

**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.

A decorative horizontal band with a bokeh effect of overlapping yellow and orange circles.

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 impact¹

NEW SALES

PLACED BEFORE 1/1/2020

Both compliant and non-compliant products may be sold

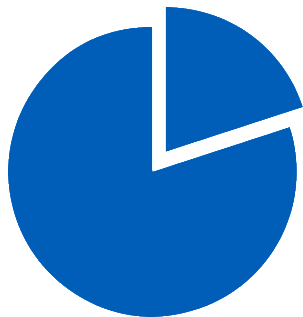
PLACED 1/1/2020 OR LATER

All policies **must be compliant**

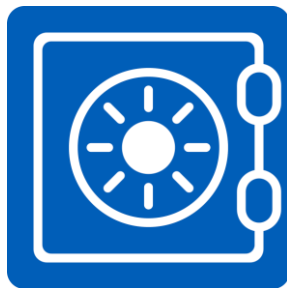
¹ Refer to the Frequently Asked Questions document for exceptions



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

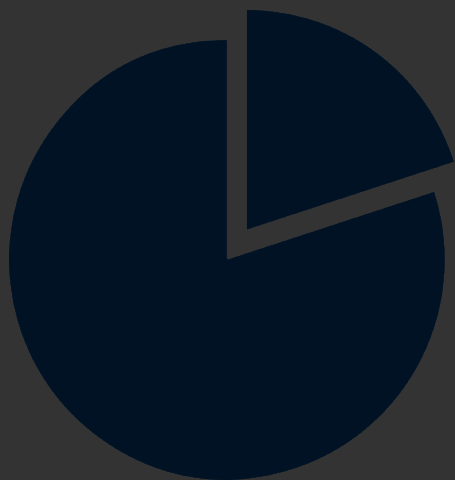
Required
on all

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

Coming September 16

Coming October 14

Coming TBD

No current plans

Nationwide noncompliant product

Lincoln VUL^{ONE} (2014)

Lincoln Conversion UL

Lincoln LifeGuarantee[®] UL (2013)

Formal
application
submitted by

Placed with
premium by

Sept 13

Dec 31

Nov 1

Dec 31



2020 Ready versions...

Already available

Coming September 16

Coming October 14

Coming TBD

No current plans

Nationwide noncompliant product	Formal	Placed with
	application submitted by	premium by
<i>Lincoln AssetEdge</i> ® VUL (2015)	Nov 1 ¹	Dec 31
<i>Lincoln AssetEdge</i> ® EXEC VUL (2015)		
<i>Lincoln WealthAccumulate</i> ® IUL (2019)		
<i>Lincoln SVUL</i> ^{ONE} (2016)		

¹ Subject to ICC/State Approval



2020 Ready versions...

Already available

Coming September 16

Coming October 14

Coming TBD

No current plans

Nationwide noncompliant product	Formal	Placed with
	application submitted by	premium by
<i>Lincoln WealthPreserve</i> [®] IUL (2017)	Nov 1 ¹	Dec 31

¹ Subject to ICC/State Approval



2020 Ready versions...

Already available

Coming September 16

Coming October 14

Coming TBD

No current plans

Nationwide noncompliant product	Formal	Placed with
	application submitted by	premium by
<i>Lincoln LifeGuarantee</i> [®] SUL (2013)	Nov 1 ¹	Dec 31

¹ Subject to ICC/State Approval



2020 Ready versions...

Already available

Coming September 16

Coming October 14

Coming TBD

No current plans

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





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** **2019. Note: Cannot backdate to qualify or sell in states that have** **There are no exceptions allowed.**
- For all 1035 Exchanges, Tele-App submissions and Premium Finance applications, 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

For more info, including New York dates

Lincoln VUL^{ONE} (2019) vs. VUL^{ONE} (2014)

Percentage that VUL^{ONE} 2019's **premium** is higher or lower than VUL^{ONE} 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		



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</i> ® ¹ <i>Lincoln LifeElements</i> ® Level Term	<i>Lincoln LifeGuarantee</i> ® UL	<i>Lincoln VUL</i> ^{ONE}	<i>Lincoln WealthPreserve</i> ® IUL	<i>Lincoln WealthAccumulate</i> ® IUL	<i>Lincoln AssetEdge</i> ® VUL
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^{ONE} (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

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

1st follow-up within 3 business days, 2nd 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

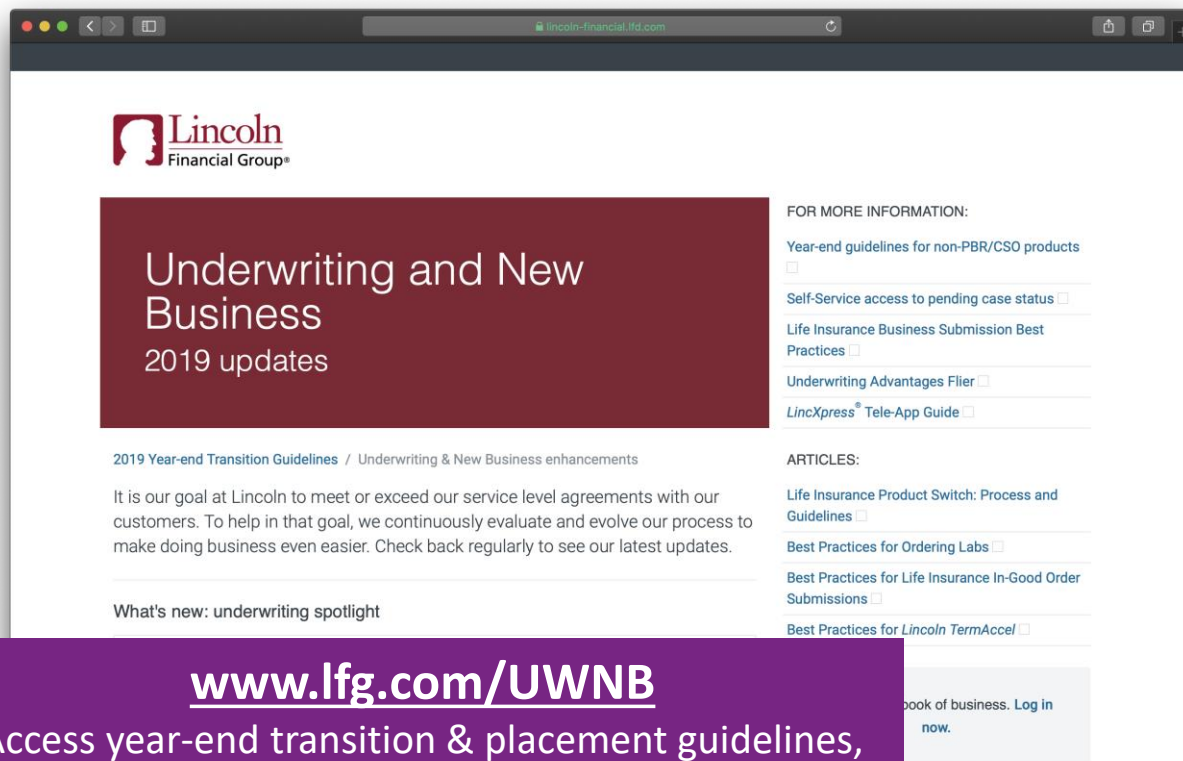
1035 Specialist will notify Technical Auditors to advise of an expected wire. In Q4, staff will handle cash received until 6 pm ET

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

2019 Year-end Transition Guidelines / Underwriting & New Business enhancements

It is our goal at Lincoln to meet or exceed our service level agreements with our customers. To help in that goal, we continuously evaluate and evolve our process to make doing business even easier. Check back regularly to see our latest updates.

What's new: underwriting spotlight

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](#)

www.lfg.com/UWNB

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



2019 Year-End PBR/CSO transition & placement guidelines



Best practices for IGO submissions



TermAccel best practices

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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^{ONE} (2019) policy form ICC19-VUL686/ICC19ONER-686/19-VUL686/ONER-686 and state variations. Not available in NY.

Lincoln SVUL^{ONE} (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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