	-5.3	-4.3	-5.1	-0.3	0.0	-0.2	-5.3	-6.4	-0.4	-10.9	-3.5	-3.0	1.9	3.3
	Preferred	0.0	0.0	0.0	-4.1	-1.2	-3.5	3.8	4.0	3.8	1.8	2.3	0.0	0.0	0.0	-4.1	-0.3	0.0	-3.7	5.1	8.4	4.3	6.1
	Standard	0.0	0.0	0.0	-0.6	-1.8	0.0	-1.4	1.7	1.4	-1.1	0.5	0.0	0.0	0.0	-5.0	-4.3	0.0	-2.6	3.4	4.0	-0.9	5.1
		30	35	40	45	50	55	60	65	70	75	80	30	35	40	45	50	55	60	65	70	75	80
Ten Pay	Preferred Plus	0.0	0.0	0.0	-7.7	-8.1	-9.3	-3.0	-3.0	-5.3	-4.3	-5.1	0.0	0.0	0.0	-5.4	-6.4	-0.5	-10.9	-3.5	-3.0	1.9	3.3
	Preferred	0.0	0.0	0.0	-4.1	-1.2	-3.5	3.8	4.0	3.8	1.8	2.3	0.0	0.0	0.0	-4.1	-0.3	0.1	-3.7	5.0	8.4	4.3	6.1
	Standard	0.0	0.0	0.0	-0.7	-1.7	0.0	-1.4	1.7	1.4	-1.1	0.4	0.0	0.0	0.0	-5.0	-4.3	0.0	-2.6	3.4	4.0	-0.9	5.1
		30	35	40	45	50	55	60	65	70	75	80	30	35	40	45	50	55	60	65	70	75	80
Single Pay	Preferred Plus	0.0	0.0	0.0	-7.7	-8.1	-9.3	-3.0	-3.0	-5.3	-4.3	-5.1	0.0	0.0	0.0	-5.4	-6.4	-0.5	-10.9	-3.5	-3.0	1.9	3.3
	Preferred	0.0	0.0	0.0	-4.1	-1.2	-3.5	3.8	4.0	3.8	1.8	2.3	0.0	0.0	0.0	-4.1	-0.3	0.1	-3.7	5.0	8.4	4.3	6.1
	Standard	0.0	0.0	0.0	-0.7	-1.8	0.0	-1.4	1.7	1.4	-1.1	0.3	0.0	0.0	0.0	-5.0	-4.3	0.0	-2.6	3.4	4.0	-0.9	5.1

For agent/broker training use only. Not for use with the public.

CRN-2737606-091919



# The Lincoln 2020 nationwide life insurance portfolio

PROTECTION			ACCUMULATION & DISTRIBUTION		
Temporary death benefit protection	Lifetime guaranteed death benefit	Extended guaranteed death benefit	Short-term guaranteed death benefit		
<i>Lincoln TermAccel®<sup>1</sup></i> <i>Lincoln LifeElements® Level Term</i>	<i>Lincoln LifeGuarantee® UL</i> <i>Lincoln LifeGuarantee® SUL</i>	<i>Lincoln VUL<sup>ONE</sup></i> <i>Lincoln SVUL<sup>ONE</sup></i>	<i>Lincoln WealthPreserve® IUL</i>	<i>Lincoln WealthAccumulate® IUL</i>	<i>Lincoln AssetEdge® VUL</i>
Cash value growth potential					

Also consider: *Lincoln LifeElements® One-Year Term*

1 Electronic ticket submission is required.

Only registered representatives can sell variable products.



SEPTEMBER

13

Last day to submit VUL<sup>ONE</sup> (2014) & Conversion UL apps

OCTOBER

1

Suggested last day for Tele-App, 1035 exchange, and Premium Finance submissions

NOVEMBER

1

Last day to submit apps for other non-2020 ready products

DECEMBER

31

Non-2020 ready products must be placed in-force with premium

NO RE-WRITES

NO EXCEPTIONS



# New manual and automated touchpoints to ensure placement of non-2020 Ready products



## Pending website

Auto-generated follow-up

Non-compliant products will take priority over PBR/CSO Compliant products.

## SELF-SERVICE PENDING WEBSITE

Real-time case status updates  
(generated every 15 minutes)

## AUTOMATED EMAILS

Email sent within one hour of a status change

## PENDING FEEDS

Schedule set by customer  
(TYPICALLY SENT MULTIPLE TIMES PER DAY)

## NON-COMPLIANT PRODUCT REQUIREMENT

Added 8/12



New manual and automated touchpoints to ensure placement of non-2020 Ready products

## **NON-COMPLIANT PRODUCT REQUIREMENT**

**Memo to Agent:**

TIME SENSITIVE WARNING: This policy must be placed in-force with premium no later than December 31, 2019, to comply with 2017 CSO Tables and PBR regulation changes. If all placement restrictive requirements and premium are not received IN GOOD ORDER by the deadline, your client must select a PBR compliant product. This deadline is industry wide and is NOT Lincoln-imposed. REWRITES ARE NOT ALLOWED. Access 2019 Year-End CSO and PBR Transition and Placement Guidelines here: [www.lfg.com/YearEnd2019](http://www.lfg.com/YearEnd2019)

**NON-COMPLIANT PRODUCT REQUIREMENT**

Added 8/12

# New manual and automated touchpoints to ensure placement of non-2020 Ready products



## Tele-App

Appointment follow-up  
Beginning October 1

Non-compliant products will take priority over PBR/CSO Compliant products.

### **FOLLOW-UP EMAILS**

Will include verbiage indicating the Tele-App interview should be scheduled ASAP, to be completed no later than November 1st for the application submission

### **FOLLOW-UP CALLS**

Calls will be made every two days to schedule the interview and will not stop until interview is scheduled

# New manual and automated touchpoints to ensure placement of non-2020 Ready products



## **UW & NB**

Manual follow-up

**Beginning October 1**

Non-compliant products will take priority over PBR/CSO Compliant products.

## **WEEKLY PBR-COMPLIANT PIPELINE REPORT**

Non-PBR flagged (including 1035x cases)

## **DAILY REVIEW OF PIPELINE CASES FOR FINAL REQUIREMENTS**

Cases ready to be placed will be flagged

## **NON-COMPLIANT PRODUCT REQUIREMENT ADDED TO MANUAL FOLLOW-UP EMAILS**



# Non-2020 Ready 1035 exchanges

Effective September 2, 2019

## 1035 Initiates

Initiates received by 4 pm will be initiated same day

## Follow-ups

1<sup>st</sup> follow-up within 3 business days, 2<sup>nd</sup> follow-up after 1 week, then weekly follow-ups until proceeds are received

## 1035 Proceeds

Requesting checks be sent via overnight to LFG for all non-PBR/CSO Compliant cases

## Wires/Check Handling

1035 Specialist will notify Technical Auditors to advise of an expected wire. In Q4, staff will handle cash received until 6 pm ET

## Reporting

Close management of 1035 Pipeline Report – Send out cases by team on a weekly basis that are in quote status but have yet to be initiated

# Additional resources

**Underwriting and New Business 2019 updates**

**FOR MORE INFORMATION:**

- Year-end guidelines for non-PBR/CSO products [□](#)
- Self-Service access to pending case status [□](#)
- Life Insurance Business Submission Best Practices [□](#)
- Underwriting Advantages Flier [□](#)
- LincXpress® Tele-App Guide [□](#)

**ARTICLES:**

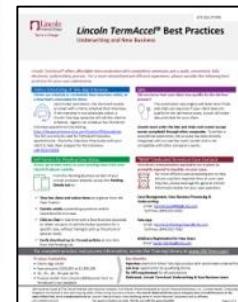
- Life Insurance Product Switch: Process and Guidelines [□](#)
- Best Practices for Ordering Labs [□](#)
- Best Practices for Life Insurance In-Good Order Submissions [□](#)
- Best Practices for *Lincoln TermAccel* [□](#)

**What's new: underwriting spotlight**

**[www.lfg.com/UWNB](http://www.lfg.com/UWNB)**

Access year-end transition & placement guidelines, best practices, FAQs, and MORE!

book of business. Log in now.



2019 Year-End PBR/CSO transition & placement guidelines

Best practices for IGO submissions

TermAccel best practices

SEPTEMBER

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# Important information

## Issuers:

The Lincoln National Life Insurance Company, Fort Wayne, IN

Lincoln Life & Annuity Company of New York, Syracuse, NY

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

All guarantees and benefits of the insurance policy are subject to the claims-paying ability of the issuing insurance company. They are not backed by the broker-dealer and/or insurance agency selling the policy, or any affiliates of those entities other than the issuing company affiliates, and none makes any representations or guarantees regarding the claims-paying ability of the issuer.

In some states, contract terms are set out and coverage may be provided in the form of certificates issued under a group policy issued by The Lincoln National Life Insurance Company to a group life insurance trust. Products, riders and features are subject to state availability. The insurance policy and riders have limitations, exclusions, and/or reductions. Check state availability.

Distributor: Lincoln Financial Distributors, Inc., a broker-dealer

## Policies:

*Lincoln LifeElements®* Level Term (2019) policy form TRM6063 and state variations; TRM6063N in NY

*Lincoln LifeElements®* One-Year Level Term policy form TRM6075 and state variations; TRM6075N in NY

*Lincoln TermAccel®* Level Term (2019) policy form TRM6069 and state variations. Not available in NY.

*Lincoln LifeGuarantee®* UL (2019) policy form ICC19UL6080/UL6080 and state variations. Not available in NY

*Lincoln LifeCurrent®* UL policy form UL5023 and state variations; UL5023N in NY.

*Lincoln LifeGuarantee®* SUL (2013) policy form SUL6008 and state variations. Not available in NY.

*Lincoln LifeReserve®* UL policy form UL5051 and state variations; UL5051N in NY.

*Lincoln LifeReserve®* Indexed UL Accumulator (2014) policy form UL6024/ICC14UL6024 and state variations; UL6024N in NY.

*Lincoln WealthAccumulate®* IUL (2019) policy form UL6083/ICC18UL6083 and state variations ; Not available in NY.

*Lincoln WealthPreserve®* IUL (2017) 02/11/19, policy form UL6046/ICC15UL6046 and state variations; Not available in NY.

*Lincoln WealthPreserve®* Survivorship IUL policy form SUL6035 and state variations; SUL6035N in NY.

*Lincoln AssetEdge®* VUL (2015) policy form LN683 and state variations; LN683 in NY.

*Lincoln VUL<sup>ONE</sup>* (2019) policy form ICC19-VUL686/ICC19ONER-686/19-VUL686/ONER-686 and state variations. Not available in NY.

*Lincoln SVUL<sup>ONE</sup>* (2016) policy form LN667 and state variations. Not available in NY.

*Lincoln PreservationEdge®* SVUL policy form LN699 and state variations.

**Variable products: Policy values will fluctuate and are subject to market risk and to possible loss of principal.**

**Variable products are sold by prospectus, which contains the investment objectives, risks, and charges and expenses of the variable product and its underlying investment options. Read carefully.**

**Only registered representatives can sell variable products.**

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