

The Lincoln Leader

LIFE SOLUTIONS

February 10, 2020 – Vol. 18 Issue 4

Stay Compliant: New York Regulation 187 Now in Effect

Pre-sale training requirements required prior to solicitation starting February 1, 2020

The New York State Department of Financial Services (NY DFS) best interest Regulation 187 went into effect for **Life Insurance February 1, 2020**. As part of this regulation, Lincoln requires that the NY Regulation 187 Best Interest training course and the Lincoln Life Product Training course are completed prior to soliciting New York business.

Failure to complete these two pre-sale training requirements prior to the application packet being signed and dated will result in the need for new/updated paperwork prior to policy issue. To ensure a more streamlined experience for your clients, we highly recommend that you complete these trainings prior to the effective date.

For individuals currently working on Life or *MoneyGuard* business, if the application was signed prior to February 1, 2020 **AND** is submitted to Lincoln in-good-order no later than February 28, 2020, the pre-sale training requirements are not required for that case.

Training Availability

Lincoln has partnered with five vendors to provide access to both the New York Regulation 187 Best Interest training and Lincoln's three product specific training modules. Lincoln's three product specific training modules are titled:

- Lincoln Fixed Individual Life Insurance Nov. 2019
- Lincoln Variable Individual Life Insurance Nov. 2019
- Lincoln MoneyGuard Dec. 2019

This step-by-step guide will provide you links to our five vendors' websites that house the training modules as well as visuals on how to access each individual course. If you have not already registered with one of the vendors, that will be your first step. Be sure to include your **NY license information** while registering in order to access the courses.

[Accessing NY Regulation 187 training courses \[DOWNLOAD\]](#)

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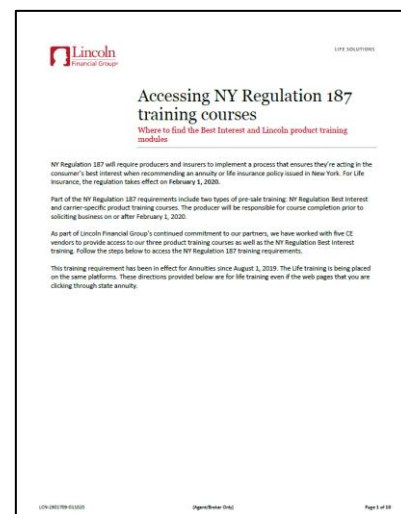
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Additional Information on New York Regulation 187

For more information about New York Regulation 187, its potential impact on your business operations, and what Lincoln is doing to support you, visit www.LFG.com/Reg187. This landing page contains a general overview of the Regulation and resources like our New York Regulation 187 FAQ and our Suitability form (part of the Best Interest insurer review post application).

www.LFG.com/Reg187

Suitability and Best Interests in Life Insurance and Annuity Transactions
Life Insurance goes into effect February 1, 2020

The New York State Department of Financial Services (NY DFS) has released the final version of best-interest Regulation 187 (NY 187). The final regulation, now called "Suitability and Best Interests in Life Insurance and Annuity Transactions," will require producers and insurers to implement a process that ensures they're acting in the consumer's best interest when recommending an annuity or life insurance policy issued in New York. The new regulations, which went into effect for annuity products in 2019, will take effect on February 1, 2020, for life insurance policies. [Learn more](#)

NY Regulation 187 Requirements

Pre-sale Training	Carrier-specific Product Training	Case Suitability Review
1 NY Reg 187 Best Interests Training	2 Carrier-specific Product Training	3 Case Suitability Review

What this means for you
If you sell New York Life Insurance, you will now be required to complete two types of training prior to soliciting business in New York.

FOR MORE INFORMATION:
[New York Regulation 187 FAQ 12](#)
[How to complete the Lincoln Suitability form 12](#)
[Lincoln suitability form 12](#)
[New York Lincoln Portfolio 12](#)

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

Access your work of business. [Log in now.](#)

To confirm your training has been received by Lincoln prior to soliciting business, you can email: Lincolnsupport@lfg.com or call: 800-255-6252, Option 1, to speak with our Appointment Call Center.

New York Reg 187 FAQs

New York Regulation 187 Overview
Information for those conducting business in New York

The New York State Department of Financial Services (NY DFS) has released the final version of best-interest Regulation 187 (NY 187). The final regulation – "Suitability and Best Interests in Life Insurance and Annuity Transactions" – will require producers and insurers to implement a process that ensures they're acting in the consumer's best interest when recommending an annuity or life insurance policy issued in New York. The new regulation takes effect on:

- **Life Insurance:** February 1, 2020
- **Annuity:** Previously implemented August 1, 2019

What we're doing
At Lincoln Life & Annuity Company of New York (Lincoln), we're working closely with industry experts and groups to ensure we are compliant with the regulation and that we are supporting your needs.

How this affects your Life Insurance business
New York Regulation 187 requires producers and insurers to implement a process ensuring they are acting only in the consumer's best interest, and not considering the financial interests of the producer or insurer, when recommending or servicing a policy issued in New York. The recommendation must address the consumer's insurance needs and financial objectives at the time of the transaction. New York Regulation 187's requirements apply to:

- New sales and case submissions,
- Other transactions involving new sales compensation, and
- In-force transactions that do not generate new sales compensation.

NY Regulation 187 requires significant insurer oversight obligations regarding training and supervision as well as necessary corrective action where appropriate. Producers have a duty to recommend products in the consumer's best interest and will be required to complete pre-sale training requirements. The training modules are now available from industry vendors, allowing producers time to complete the training prior to the effective date of the regulation for life insurance policies. Additional information on these requirements can be found on the following pages.

New York Regulation 187 Requirements

Pre-sale producer training	Carrier-specific Product Training	Best Interests Insurer Review
NY Reg 187 Best Interests Training	Carrier-specific Product Training	Suitability Review

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Pricing Update: *Lincoln LifeElements®* Level Term (2019) – 02/10/20

Effective February 10, 2020, Lincoln is pleased to announce pricing updates to *Lincoln LifeElements®* Level Term (2019) which will improve competitive positioning in key cells.

Lincoln LifeElements® Level Term offers both a traditional paper application process and a streamlined Tele-App process for electronic and paper ticket submissions.

Pricing Updates

- Goals of the reprice include being a "top 3 carrier" in the following non-tobacco core cells for all term periods:
 - Ages 30 and above for face amounts of \$1,000,000 and above
 - Ages 55 and above for face amounts of \$500,000 and above
- Premium updates include a mix of both decreases and increases

Transition Guidelines

For states that are approved at rollout, there is a 30-day transition period which begins on **February 10, 2020** and ends on **March 11, 2020**. During the transition period:

- **New applications received and applications currently in underwriting** will automatically receive the lowest rates available. A request to use the lower rates will not be required. If the application has been submitted with premium using higher rates the difference will be automatically refunded.

- **For LincXpress Tele-App cases** a complete ticket and required solicitation forms must be received.
- **For policies already issued** Lincoln will accept a written request to change to the Lincoln LifeElements® Level Term (2019) – 02/10/20 rates.
- **For policies already placed** Lincoln will not allow rewrites to the Lincoln LifeElements® Level Term (2019) – 02/10/20 rates.
- **For states approved after rollout** the above will automatically apply based on the availability date.

[Click here](#) to view the term state availability grid.

Illustration Availability

Illustrations for *Lincoln LifeElements®* Level Term (2019) – 02/10/20 will be run on the Lincoln *DesignIt*™ Illustration System (v48.0). If you have an active internet connection, the software will automatically update to include the new rates on February 10, 2020. If you need to download the Lincoln *DesignIt*™ illustration system, it will be available on the Lincoln producer websites or from Field Office Technicians.

Available Riders

The following riders are available on all versions of *Lincoln LifeElements®* Level Term (see state availability):

- Accelerated Benefit Rider
- Waiver of Premium Benefit
- Children's Level Term Insurance Benefit Rider

Pricing Update: *Lincoln TermAccel®* Level Term (2019) – 02/10/20

Effective February 10, 2020, Lincoln is pleased to announce pricing updates to *Lincoln TermAccel®* Level Term (2019) which will improve competitive positioning in key cells.

Lincoln TermAccel® offers an entirely electronic, streamlined Tele-App process with fully automated underwriting and no APS requirement.

Pricing Updates

- Goals of the reprice include being a “top 3 carrier” in the following non-tobacco core cells for all term periods ages 30-60 and face amounts of \$250,000 - \$1,000,000
- Premium updates include a mix of both decreases and increases

Transition Rules

For states that are approved at rollout, there is a 30-day transition period which begins on **February 10, 2020 and ends on March 11, 2020**. During the transition period:

- **New applications received and applications currently in underwriting** will automatically receive the lowest rates available. A request to use the lower rates will not be required. If the application has been submitted with premium using higher rates the difference will be automatically refunded.
- **For policies already issued** Lincoln will accept a written request to change to the Lincoln TermAccel®

(2019) – 02/10/20 rates.

- **For policies already placed** Lincoln will not allow rewrites to the Lincoln TermAccel® (2019) – 02/10/20 rates.
- **For states approved after rollout** the above will automatically apply based on the availability date.

Lincoln TermAccel® (2019) is not available in New York. [Click here](#) to view the term state availability grid.

Illustration Availability

Illustrations for Lincoln TermAccel® (2019) – 02/10/20 will be run on Lincoln DesignItSM Illustration System (v48.0). If you have an active internet connection, the software will automatically update to include the new rates on February 10, 2020. If you need to download the Lincoln DesignItSM illustration system, it will be available on the Lincoln producer websites or from Field Office Technicians.

Available Riders

The following riders are available on all versions of Lincoln TermAccel® (see state availability):

- Accelerated Benefit Rider
- Waiver of Premium Benefit
- Children's Level Term Insurance Benefit Rider

Introducing the Enhanced Lincoln LifeComp®

Lincoln LifeComp® is a one-stop integrated platform that helps you design innovative business and estate planning solutions, implement with full plan documentation, and provide support after the sale with comprehensive administration. The enhanced experience includes the new [digital resources kit](#) providing you the information you need to manage needs along the way and make administration easier. You can access:

- Point-of-sale client presentations
- Business and estate focused plan designs
- Full plan documentation
- Comprehensive plan administration

Lincoln Business Insurance Solutions (BIS) is excited to offer this enhanced platform as part of their dedicated partnership that provides resources, expertise and support in three areas:



CONSULT

We work with you and your advisors to provide general consultative support.



IMPLEMENT

We help select the right strategy AND the right LifeComp® platform.




SERVICE WHAT YOU SELL

LifeComp® Solutions provide support beyond the sale, once the insurance is in-force.

For more information contact the Business Insurance Solutions team or *LifeComp*® team at BusinessInsuranceSolutions@lfd.com.

Learn more about Lincoln *LifeComp*® Business Insurance Solutions in the new [Digital Resource Center](#)

Meet your dedicated [Business Life Insurance Solutions](#) team



Service what you sell
Lincoln Business Insurance, powered by *LifeComp*®


A key piece of the Lincoln BLS partnership is access to *LifeComp*® Business Insurance Solutions, a suite of plans built to address clients' needs and deliver tailored strategies to help them succeed — all available on a streamlined administrative platform to help manage needs along the way.

Administration made easy
Because the value you provide to clients doesn't end at point of sale, neither should your support. We're committed to partnering with you by providing the tools and resources for ongoing plan oversight and management.

- Point-of-sale client presentations
- Business- and estate-focused plan designs
- Full plan documentation
- Comprehensive plan administration

IDENTIFY
Lincoln works with you to find an opportunity to recommend an insurance solution for your business owner client.






- See the Lincoln *LifeComp* suite of Business Insurance Solutions
- Identify producers and businesses for Lincoln *LifeComp* solutions
- Use this [questionnaire](#) for Lincoln with your client to analyze the possible benefits of creating a nonqualified benefits program
- Use this [strategy guide](#) with clients to help them understand how to grow and protect their business.



The Lincoln Business Life Insurance Solutions team

Bring an air of dedication, specialized and experienced financial services professionals to help you identify opportunities and give you the support, planning tools, and resources necessary to build your small business practice.

Meet the Lincoln Business Life Insurance Solutions team

 Michael Bunker Vice President, Business Insurance (212) 417-2122 Michael.Bunker@lfd.com	 Katie & Connor Senior Vice President, Business Insurance (212) 417-2122 Katie.Connor@lfd.com	 Justin Bunker Manager, Business Insurance (212) 417-2122 Justin.Bunker@lfd.com
 Michael Bunker Vice President, Business Insurance (212) 417-2122 Michael.Bunker@lfd.com	 Craig Kellner Senior Vice President, Business Insurance (212) 417-2122 Craig.Kellner@lfd.com	 Danielle Fagan Senior Vice President, Business Insurance (212) 417-2122 Danielle.Fagan@lfd.com
 Doreen Harnett Senior Vice President, Business Insurance (212) 417-2122 Doreen.Harnett@lfd.com	 Jeff Bunker Senior Vice President, Business Insurance (212) 417-2122 Jeff.Bunker@lfd.com	 Justin Bunker Manager, Business Insurance (212) 417-2122 Justin.Bunker@lfd.com

Contact the Lincoln *LifeComp* Suite team at (212) 417-2122 or at LifeComp@lfd.com

Insurance products issued by:
The Lincoln National Life Insurance Company
Lincoln Life & Annuity Company of New York
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Lincoln *DesignIt*™ Illustration Updates

Effective with the February 10, 2020 illustration release
Reprinted from the January 27, 2020 Lincoln Life Leader

Indexed Account Illustration Updates

Maximum illustrated rates for all currently and previously sold Indexed UL products will be adjusted to meet the illustration standards required under Actuarial Guidelines 49 (AG49). These updated rates will apply to new sales as well as in-force illustrations for both currently sold and previously sold products. While not specifically required under AG49, for consistency, Lincoln will apply the changes to all states, including New York as well as to the *Lincoln AssetEdge*®/Exec VUL (2015) and the *Lincoln AssetEdge*®/Exec VUL (2019) indexed accounts.

The requirements for the AG49 Benchmark Indexed Account lookback methodology to determine the maximum illustrated rate for each product include:

- A historical lookback period of S&P 500® Index Returns (excluding dividends) dating back 66 years
- The current declared cap from closest product account translated to the hypothetical Benchmark Indexed Account

The following chart shows the maximum illustrated rates under AG49:

Currently Sold Indexed Account Portfolio:

Product	AG49 Maximum Rate as of 2/10/20	
	Nationwide	New York
<i>Lincoln WealthAccumulate® IUL (2019) - 09/16/19</i>		
Perform Plus High Capped Account	6.94%	n/a
Perform, Balance & Conserve Accounts	5.92%	n/a
<i>Lincoln WealthPreserve® IUL (2019) - 10/21/19</i>	5.92%	n/a
<i>Lincoln WealthPreserve® IUL (2017) - 02/12/18</i>	n/a	5.92%
<i>Lincoln WealthAdvantage® Indexed UL - 10/14/19</i>	n/a	5.79%
<i>Lincoln AssetEdge®/AssetEdge® Exec VUL (2019)</i>	5.92%	n/a
<i>Lincoln AssetEdge® VUL (2015)- 10/14/19</i>	n/a	5.79%

Previously Sold Indexed Account Portfolio:

Product	AG49 Maximum Rate as of 2/10/20	
	Nationwide	New York
<i>Lincoln WealthAccumulate® IUL (2019) - 02/11/19</i>		
Perform Plus High Capped Account	6.94%	n/a
Perform, Balance & Conserve Accounts	5.92%	n/a
<i>Lincoln WealthPreserve® IUL (2017) - 02/11/19</i>	6.16%	n/a
<i>Lincoln WealthAccumulate® IUL (2018) - 05/14/18</i>	5.92%	n/a
<i>Lincoln WealthPreserve® IUL (2017) - 02/12/18</i>	6.16%	5.92%
<i>Lincoln WealthAdvantage® Indexed UL</i>	6.04%	5.79%
<i>Lincoln LifeReserve® Indexed UL Accumulator (2014)</i>	6.84%	6.62%
<i>Lincoln LifeReserve® Indexed UL Accumulator</i>	6.84%	6.62%
<i>Lincoln LifeReserve® Indexed UL Protector</i>	6.28%	n/a
<i>Lincoln LifeElements® Indexed UL</i>	6.28%	n/a
<i>Lincoln WealthPreserve® Survivorship IUL</i>	6.28%	6.16%
<i>Lincoln AssetEdge®/AssetEdge® Exec VUL (2015)</i>	6.04%	5.79%

Updated IUL Historical Lookback Rate Reference Documents

The IUL Historical Lookback Rates [reference documents](#) have been updated to reflect the most recent year end information.

VUL Historical Lookback Report Updates

The VUL historical reports have been updated to reflect December 31, 2019 returns.

Life Insurance Product Switch Process and Guidelines

The Lincoln unified life insurance application and Tele-App ticket have integrated all life insurance product processes into one streamlined approach and enables a seamless transition from one product to another – saving time and creating a better experience for producers and consumers.

Please refer to the guidelines below, for any product switch request. If you have questions regarding a specific case, please contact your dedicated Underwriting and New Business team.

Product Switch between *Lincoln LifeElements*® Level Term and UL, IUL and VUL products

- Producer can submit the request via email or phone call to the dedicated New Business Associate on the case – a new application and signatures are not required.
- If the Tele-App interview or exams have already been conducted, the client will not be required to complete the process again.
- If the request is for a product switch from *Lincoln LifeElements*® Level Term to a Permanent UL, IUL or VUL product, additional forms may be required.
- **Please note: If the client has applied for a *Lincoln LifeElements*® Term, UL, IUL or VUL product, a product switch to *Lincoln TermAccel*® will not be allowed.** *TermAccel* rates are based on a streamlined automated workflow and assume a cost savings benefit associated with that process. By switching products, that benefit is lost. Therefore, Lincoln will not allow a product switch within 12-months of applying for a traditional product, including *LifeElements* Level Term.

Product Switch from *Lincoln TermAccel*® to *Lincoln LifeElements*® Level Term, UL, IUL or VUL

- If the client is declined for *Lincoln TermAccel*®, they may be eligible to pursue a fully underwritten product option with Lincoln which would allow for higher table ratings and the collection of additional medical information, such as an APS.
- When a decline decision is rendered from the *Lincoln TermAccel*® automated rules engine for an impairment that could potentially qualify for an offer with full underwriting, the system will generate a decline letter with a message indicating that the client may be eligible to pursue a fully underwritten product option with Lincoln. An automated email will be sent to the Case Contact with a copy of the decline letter which will be emailed to the client 5 business days later.
- Before initiating the product switch and full underwriting process, we encourage the producer to discuss the case with their Underwriter. For example, if the case may be rated, a conversation could help determine if the case could be placed before moving forward.

Reference Material

Initiating a Product Switch: Making the process easier with the Lincoln unified application

[illegible]

Reminder: Action Required for NY Insurance Licensees

Cybersecurity Regulation annual compliance certification due April 15th

The New York Department of Financial Services (DFS) cybersecurity regulation, 23 NYCRR 500 imposes cybersecurity requirements on persons licensed to sell insurance in New York.

Under the regulation, individual insurance producers, agencies, and brokers licensed to sell insurance in New York must have a cybersecurity program and implement processes for dealing with cybersecurity incidents or breaches and certify annually to their compliance with the law, unless they qualify for a full exemption.

2020 Required Filing: Annual Compliance Certification deadline is APRIL 15, 2020

- NY insurance licensees must submit their annual certification to the DFS electronically via the DFS Portal between January 1, 2020 and April 15, 2020.
- The annual certification must be submitted by **ALL** NY insurance licensees who qualified for the limited exemption.
- For step-by-step instructions on how to complete your **certificate of compliance** filing or for more information on the NYDFS requirements, visit their website [here](#). DFS also provided guidance through FAQs, which [can be found here](#), as well as their Cybersecurity Resource Center, which [can be found here](#). The complete New York Cybersecurity regulation can be found on the DFS [website](#).

Any licensed person who already filed a Notice of Exemption in 2019 will NOT be required to refile a Notice of Exemption in 2020 unless they have a change in their exemption status. In that instance, the licensed individual should update their status on the DFS Portal to reflect the change.

State Approvals

Updates since January 13, 2020

Initial Rollout

- **Lincoln LifeElements® (2019) – 02/10/20**
- **Lincoln TermAccel® (2019) – 02/10/20**

Northern Mariana Islands

- **Lincoln WealthAccumulate® (2019) – 09/16/19**
- **Lincoln SVUL^{ONE} (2019) – Including the Optimal No Lapse Enhancement Rider (ONER)**

[View State Availability Grids](#)

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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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