

The Lincoln Leader

April 15, 2019 – Vol. 17 Issue 06

Expansion of Automated Underwriting to Permanent Products

Streamlining the Tele-App process for all Single-Life UL, IUL, VUL and Term products

As a leader in the market, Lincoln Underwriting & New Business is committed to providing an excellent experience for our agents and customers. In February, Lincoln announced expansion of existing automated underwriting capabilities to *Lincoln LifeElements* Level Term to further streamline the underwriting process.

We are pleased to announce that **beginning April 15, 2019**, automated underwriting will be further expanded to also include eligible single-life UL, IUL and VUL cases submitted through the *LincXpress* Tele-App process.

What is Automated Underwriting?

Automated Underwriting is a seamless underwriting process where eligible cases are processed straight-through and do not require a traditional underwriting review. Lincoln's existing automated underwriting capabilities have been expanded to *LincXpress* Tele-App submissions in two phases:

- **February 11, 2019** | *Lincoln LifeElements* Level Term
- **April 15, 2019** | All single-life UL, IUL and VUL products

Key benefits

- Streamlined and consistent underwriting experience
- Faster turnaround times within the underwriting and new business process
- Enables your dedicated Lincoln Underwriting team to focus on more complex cases

What you need to know

- ***LincXpress* Tele-App paper ticket or eTicket submissions meeting the following criteria will go through the streamlined automated underwriting process:**
 - **Ages 18-60 | Face amounts \$1 million or less | Single-life UL, IUL, VUL* and Term products**
- Lab-Free opportunity will be available – the automated rules engine will waive lab work for qualifying clients
- Some cases that are submitted through this process may require further review by an underwriter
- Exclusions: Not available in New York, with Survivorship life insurance products or for Lincoln *MoneyGuard* cases
- *eTicket submission is not available for VUL products.
- NOTE: There will be no changes to the existing *Lincoln TermAccel* fully electronic process; paper ticket submission and paper policy delivery is not available for *Lincoln TermAccel*.

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Lincoln WealthAdvantage® Indexed UL transition period ending on April 30

As previously communicated, the transition period for *Lincoln WealthAdvantage®* Indexed UL will end on April 30, 2019. At that time this product will be sunset in all states except New York. It will also still be available in the Virgin Islands and Northern Marianas, pending the approval of *Lincoln WealthAccumulate®* IUL.

Except for the states noted above, formal applications for *Lincoln WealthAdvantage®* Indexed UL must be signed, dated and received in good order in Lincoln's home office by April 30, 2019 to qualify. For *LincXpress®* Tele-App Cases, a complete ticket and required solicitation forms must be received. Upon approval of *Lincoln WealthAccumulate®* IUL in the Virgin Islands and Northern Marianas, a 60-day transition period will apply.

We want to thank you for your flexibility during the extended transition period. We encourage you to consider *Lincoln WealthPreserve®* IUL and *Lincoln WealthAccumulate®* IUL for your client's protection and accumulation needs.

Transition Period Ending for Unified Life Insurance Application

Transition period ends May 10, 2019

In February, Lincoln introduced a new life insurance application and paper ticket for all products and submission methods, integrating all life insurance product processes into one streamlined approach.

As previously communicated, there is a 90-day transition period in place from February 11, 2019 through May 10, 2019 in which Lincoln will accept either the previous paper application or the new unified paper application for all states that have approved the new application.

**For all submissions received on or after May 13, 2019,
only the new unified life insurance application will be accepted.**

What you need to know

- Only the new unified application and paper ticket are available on the Lincoln Forms Tool and all supported forms platforms
- **The new application and paper ticket are required for:**
 - All fully underwritten Term, UL, IUL and VUL products
 - All ages and all face amounts
 - All submission methods (Traditional paper application, Tele-App paper ticket/eTicket and eApp)
- *Lincoln TermAccel* will remain a fully electronic process with eTicket submissions only and required eDelivery
- The new unified life insurance application will **not be used** for the following instances:
 - Simplified Issue/Guaranteed Issue
 - Reinstatement or Change
 - Term Conversion
 - Cases in New York
 - *Lincoln MoneyGuard*
- The new unified application is pending approval in the Virgin Islands, the 90-day transition will begin when the application is approved.

If you have any questions, please contact your dedicated Lincoln Underwriting and New Business Team.

AccessMyLab™ – Now with text message notification when lab results are ready

Lincoln is pleased to introduce text message notification through **AccessMyLab™** from Clinical Reference Laboratory (CRL). For all lab work completed by CRL on or after March 25, 2019, AccessMyLab will notify clients - via text message - with a link to view lab results online, greatly improving the customer experience.

AccessMyLab offers a secure, digital solution for clients to access their lab results in 3 easy steps:

- ✓ Client completes exam with CRL and provides a mobile number for text notification
- ✓ Text notification is sent to client when lab report is complete
- ✓ Client clicks website link in text message to verify identity and access report

Key Benefits

- Convenient** Online access with no paper forms and **text message notification** when lab results are ready to view
- Informative** Interactive report for reviewing results, including test definitions and tips to improve overall health
- Accessible** Quick access to results from any internet connected device with secure two-factor authentication
- Flexible** Ability to save, print, and share results

CRL is committed to ensuring client and applicant data is protected via the industry's latest security measures. Keeping lab results secure online is one of the most important responsibilities. AccessMyLab was developed to keep sensitive health information protected and secure while accessible through an intuitive, digital interface.

AccessMyLab™ from Clinical Reference Laboratory (CRL) offers mobile viewing for quick access to results and an interactive experience:

How to Improve
Improving Total Cholesterol...
Action Plan details...

Total Cholesterol
Cholesterol is a fatty substance made in the body and is absorbed from certain foods. Your total blood cholesterol is a measurement of several types of cholesterol, with the overwhelming majority being LDL and HDL (John Hopkins).

Reference Materials

View the AccessMyLab™
Informational Flier for use with
Agents

View the *Online Access to Labs
Helpful Hints* Instruction Sheet for
use with Clients

Clinical Reference Laboratory is not an affiliate of Lincoln Financial Group.

Lincoln MoneyGuard® II – Updated Suite of Marketing Collateral

In February, Lincoln implemented pricing updates to enhance competitive positioning in core market segments for Lincoln MoneyGuard® II. These pricing updates, which consist of an overall average decrease of 3%, will continue to put us at #1 in the hybrid marketplace in over 80% of our sales opportunities.

The full suite of marketing collateral has been updated to incorporate the rate changes from February. [View the full suite here.](#)

Updated Situs Guidelines for Utah and Washington

Effective for new submissions received on or after May 13, 2019

Lincoln has updated the Individual Life Situs Guidelines for residents of Utah and Washington. Situs refers to the issue or contract state of a policy, where the application was solicited, and the policy delivered to the client. We will apply these updated requirements on any new life insurance or Lincoln MoneyGuard® submission received on or after May 13, 2019.

Based on the requirements of Washington and Utah state insurance law, for all Life Insurance policies, including Lincoln MoneyGuard®, sold to residents of Utah (UT) and Washington (WA), the following guidelines will now apply:

- If an owner/applicant indicates that he/she is a resident of UT or WA, the contract must be situated in the state where the client resides.
- UT and WA prohibit cross-border sales and no other state of situs will be allowed for any reason.
- Agent(s) must be validated in the state of situs.
- For term conversions, refer to the state in which the current policy owner resides. If the resident state is UT or WA, the new policy must be situated in UT or WA. No exceptions.

Guidelines based on policy ownership type:

- **Corporate Owned** – If the corporation is based in UT or WA, the situs must be UT or WA
- **Trust Owned** – If any trustee is a resident of UT or WA, the situs must be UT or WA
- **Multiple Owners** – If any owner or trustee resides in UT or WA, the following will apply:
 - If the policy ownership is evenly split between UT/WA and any other state(s), the situs must be UT or WA
 - If the policy ownership is not evenly split between UT and/or WA, the situs may be where the majority of owner(s) reside

Examples		
Number of policy owners	Resident state of owner	Situs
2 owners	1 resides in UT	UT only
	1 resides in CA	
3 owners	1 resides in WA	CA or WA (majority of owners reside in CA)
	2 reside in CA	

UT/WA Situs Guidelines - Frequently Asked Questions

I have a case where the applicant/owner resides in UT or WA, but I would like an exception to situs the policy in another state. Can this exception be made?

No, there are no exceptions to the UT and WA situs rules. However, if the policy is *situated* in UT or WA, it may be acceptable to sign the UT or WA application or exam paperwork in a different state, example, residence of insured.

If I have a case with multiple owners or trustees and not all owners reside in UT or WA, can I situs the policy in a state that one of the other owners reside?

If there are two owners, and one owner lives in UT or WA, you must situs the policy in WA or UT.

If there are 3-5 owners, and the majority of owners live in either UT or WA, you must situs the policy in UT or WA. If the majority of owners reside in a state(s) other than UT or WA, you can situs in one of those other states.

If the policy is situated in UT or WA, it is acceptable to sign the WA or UT application or exam paperwork in a different state, example, residence of insured.

I have a Corporate owned policy and the Corporation is based in UT or WA, but the Proposed Insured resides in a different state, can I situs in the Proposed Insured's state of residence?

No, you must situs the policy in UT or WA where the Corporation is located. If the policy is situated in UT or WA, it is acceptable to sign the UT or WA application or exam paperwork in a different state, example, residence of insured.

I am processing a Term Conversion, where do I situs the policy?

You must refer to where the current policy owner resides and if they reside in either UT or WA, the new policy must be situated in UT or WA.

Please contact your Lincoln Underwriting and New Business team with any additional questions regarding Situs Guidelines.

Updated Agent Validation Guidelines for Washington

Effective for new submissions received on or after May 13, 2019

In conjunction with the updated Situs guidelines for Washington (WA), for any new life insurance or Lincoln *MoneyGuard*® submission **received on or after May 13, 2019**, the following updated Agent Validation guidelines for Washington will apply:

- **Owner/applicant resides in Washington** – The producer MUST be licensed and appointed in Washington as of the application signature date and continuing through the policy/contract delivery and payment of commissions
- **Application signature state is other than Washington AND** any of the following are residents of Washington, the producer MUST be licensed and appointed in Washington AND in the application signature state as of the application signature date and continuing through the policy/contract delivery and payment of commissions:
 - Insured/Annuitant
 - Irrevocable Beneficiary
 - Collateral Assignee (not allowed on annuities or Lincoln *MoneyGuard*)

WA Agent Validation - Frequently Asked Questions

If have a Collateral Assignment or an Irrevocable Beneficiary on a policy where the Assignee or Irrevocable Beneficiary is located in WA, but my policy is situated in Idaho, will my application be NIGO if I am not licensed and appointed in WA?

Yes, your application will be NIGO if you are not licensed and appointed in WA. Lincoln must follow the WA Producer licensing regulations and we have based our process upon the interpretation of the rules by our legal counsel.

I have situated a policy in a state other than WA because the applicant/owner resides in a different state, just because the Proposed Insured resides in WA, why do I need to be Licensed and appointed in WA and why is my application NIGO?

Since the Proposed Insured is a party to the solicitation, Lincoln must follow the WA Producer Licensing Regulation. If the insured is a resident of WA and the application signature state is a state other than WA, the producer must be licensed in both WA and the application signature state.

My policy/contract has been issued and upon delivery I have added an Irrevocable Beneficiary and/or Assignee that are located/reside in WA, will I have to return the policy to Lincoln?

No, if the policy has been delivered, we will obtain the proper license credentials prior to placing the case and releasing commissions.

What happens if the Proposed Insured or policy owner relocates to WA after issue but prior to placement?

The policy must be returned to Lincoln and the application process must start over. A WA license and appointment for writing agent levels will be required.

Why is the irrevocable beneficiary considered one of the individuals that would drive the need for a producer to be licensed in Washington?

Washington regulators have not provided any specific direction regarding the definition of “when a policy is sold, solicited, or negotiated”. The legal guidance we have received is that the definition would include: owner, trustee, insured, annuitant, irrevocable beneficiary, and collateral assignee (if allowed). An irrevocable beneficiary has a property interest in a policy or contract, therefore we believe Washington would consider them to have been solicited. If the beneficiary is not irrevocable, we do not believe it would apply.

Does the validation requirement for producer licensing apply if there is an agent change post-issue?

Producer licensing regulations generally apply to the solicitation, negotiation and sale. We believe Washington’s position is that this rule applies at the time of the transaction – the time the application is signed, the contract is delivered, and the commissions paid – and not post-issue.

In addition to license/appointment validation, does the producer have to meet Washington training requirements?

Yes, all producer licensing requirements apply.

If the sale is for a variable product, does the broker-dealer as well as the agent need to be appointed in Washington?

Yes, any producer/entity that is receiving writing agent compensation in WA must be appropriately licensed and appointed.

Does this change in position with respect to producer validation and contract situs have ramifications to in force contracts?

No, this impacts only new sales.

If there are multiple owners/applicants residing in different states, which state prevails as the situs state?

If there are two owners and one residing in Washington, then the policy must be situated in Washington. If there are multiple owners and the majority reside in a different state, then the policy may be situated where the majority of owners reside. However, the producer must be licensed in Washington as well.

Does this change any reciprocity rules for non-resident licensing in Washington?

No. Whatever rules are in place to obtain a resident or non-resident license in Washington are the same. The change is that there is a requirement for producers to be licensed in Washington as of the application signature date and continuing through the policy/contract delivery and payment of commissions, in addition to being licensed in the application signature state (if different) if any of the following are residents of Washington:

- Owner or Trustee
- Insured/Annuitant
- Irrevocable Beneficiary
- Collateral Assignee (not allowed on annuities)

Can a case be placed if the license/appointment is not valid?

No, this applies pre-placement. Cases must be rejected where it's identified at any point prior to placement that an Owner/Trustee or Insured is a resident of Washington and the producer is not licensed in Washington.

If it is the owner or insured that resides in Washington, Lincoln must reject the case if the agent is not licensed and the process must start over.

If it is the irrevocable beneficiary or collateral assigned that resides in Washington, Lincoln may continue processing the case while the producer gets licensed/appointed, but the case cannot be placed until appropriate licensing is in effect.

Please contact your Lincoln Producer Solutions team with any additional questions regarding agent licensing validation and appointments.

State Approvals

Updates from March 25, 2019

Alternate Cash Surrender Value Rider (Exec Rider) for use with *Lincoln WealthAccumulate*[®] IUL

- Delaware
- District of Columbia
- Guam
- North Dakota
- South Dakota

Return of Premium Rider for use with *Lincoln WealthAccumulate*[®] IUL (2019) – 02/11/19

- District of Columbia
- North Dakota
- South Dakota

[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.

Variable products distributed by Lincoln Financial Distributors, Inc.

Members of Lincoln Financial Group.

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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