



The Lincoln Leader

Life Insurance

Life Product Changes Coming in February, 2012

Lincoln continuously monitors marketplace pressures to ensure that its product solutions remain viable and balance value to producers, clients and shareholders. As such, we want to inform you of important product changes that will be effective **February 21, 2012**.

Lincoln is confident that these changes strongly position Lincoln and its partners to remain competitive despite uncertainties in the marketplace. Lincoln will continue to focus and respond to the economic environment by making responsible product adjustments, by strong commitment to the business and by providing best in class solutions to clients.

Lincoln LifeElements® Level Term

To improve consumer value and overall competitiveness, Lincoln is decreasing the policy fee on *Lincoln LifeElements®* Level Term.

In all states, the new fees payable in all years are as follows:

- 30-Year Term - \$50 down from \$125
- 20-Year Term - \$60 down from \$125
- 15-Year Term - \$60 down from \$125
- 10-Year Term - \$90 down from \$125

Transition Rules

For all states, policies will receive the **new** policy fee:

- If applications are received in Lincoln's home office on February 21, 2012 or later (regardless of backdating); or
- If Lincoln receives money on February 21, 2012 or later.

For all states, policies will receive the **old** policy fee:

- If the application is received in Lincoln's home office **prior** to February 21; and
- Lincoln receives money **prior** to February 21, 2012.

Rewrites in order to get the reduced policy fee will not be allowed.

Headlines

Life Product Changes
Coming in February, 2012

- *Lincoln LifeElements®* Level Term – Reduced policy fee
- *Lincoln LifeGuarantee®* UL (2012) – New Product
- *Lincoln LifeGuarantee®* SUL (2012) – New Product
- *Lincoln LifeGuarantee®* Plus UL – CLOSED TO NEW SALES
- *Lincoln DurationGuarantee®* UL – CLOSED TO NEW SALES
- *Lincoln AssetEdge®* VUL (2009) – NLP removed for ages 75+

Lincoln Underwriting
continues to be Leading Edge
– Foreign National Update!

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State Approvals

Click here to view the current product
availability charts

Lincoln LifeGuarantee® UL (2012) and Lincoln LifeGuarantee® SUL (2012) Nationwide Version (non NY)

Lincoln remains committed to providing you with valuable secondary guarantee product offerings, and maintaining competitive level-pay lifetime guarantee pricing within our core age 65+ market. The following changes will be made with the introduction of *Lincoln LifeGuarantee® UL (2012)* and *Lincoln LifeGuarantee® SUL (2012)*:

- Minimal aggregate level pay premium increases
- Decrease in competitiveness in single and 10-pay scenarios
- While most target premiums went up or remained the same for both products, some SUL pricing cells show modest decreased targets of less than 1%
- Both *Lincoln LifeGuarantee® UL (2012)* and *Lincoln LifeGuarantee® SUL (2012)* will now include payment of compensation on excess premiums above target
- The Coverage Protection Guarantee (CPG) will only have one funding option, the Lifetime Option. The Flex Option will no longer be available

Nationwide Transition Rules (non NY)

For purposes of the transition guidelines:

- **“Old product”** includes *Lincoln LifeGuarantee® UL (2011)*, *Lincoln LifeGuarantee® UL (2009)*, *Lincoln LifeGuarantee® SUL (2011)*, and *Lincoln LifeGuarantee® SUL (2009)*
- **“New product”** includes *Lincoln LifeGuarantee® UL (2012)* and *Lincoln LifeGuarantee® SUL (2012)*

A **thirty (30) day transition period** will apply from the date of state availability. For all states that are available for sale on February 21, 2012, fully completed applications for the “old product” must be signed, dated and received in good order (including the 1035 Policy Exchange Agreement/Absolute Assignment form if the case is a 1035 Exchange) to Lincoln’s home office by **March 22, 2012** in order to qualify.

States that are approved **after** February 21, 2012 will also have a thirty (30) day transition period from the date of state availability.

We will provide additional details around New York product offerings as more information becomes available.

Lincoln LifeGuarantee® Plus UL and Lincoln DurationGuarantee® UL Nationwide Versions (non-NY) Closed to New Sales

As these products are also subject to the same economic environment as our other secondary guarantee products, and with the goal of realigning the portfolio to focus on our core market, effective February 21, 2012 *Lincoln LifeGuarantee® Plus UL* and *Lincoln DurationGuarantee® UL* will be closed to new sales.

Nationwide Transition Rules (non NY)

A **thirty (30) day transition period** will apply from February 21, 2012. Fully completed applications for both *Lincoln LifeGuarantee Plus UL* and *Lincoln DurationGuarantee UL* products must be signed, dated and received in good order (including the 1035 Policy Exchange Agreement/Absolute Assignment form if the case is a 1035 Exchange) in Lincoln’s home office by **March 22, 2012** in order to qualify.

We will provide additional details around New York product offerings as more information becomes available.

Lincoln AssetEdge® VUL (2009)

The following product changes will be made to *Lincoln AssetEdge®* VUL (2009) including the *Lincoln AssetEdge®* Exec VUL and American Legacy *AssetEdge®* VUL versions of the product effective February 21, 2012:

- No Lapse Protection (NLP) will no longer be included for new sales for issue ages 75 and above
- The restriction includes both 10-year and 20-year NLP
- This change applies to new sales only and does not impact in-force business
- Lincoln DesignItSM software will include this restriction effective with the February 21, 2012 update. Any applications dated prior to February 21, 2012 must use an illustration run before the software update.

Transition Rules

- “New sales” will be determined according to the application signed date.
- Applications **dated** on or after **February 21, 2012** will automatically exclude the NLP for issue ages 75 and above. There will be no exceptions.

Watch for additional details on these changes in upcoming issues of the Lincoln Leader.

Lincoln Underwriting continues to be Leading Edge – Foreign National Update!

Lincoln enhances its Foreign National Guidelines by adding another nexus to qualify Foreign National clients for coverage.

Effective immediately, Lincoln will allow individuals who have a USA Bank or USA Brokerage account with \$500,000 or more that has been in existence for at least 6 months, to apply for life insurance coverage if the applicant is in the USA at least 15 days in a 12 month period.

Other qualifying eligibility requirements include having a US residence or significant US property interests, US employment or working for a US employer, or having significant business interests in the USA and coming to the USA at least 15 days a year.

Why choose Lincoln for your foreign national clients?

- Auto bind limit of \$25 million and jumbo limit of \$35 million
- 95 approved countries
- Preferred Plus and Preferred available
- Table Reduction Program available up to age 70, to \$10 million

Click here to view the on-line version of the updated Foreign National Guidelines.

Lincoln’s Industry Leading Underwriting Team is committed to continuous improvement. Call your underwriter for additional details or questions.

Credited Interest Rate Change – January 1, 2012

Reprinted from the Lincoln Leader - Issue 24 – December 5

Effective January 1, 2012, the life insurance affiliates of Lincoln Financial Group and other blocks of business administered by Lincoln Financial Group reduced credited interest rates on universal life and other interest sensitive life insurance products, including fixed account interest rates on variable universal life products, to product guaranteed rates. The fixed account rate for Indexed Universal Life policies has been lowered to 3%. Nonguaranteed persistency, durational and asset based bonuses will also be reduced. For products that are currently available for sale, the rate reductions apply to both inforce policies and new issues.

This rate action is the result of an interest rate environment that has continued to impose significant pressure on the earned rate of the assets supporting our life policies. It is important that we make this adjustment at this time. This rate change is in line with actions other competitors have taken. We understand the challenges this presents but feel this is the prudent action to proactively respond to the continued low interest rate environment.

Credited interest rate changes on the fixed universal life policies and the fixed account rate on variable universal life policies and indexed universal life policies will take effect as of January 1, 2012. Credited interest rate changes on inforce whole life policies will take effect at the next policy anniversary on or after January 1, 2012.

This will NOT impact:

- Caps and spreads on our indexed universal life products
- Any product with current interest rates currently at contractual guarantees
- The performance of guaranteed no-lapse premiums available on many of our products

The Lincoln DesignItSM illustration system has been updated as of December 19, 2011. All other inforce platforms were updated before the end of the year.

New business did not request updated illustrations during year-end if a final was already submitted. However, as of January 1, 2012 we will need illustrations showing the new interest rate. A spreadsheet for Lincoln showing the interest rates for currently sold products is available on the Lincoln website.

[Click here](#) to view the online version of the chart.

[Click here](#) to view the memo version of this announcement.

Tips and Reminders from New Business for a Successful 2012

As we begin 2012, here are some helpful New Business tips and reminders to help make this year a successful one!

- When a policy is a replacement keep in mind:
 - The answers to the questions on the application pages must always be completed and consistent.
 - It is important that the replacement forms are dated correctly and should be timed with the date of the application.
- For a New York replacement case, if any material changes occur from the time the policy was applied for until placement, a revised disclosure form will need to be obtained.
- If a new illustration is needed on the case and it differs from the one initially submitted, it must be marked as revised. This can be done by writing Revised on the pages or selecting this option in the illustration software to print automatically on the pages.
- Include the total amount of insurance that will be in force on an applicant.
- To help save your client time and money you can name a contingent owner by listing this in the owner area of the application or including it in the details section. To make this designation, just list the contingent owner and include the Social Security number and/or address.
- For page 4 of the application mark the correct sections attached to the document (Section A, B, C and/or D).
- It is important to have any licensing appointments completed with Lincoln prior to taking the application to prevent the possibility of needing a new application after the appointment is effective.
- If an application is taken in a state other than the one where the owner resides or works, it is helpful to include details as to why the application was signed where it was.
- To ensure no delays in commissions, mark the correct commission option on the Agents Report page when applicable.
- Trustees or corporate officers need to sign documents in their appropriate capacity and add titles after their signatures.
- Any corrections to the application need to be initialed by the owner.

2012 Million Dollar Round Table (MDRT) on 2011 business

The 2012 Million Dollar Round Table (MDRT) will be based on 2011 eligible paid commissions and eligible paid premium. Following is some information that should be helpful.

Requirements for 2012 MDRT are as follows:

- MDRT requirement is \$89,000 eligible Commissions /\$178,000 eligible Premium with 50% minimum coming from policies under the Unlimited Credit Category.
- Court of the Table requirement is \$267,000 eligible Commissions/ \$534,000 eligible Premium with 50% minimum coming from policies under the Unlimited Credit Category.
- Top of the Table requirement is \$534,000 eligible Commissions/ \$1,068,000 eligible Premium with 50% minimum coming from policies under the Unlimited Credit Category.
- **Income Method** - \$152,000 in annual gross income from eligible insurance and financial products. \$44,500 is required from new business generated during the production year. Another \$44,500 must be derived from income associated with Unlimited Credit products.
NOTE: Court of the Table requires \$456,000 of income; Top of the Table requires \$912,000 of income.

Refer to the MDRT website below regarding Unlimited & Limited Credit and Dues.

Application and Certification Letter

Members should have received their membership kits, but if not, please contact MDRT directly. The MDRT application and certification form can be downloaded directly from the MDRT website.

Please contact MDRT if you have specific questions at:

Million Dollar Round Table
325 West Touhy Avenue
Park Ridge, IL 60068-4265
Phone: (847) 692-6378
Fax: (847) 518-8921
Website: www.mdr.org

Please Note: MDRT applicants must choose to apply using Commission Credit, Premium Credit, or Annual Income. Only one form of credit will be accepted.

Certification Process

Please send your certification letter and Lincoln commission statements to:

Don France , Mail Stop 1H-52
PREMIER PARTNERS® Honors & Recognition
1300 South Clinton Street Suite 150
Post Office Box 2239
Fort Wayne IN 46802
Fax: (260) 455-6535 – PLEASE NOTE THE NEW FAX NUMBER
Email: LFGMDRTCertification@lfg.com

Please submit your completed certification letter to Don France no later than February 10, 2012. Once you receive your certification letter, review the information carefully. If you have questions or concerns about the totals, please send an email to LFGMDRTCertification@lfg.com with copies of the agent's voucher or commission statements.

- **Certification Letters received with incomplete information delay processing. There will be no guarantee of certification for certifying letters received after February 10, 2012.**
- **IMPORTANT: Lincoln Financial Group can only certify commissions that have been paid directly to a Planner. Any commissions paid to another entity will need to be certified by that entity.**

Tips to Ensure Your Policy Letters are Delivered

Last year the United States Postal Service (USPS) returned more than **164,000** Life Customer Service policy letters as “undeliverable.” These communications provide policyowners with important policy information and include premium notices, lapse pending/ lapse notices and annual statements.

How the Post Office Reads Addresses

The USPS doesn't read addresses from top left to bottom right as people do. In fact, they do the opposite.

- The ZIP code is the first piece of information needed in order to route a letter. It identifies a USPS Sectional Center Facility, which sorts mail and forwards it to a corresponding post office.
- The street address or PO box number comes into play once the letter reaches the post office in the intended city or town.
- The recipient's or business' name should always be included.

Since the USPS reads from the bottom up, using both a street address and a PO box number can cause confusion. Only one or the other should be used, not both.

You can find a list of official USPS standard state abbreviations, street suffixes and secondary unit designators on the USPS site: <https://www.usps.com/send/official-abbreviations.htm>.

How You Can Help

- Use only necessary and valid address information when completing forms and applications. (Sometimes senders include too much information in the address fields.)
- Type the responses or print very clearly when completing forms and applications.
- Use correct street and complex (building, housing developments, business office parks, etc.) abbreviations.
- Update the Home Office promptly when you're made aware of policy owner, beneficiary or payor address changes.
- Omit punctuation, except the hyphen in the ZIP+4 number.
- Use common designators (Street = St., Avenue = Ave.)

Use Only Address Information in the Address Fields

Do not enter:

- Trust titles **with no physical address** (Trust titles can be used, but include a valid mailing address for correspondence.)
- Telephone numbers

If you need assistance with unique address requirements or to change a particular address, contact our Customer Care Center at 1 800-487-1485.

Reminder: You must be logged into LFAPlanner.com, LincolnFinancialNetwork.com or LFD.com prior to linking to the hot links contained in this document. For some secure documents an additional login screen may be required – please use your normal login ID and Password if this screen is required.

Products and features subject to state availability. Guarantees backed by the financial strength of the insurer. Lincoln Financial Group is the marketing name for The Lincoln National Corporation and its affiliates.

Policies are issued by The Lincoln National Life Insurance Company, Fort Wayne, IN. **The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so. Contractual obligations are backed by the claims-paying ability of The Lincoln National Life Insurance Company.**

Policies sold in New York are issued by Lincoln Life & Annuity Company of New York, Syracuse, NY. **The contractual obligations are backed by the claims-paying ability of Lincoln Life & Annuity Company of New York.**

Variable products are sold by prospectus. For more information about the variable products, including fees and charges, refer to the prospectus. Variable products are distributed by Lincoln Financial Distributors and offered through broker dealers with effective selling agreements.

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