

LIFE SOLUTIONS

# The Lincoln Leader

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## Coming Soon— Lincoln MoneyGuard® Pricing Improvements

**Announcing pricing updates to the MoneyGuard® suite of life insurance product offerings**

Effective July 12, 2021, Lincoln Financial will be implementing pricing improvements to Lincoln MoneyGuard® III, Lincoln MoneyGuard® II and Lincoln MoneyGuard® II NY.

The purpose of these pricing updates is to improve competitive pricing in key cells. There will be no pricing increases as a result of this update.

After a transition period, currently sold MoneyGuard® products will be replaced by the following:

- Lincoln MoneyGuard® III (2021) – 07/12/21 will replace currently sold Lincoln MoneyGuard® III (2021)
- Lincoln MoneyGuard® II (2020) – 07/12/21 will replace currently sold Lincoln MoneyGuard® II (2020) – 06/14/21 in the state of California.
- Lincoln MoneyGuard® II NY – 07/12/21 will replace currently sold Lincoln MoneyGuard® II NY – 06/14/21 in the state of New York.

### Pricing Improvements

#### Lincoln MoneyGuard® III

- 5-year LTC benefit duration with 3% inflation option design for issue ages 55-65 will see the following updates:
  - Couples Discount underwriting class will see an average pricing decrease of 10%. Standard underwriting class will see an average pricing decrease ranging from 3% to 10%.
- 5-year LTC benefit duration with 5% Inflation option design for issue ages 55-65 will see the following updates:
  - Couples Discount underwriting class will see an average pricing decrease of 8%. Standard underwriting class will see an average pricing decrease of 6%.
- Issue ages 51-54 and 66-69 may also see moderate pricing improvements.

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## Lincoln MoneyGuard® II

- 6-year LTC benefit duration with 3% inflation option design will see prices decrease by an average of 9.5% with a range of 6% to 13% based on issue age, gender and underwriting class.

## Lincoln MoneyGuard® II NY

- 6-year LTC benefit duration with 3% inflation option design will see prices decrease by 9% for all issue ages, genders and underwriting classes.

## Availability and Transition Guidelines

Please see below for information pertaining to the transition guidelines associated with these July 12, 2021 pricing updates;

- For applications to qualify for the current products, a projection of values and the completed application Part 1 must be signed, dated and received in-good-order by Lincoln's home office by Friday, August 13, 2021.
- For pending or issued business, on or after July 12, 2021, Lincoln will accept requests with a revised projection of values to change to new product offerings.
- For placed business, normal internal replacement guidelines apply. Rewrites will not be accepted.
- As of July 12, 2021, *Lincoln DesignIt<sup>SM</sup>* and WinFlex will be updated with the new product version. During the transition period both versions can be run.
- Ensure that you are appropriately credentialed. Clients of financial professionals who are not properly credentialed to solicit business when the paperwork is submitted will be subject to the product in effect on the date when the financial professional becomes properly credentialed and resubmits the paperwork.
- Remember that once an application is submitted, the Personal History Interview (PHI) must be completed within 60 days of submission. In addition, the case must be placed within 90 days of the PHI. If these conditions are not met, the case will be closed out. If a case is reopened, a new Part 1 must be submitted, and the case will be subject to the product available at that time.
- **New York Reg 187:** Please note that effective February 1, 2020, financial professionals are now required to complete two presale training courses prior to soliciting new business or servicing existing business in New York. Specifically, the trainings include:
  1. NY Regulation 187 Best Interests Training; AND
  2. Carrier Specific Product Training

You will **not** need to retake these trainings if you have already completed them (this rate change does not require any additional product training). In accordance with NY Regulation 187, the enhanced documentation and suitability review **are still required** before policy issue.

## Illustration Capabilities

*Lincoln DesignIt<sup>SM</sup>* and WinFlex illustration systems will be updated with illustration capability effective July 12, 2021.

## Reference and Marketing Materials

All impacted materials will be updated and made available for viewing on the various Lincoln websites and for order from the Lincoln Literature Fulfillment Center.

# Lincoln VUL Dollar Cost Averaging Fixed Account Enhanced Interest Rate Program

## Extension effective July 1, 2021

Lincoln is pleased to extend the VUL Dollar Cost Averaging Fixed Account Enhanced Interest Rate Program through December 31, 2021. This program includes an enhanced current interest rate to help with short-term returns while the client transfers funds into variable investment options using a 12-month Dollar Cost Averaging (DCA) program.

The enhanced program applies to all currently available Lincoln VUL products. The enhanced current interest rate will be determined as follows:

1. There are no changes to the current enhanced interest rates through June 30, 2021.
  - a. New formal applications signed, dated, and received in-good-order in Lincoln's home office on or before **June 30, 2021**, are eligible.
2. Effective July 1, 2021, the current enhanced interest rates will be extended, and they will remain as follows.
  - a. Accumulation Products: *Lincoln AssetEdge*® VUL (2020) and *Lincoln AssetEdge*® Exec (2020) will continue to receive an **8% enhanced current interest rate**.
  - b. Lifetime Guarantee Products: *Lincoln VUL<sup>ONE</sup>* (2021) and *Lincoln SVUL<sup>ONE</sup>* (2021) will continue to receive a **2% enhanced current interest rate**.
  - c. **New** formal applications signed, dated, and received in-good-order beginning **July 1, 2021**, through **December 31, 2021**, are eligible.

The DCA Fixed Account Enhanced annual effective rate is paid on the declining balance in the Fixed Account so the amount of interest earned will be less. These fixed rates do not reflect performance of the variable investment options selected by the client.

Neither dollar cost averaging nor portfolio rebalancing assures a profit or protects against loss in declining markets. Because dollar cost averaging involves continuous investment regardless of changing price levels, clients should consider their ability to continue purchasing through periods of all price levels.

## Market Conduct Manual Updated

The Market Conduct Manual for producers has been updated effective June 2021. The Market Conduct Manual is a guide for producers who sell Lincoln's individual life insurance and annuity products. This manual provides a high-level overview of Lincoln's expectations for ethical conduct and good business practices in the sales of these products. It covers a wide variety of topics and is provided to producers upon appointment with Lincoln's insurance companies. By signing a Producer Agreement with Lincoln, producers agree to adhere to the guidelines contained within the manual.

The manual was recently updated to reflect Lincoln's current market conduct policies and procedures, dealing with such issues as:

**Suitability in Fixed Life Insurance Sales** – The state of Washington enacted a bill that includes a private long-term care policy payroll tax exemption under the Long-Term Services and Supports (LTSS) program for policies purchased before November 1, 2021. While reviewing suitability, producers should ensure the client has a long-term care need and intends to maintain the policy long term.

The updated manual (BJ-8114) is available in the Consolidated Forms Tool in the Producer Solutions Life of Business section, and on Lincoln's producer websites, or you may [click here](#) to view the updated manual.

## Changes to Rules for Requesting Motor Vehicle Records – New Hampshire

For requests for the purposes of investigating life insurance claims, rating or underwriting life insurance policies, the requester must first provide written notice to the person who is the subject of the record being obtained. It is no longer necessary to obtain the written consent of the person or to retain that consent for five years. Form DSMV 539 is no longer required. These changes will be handled by the vendor.

## Digital Billing and Payment for Term Life Policyholders

**Faster. More secure. Environmentally friendly.**

***Updated from the June 14, 2021 Lincoln Life Leader***

Lincoln is committed to providing term life policyholders an easier, faster way to receive and pay their premium bills online. Electronic bill delivery and electronic payment help improve account security and the customer experience.

To help meet our customer needs, Lincoln is introducing two digital enhancements:

- Electronic delivery (eBill), which will allow term life policyholders to receive emails when their bill is available.
- Electronic payment (ePay), which will allow term life policyholders (or someone on their behalf) to pay their bills in one of two ways: through a [registered account](#) or guest pay option.

These digital enhancements will allow our term life policyholders the ability to manage their payments, on whichever device they prefer, at anytime and anywhere. We're committed to keeping policyholder account information safe and believe online bill management provides the most secure way for policyholders to actively manage their accounts.

### Electronic Bill Delivery (eBill)

eBill allows a "statement ready" notification to be emailed to term life insurance policyholders when their premium is due. The email replaces a mailed paper statement and is available for registration as of June 12, 2021. Policyholders will not be able to receive both electronic and paper copies of their bill, however, reminder notices and special reinstatement offers will be both mailed and emailed. Once opting in, the mailed statements will cease immediately, and the policyholder will receive a statement ready email 20 days before their due date.

To register for eBill the policyholder must have a Lincoln online account. [Click here to](#) learn how they can set up their account and communication preferences. eBill is currently only available for term life insurance policyholders who receive mailed statements. eBill **is not available** on some of our older term products or due to policy specific circumstances. To determine if your client's policy is eligible for eBill, login into your account at [LincolnFinancial.com](http://LincolnFinancial.com) or contact us at 800-487-1485.

### Electronic Payment (ePay)

Available starting June 28, 2021, term life policyholders (or someone on their behalf) will have the opportunity to make premium payments via the Lincoln website. Users will be able to pay either through their online account or in a "guest" experience that does not require a login. This feature will **only** be available to term life policyholders who are on direct bill (currently receive statement or on eBill). ePay **is not available** on some of our older term products or due to policy specific circumstances. To determine if your client's policy is eligible for ePay, login into your account at [LincolnFinancial.com](http://LincolnFinancial.com) or contact us at 800-487-1485.

## Paying Online with a Registered Account

Paying through an [online account](#) makes it easier for the policyholder to keep track of their accounts and payment schedules. The benefits of paying through a Lincoln online account include:

- Scheduling a same-day, one-time payment – or a single future-dated payment up to the premium due date
- Canceling a scheduled payment (only available through the online account)
- Confirmation email to the policyholder that payment is complete instead of wondering if Lincoln has received a mailed payment
- Securely save one or multiple bank accounts to choose from and apply to future payments

## Make a Guest Payment

If the policyholder would like to make a one-time payment or if a third-party would like to pay on behalf of a policyholder, they can choose the guest payment option. They will be able to visit [LincolnFinancial.com](http://LincolnFinancial.com) and select the Payment Center tab. To complete the payment, the user will need the policy number, insured's birthdate, and payor ZIP code. Their financial information will not be stored, and they will receive a confirmation email that the payment is complete.

These new features will expand how term life policyholders can manage their payments. As a reminder, policyholders can still set up automatic payments by downloading and completing Lincoln's Electronic Funds Transfer Authorization form (CS06711) found under the "Contacts, Forms & Claims" tab on [LincolnFinancial.com](http://LincolnFinancial.com).

For additional Frequently Asked Questions, [click here](#).

## Extension of Maturity Offer Expanding to Include Variable Universal Life Products

### Phase 3 beginning

*Reprinted from the May 24, 2021 Lincoln Life Leader*

Lincoln is broadening the range of products eligible for an extension of the policy maturity date. The offer applies mostly to older products in the Lincoln suite, as newer products often contain a maturity extension feature as part of the base contract. The effort to extend maturity dates on additional Lincoln products is part of a phased approach that now includes variable universal life (VUL) policies.

- Phase 1 rollout focused on whole life policies
- Phase 2 included most universal life policies that have a maturity value equal to the cash value
- Phase 3 focuses on variable universal life policies. As with the first two phases, these older products most often mature on or after attained age 95

As life insurance policies reach maturity, the "maturity benefit" is typically the cash surrender value, paid to the policy owner on the maturity date. At that time, disbursements are treated as distributions for tax reporting purposes (with gains reported in the same manner as other taxable distributions). If extension is elected, benefits will be paid on the earlier of the date the policy is surrendered or the date of death of the Insured (or surviving insured if a survivorship policy). There may be tax consequences to either surrendering the policy on or after the original maturity date or continuing the policy past the maturity age of the applicable insured(s). Owners electing extension of maturity should contact their tax counsel for implications in their situation.

## Offer Highlights

Prior to the original maturity date, Lincoln will send the following to the affected policyowners and copies to the servicing agent:

- An offer letter stating the ability to extend the contract for the life of the insured(s)
- Extension of Maturity Date Amendment (Form AMD-7099 – CV)

In order for an extension election to be valid:

- The policy owner must sign, date, and return the Amendment to Policy form at least **30 days prior** to the original maturity date of the policy.
- Policies **cannot be extended after** the original maturity date has been reached.

## Amendment Availability

### Products:

This phase will extend the initial offering of the extension of maturity to include historic Lincoln National Life Insurance Company VUL policies, subject to actual policy contract language. Most VUL policies will be eligible for the extension amendment.

**Not currently available/applicable** on policies written through:

- Lincoln Life & Annuity Company of New York
- Jefferson Pilot Financial Insurance Company
- CIGNA (automatically available without amending the original policy)
- First-Penn Pacific Life Insurance Company
- Aetna

### Jurisdictions:

The Amendment has been filed and **approved in all jurisdictions EXCEPT:**

- District of Columbia (DC)
- Mississippi
- New York
- Northern Mariana Islands
- Oregon
- Puerto Rico
- Virgin Islands
- Virginia

### Mailings:

There will be a mailing in June 2021 for all policies maturing August 2021 through December 2022. Subsequent mailings will occur each spring to all policyowners whose policy qualifies and has a maturity date through December of the following year.

# State Approvals

Updates since June 14, 2021

**No Updates**

[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.

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

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

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