

# Upcoming Life Product Updates

Showcasing updates effective in May and coming soon

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As the life insurance industry operates in today's challenging and changing environment, Lincoln continues to proactively manage our business as part of our disciplined approach to financial and risk management. Our thoughtful business decisions enable Lincoln to remain strongly committed to the life insurance business and the markets we participate in, maintain a consistent industry-leadership position, and continuously meet customer and advisor needs - guided by our long-term objectives of honoring our commitments to policyholders.

When necessary, we make responsible product adjustments to ensure the solutions we bring to market remain viable while providing value to clients. At the same time, we also keep our sights on finding new ways to help our partners grow their business and reach new customers.

As such, Lincoln is making several Life product updates and enhancements. Please refer to the individual articles below for complete details.

## Pricing Update – *Lincoln VUL<sup>ONE</sup> (2019) – 05/11/20, and Lincoln SVUL<sup>ONE</sup> (2019) – 05/11/20*

Effective May 11, 2020, Lincoln is announcing pricing updates on *Lincoln VUL<sup>ONE</sup> (2019)*, and *Lincoln SVUL<sup>ONE</sup> (2019)*.

*Lincoln VUL<sup>ONE</sup> (2019) – 5/11/20* will replace *Lincoln VUL<sup>ONE</sup> (2019) – 1/13/20*. *Lincoln SVUL<sup>ONE</sup> (2019) – 5/11/20* will replace *Lincoln SVUL<sup>ONE</sup> (2019) – 1/13/20* for all states that are approved at rollout.

### Pricing Changes

The following pricing updates apply:

- Premiums have increased 16% on average
  - Updates apply to *Lincoln VUL<sup>ONE</sup> (2019)* and *Lincoln SVUL<sup>ONE</sup> (2019)*
  - Updates apply across all funding patterns
- There were no impacts to Target premiums

### Prospectus

There is no new prospectus for these product updates. The prospectus' can be found on LFG.com under Explore insurance & annuities/Lincoln VULONE (2019)/ Performance /Prospectus and Reports tab. [Click here](#) to view a copy of the prospectus.

## Transition Guidelines

All states are automatically approved at rollout with the exception of New York (where the product is not currently available), and the transition period begins on **May 11, 2020** and **ends on May 22, 2020**. **Additionally, all pending business must be issued, or 1035 exchanges initiated (where applicable), on or before August 28, 2020.**

- **For the old product**, formal applications must be signed, dated and received in-good-order in Lincoln's home office by the end of the transition period to qualify.
- **For *LincXpress*® Tele-App Cases**, a complete ticket and required solicitation forms must be received in Lincoln's home office by the end of the transition period to qualify.
- **For pending business or policies already issued**, Lincoln will accept a written request and a revised illustration to change to the *Lincoln VUL<sup>ONE</sup>* (2019) – 05/11/20, and *Lincoln SVUL<sup>ONE</sup>* (2019) – 05/11/20
- **For policies already placed**, normal internal replacement guidelines apply. Rewrites will not be allowed
- **For cases with the owner listed as "Trust to be Established"**, formal applications received in the Home Office by the end of the transition period and have been signed by the insured will still qualify as awaiting a trust to be set up is part of the normal course of business. The only paperwork that Lincoln will not require at submission is the executed Certification of Trustee Powers with the trustee/owner's signature. It must be received prior to issue.
- **For formal applications that expire prior to Issue or have been closed out**, a new Part I must be submitted, and the case will be subject to the rates available at that time.

Please reference our [VUL Transition FAQ](#) for additional Transition Guideline questions. [Click here](#) to view the Variable Universal Life state availability.

## Illustration Availability

Illustrations for *Lincoln VUL<sup>ONE</sup>* (2019) – 05/11/20, and *Lincoln SVUL<sup>ONE</sup>* (2019) – 05/11/20 will be run on the *Lincoln DesignIt<sup>SM</sup>* Illustration System (v49.0). If you have an active internet connection, the software will automatically update to include the new rates on May 11, 2020. If you need to download the *Lincoln DesignIt<sup>SM</sup>* Illustration System, it will be available on the Lincoln producer websites or from Field office Technicians.

## Reference and Marketing Materials

All impacted materials will be updated and made available on the Lincoln Producer Websites and for order from the Lincoln Literature Fulfillment Center.

## Pricing Update – *Lincoln LifeGuarantee*® UL (2019) – 05/11/20

Effective May 11, 2020, Lincoln is announcing pricing updates on *Lincoln LifeGuarantee*® UL (2019).

*Lincoln LifeGuarantee*® UL (2019) – 05/11/20 will replace *Lincoln LifeGuarantee*® UL (2019) – 11/11/19 for all states that are approved at rollout.

## Pricing Changes

The following pricing updates apply:

- Premiums have increased 20% on average

- Target premiums have increased to be aligned with updated lifetime level premiums

## Transition Guidelines

All states are automatically approved at rollout with the exception of New York (where the product is not currently available), and the transition period begins on **May 11, 2020 and ends on May 22, 2020**.

- **For the old product**, formal applications must be signed, dated and received in-good-order in Lincoln’s home office by the end of the transition period to qualify.
- **For LincXpress® Tele-App Cases**, a complete ticket and required solicitation forms must be received in Lincoln’s home office by the end of the transition period to qualify.
- **For pending business or policies already issued**, Lincoln will accept a written request and a revised illustration to change to the *Lincoln LifeGuarantee®* UL (2019) - 05/11/20
- **For policies already placed**, normal internal replacement guidelines apply. Rewrites will not be allowed.
- **For cases with the owner listed as “Trust to be Established”**, formal applications received in the Home Office by the end of the transition period and have been signed by the insured will still qualify as awaiting a trust to be set up is part of the normal course of business. The only paperwork that Lincoln will not require at submission is the executed Certification of Trustee Powers with the trustee/owner’s signature. It must be received prior to issue.
- **For formal applications that expire prior to Issue or have been closed out**, a new Part I must be submitted, and the case will be subject to the rates available at that time.

[Click here](#) to view the Universal Life state availability.

## Illustration Availability

Illustrations for *Lincoln LifeGuarantee®* UL (2019) – 05/11/20 will be run on the *Lincoln DesignIt<sup>SM</sup>* Illustration System (v49.0). If you have an active internet connection, the software will automatically update to include the new rates on May 11, 2020. If you need to download the *Lincoln DesignIt<sup>SM</sup>* Illustration System, it will be available on the Lincoln producer websites or from Field office Technicians.

## Reference and Marketing Materials

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## Upcoming Fixed and DCA Account Rate Adjustments for IUL and VUL Products

Due to the historically low interest rate environment, Lincoln is making Fixed Account and Dollar Cost Averaging (DCA) Account rate adjustments for certain Indexed Universal Life (IUL) and Variable Universal Life (VUL) products.

Effective July 1, 2020, the account rates will be as follows:

Indexed Universal Life (IUL) <u>Fixed Account</u> Summary of Changes	
Fixed Account Rate: Currently 3%, will be moving to 2% effective 7/1/2020	
<i>Lincoln WealthAccumulate</i> IUL (2019)	<i>Lincoln WealthPreserve</i> IUL (2019)
<i>Lincoln WealthAccumulate</i> IUL (2018)	<i>Lincoln WealthPreserve</i> IUL (2017)
<i>Lincoln WealthAdvantage</i> IUL (2015)	<i>Lincoln WealthPreserve</i> SIUL

<i>Lincoln LifeReserve IUL Accumulator (2014)</i>	<i>Lincoln LifeReserve IUL Protector (2009)</i>
<i>Lincoln LifeReserve IUL Accumulator (2011)</i>	<i>Lincoln LifeElements IUL</i>
<b>Indexed Universal Life (IUL) Dollar Cost Averaging (DCA) Account Summary of Changes</b>	
<b>DCA Account Rate:</b> Currently <b>4%</b> , will be moving to <b>3%</b> effective 7/1/2020	
<i>Lincoln WealthAccumulate IUL (2019)</i>	<i>Lincoln WealthPreserve IUL (2019)</i>
<i>Lincoln WealthAccumulate IUL (2018)</i>	<i>Lincoln WealthPreserve IUL (2017)</i>
<i>Lincoln WealthAdvantage IUL (2015)</i>	<i>Lincoln WealthPreserve SIUL</i>
<i>Lincoln LifeReserve IUL Accumulator (2014)</i>	

<b>Variable Universal Life (VUL) Fixed Account Summary of Changes*<sup>1</sup></b>	
<b>Fixed Account Rate:</b> Currently <b>3%</b> , will be moving to <b>2%</b> effective 7/1/2020	
<i>Lincoln AssetEdge (2019)</i>	<i>Lincoln AssetEdge (2015)</i>

\*Lincoln will continue waiving the VUL Fixed Account Transfer Restrictions so that transfers out of the Fixed Account can be made in any amount at any time. Lincoln reserves the right to reinstate the restrictions in the future.

<sup>1</sup>These changes do not apply to the VUL Dollar Cost Averaging Fixed Account Enhanced Interest Rate Program – see the following article.

The *Lincoln DesignIt<sup>SM</sup>* illustration platform will reflect the new 7/1/2020 effective rates as of the **May 11, 2020 release**.

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

### Extension and upcoming rate adjustments effective July 1, 2020

Lincoln is pleased to extend the VUL Dollar Cost Averaging Fixed Account Enhanced Interest Rate Program through December 31, 2020, **with upcoming rate adjustments effective July 1, 2020**. 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, 2020.
  - a. New formal applications signed, dated, and received in good order in Lincoln’s home office on or before **Tuesday, June 30, 2020**, are eligible.
2. Effective July 1, 2020, the enhanced interest rates will be the following:
  - a. Accumulation Products: *Lincoln AssetEdge<sup>®</sup>* VUL (2019), *Lincoln AssetEdge<sup>®</sup>* Exec (2019), and *Lincoln AssetEdge<sup>®</sup>* VUL (2015) – 10/14/19 in NY will receive an **8% enhanced current interest rate**.

- b. Lifetime Guarantee Products: *Lincoln VUL<sup>ONE</sup>* (2019) and *Lincoln SVUL<sup>ONE</sup>* (2019) will receive a **2% enhanced current interest rate**.
- c. **New** formal applications signed, dated, and received in good order beginning **Wednesday, July 1, 2020**, through **Thursday, December 31, 2020**, are eligible.

The change in the enhanced interest rates does not affect any previously established DCA programs. 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.

## ***Coming Soon – Lincoln Enhanced Value<sup>SM</sup> Rider Available on Lincoln WealthAccumulate<sup>®</sup> IUL (2019)***

### **Flexibility of three Return of Premium options**

Effective June 15, 2020, Lincoln is proud to introduce the new *Lincoln Enhanced Value<sup>SM</sup>* Rider, available on *Lincoln WealthAccumulate<sup>®</sup>* IUL (2019). This Rider will replace the current Alternate Cash Surrender Rider, also known as the Exec Rider.

The *Lincoln Enhanced Value<sup>SM</sup>* Rider (LEVR) allows business owners to reposition current assets of the company to purchase life insurance, while still being able to maintain the majority of the premiums paid as surrenderable liquid assets.

### **Rider Highlights**

- Now offering more flexibility by adding two additional Return of Premium (ROP) Benefit Options to the currently available 100% level on the EXEC rider:
  - 100% ROP
  - 93% ROP
  - 85% ROP
- Primarily sold through Simplified Issue/Guaranteed Issue on multiple lives
- 10-year benefit period that grades down in years 8+
- Compensation structure that's in-line with competitors
- Normalized target premium to match base product target (at 100% benefit level)
- Target premium increases with each step down in ROP Benefit level
- Higher gross commission rates than the Exec Rider because of the normalization of target
- Payout percentages adjusted to pay a higher percentage in the early years
- Reduced payout schedule from 6 years to 5 years and reduced renewal % in year 6+
- New comp builders reflecting how compensation is to be paid will be required

## *Coming Soon – Lincoln AssetEdge® VUL (2020) and Lincoln AssetEdge® Exec VUL (2020)*

### **Same death benefit protection offering significant market-driven growth potential**

Effective June 15, 2020, subject to SEC, FINRA and state approval, The Lincoln National Life Insurance Company is pleased to announce the newest product in its variable universal life portfolio, *Lincoln AssetEdge® VUL (2020)*. This product and its Business Solutions version, *Lincoln AssetEdge® Exec VUL (2020)*, offer a variety of quality Separate Account investment options across all asset classes along with the opportunity for predictability and reduced volatility through a total of **four** indexed account options.

*Lincoln AssetEdge® VUL (2020)* and *Lincoln AssetEdge® Exec VUL (2020)* provide death benefit protection with maximum upside potential during the accumulation phase with the Lincoln *Elite Series of Funds* and additional protection during the distribution phase with four indexed accounts.

These products will not be made available in New York at this time.

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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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.

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**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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