



Coming Soon! – *Lincoln WealthPreserve*SM Survivorship Indexed UL

Effective August 11, 2014, Lincoln will introduce the newest product in its survivorship portfolio, *Lincoln WealthPreserve*SM Survivorship Indexed UL (SIUL), a Fixed UL solution for clients who want cost-efficient, second-to-die life insurance protection with predictability and cash value flexibility to meet changing needs. Building on the strengths and features of the recently enhanced single life *Lincoln LifeReserve*[®] Indexed UL Accumulator (2014), this new product provides:

Key Features:

Protection:

- **Competitive endow premiums**
- **1% guaranteed floor** on all accounts
- **Policy Split provision** – built into base policy
- **Estate Protection Rider** – available at an additional cost to provide term death benefit protection while a trust is being established
- **Extended No-Lapse Minimum Premium Rider** – available for an additional cost, to extend the base 10-year no-lapse minimum premium period

Simplicity and Cash Value Flexibility:

- **Three One-Year Point-to-Point (PTP) S&P 500* index options** that cover the risk spectrum/range of possible returns with the ability to enter separate illustrated rates by option:
 - **High Participation Account** – most conservative of the 3 indexed options; provides clients with an optimal return through higher participation in the S&P when returns are lower.
 - **Uncapped Account** – most aggressive of the 3 indexed options; provides clients with an optimal return potential when S&P returns are at their highest.
 - **Capped Account** – most commonly used option in the Indexed UL marketplace; client receives an optimal return when the S&P performs moderately.
- **Automatic monthly allocations** maximize opportunity for new indexed segments
- **Optional DCA** with enhanced rate to address market volatility concerns
- **Participating loans with guaranteed loan charged rates** for maximum distributions
- **Fixed loans** for more predictable loans if goals change

Headlines

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Lincoln Special Exchange Program – External term-to-term with *Lincoln Treasury Indexed UL* – Extended!

VUL Sales Concept changes – *Lincoln DesignIt*SM Illustration system

**Information compiled by
Product and Distribution Support**

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Availability

New business applications will be accepted on **August 11, 2014** in states where *Lincoln WealthPreserve*SM Survivorship Indexed UL has been approved.

Rider Availability

Subject to state approval, the following riders will be available on *Lincoln WealthPreserve*SM Survivorship Indexed UL:

- **Accelerated Benefits Rider** (with first death benefit)
- **Accelerated Benefits Rider** (without first death benefit)
- **Estate Protection Rider**
- **Extended No-Lapse Minimum Premium Rider**
- **Overloan Protection Endorsement**

Coming Soon! – New Products Available in Pennsylvania

Effective August 11, 2014, the following products will be available for sale in Pennsylvania:

- *Lincoln LifeGuarantee*[®] UL (2013)
- *Lincoln LifeGuarantee*[®] SUL (2013)
- *Lincoln VUL*^{ONE} (2014)

State Variations

- For *Lincoln VUL*^{ONE} (2014), the premium load is 8% in years 1-20 and 0% thereafter.
- For *Lincoln LifeGuarantee*[®] UL (2013) and *Lincoln LifeGuarantee*[®] SUL (2013), there is a unique Coverage Protection Guarantee flier.

Illustrations will reflect these changes with the August 11, 2014 update to *Lincoln DesignIt*SM (v26).

All of the reference and marketing materials will be updated to reflect these differences and will be available on the Lincoln website on August 11, 2014.

Transition Period

As is the standard practice for states that approve these products after the initial product rollout, there will be a 30-day transition period for the state of Pennsylvania which **begins on August 11, 2014 and ends on September 10, 2014**. Fully completed applications for *Lincoln LifeGuarantee*[®] UL (2012), *Lincoln LifeGuarantee*[®] SUL (2012) and *Lincoln VUL*^{ONE} (2012) 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 **Wednesday, September 10, 2014** in order to qualify.

- For **pending business**, Lincoln will accept a written request and a revised illustration to change to *Lincoln LifeGuarantee*[®] UL (2013), *Lincoln LifeGuarantee*[®] SUL (2013) or *Lincoln VUL*^{ONE} (2014).
- For **issued and/or placed business**, normal Internal Replacement Guidelines apply. Rewrites will not be allowed.

For all other states' product availability, reference the State Availability section on the last page of this newsletter.

Coming Soon! – New York Minimum Issue Age Change

Due to a recent change in regulations in New York, effective **August 11, 2014** Lincoln will increase the minimum issue age for New York sales of the following products **from 15 to 16**:

- *Lincoln LifeCurrent*® UL
- *Lincoln LifeReserve*® UL (2009)
- *Lincoln AssetEdge*® VUL (2009)
- *Lincoln AssetEdge*® Exec VUL (2009)
- *Lincoln LifeReserve*® Indexed UL Accumulator

Illustrations will reflect these changes with the August 11, 2014 update to *Lincoln DesignIt*™ (v26). All of the reference and marketing materials will be updated to reflect this change and will be available on the Lincoln website on August 11, 2014.

Coming Soon! – Lincoln MoneyGuard® II in New Jersey

Effective Monday, August 11, 2014, Lincoln *MoneyGuard*® II will be available for sale in New Jersey

Here's what you need to know about the new Lincoln *MoneyGuard*® II:

- Continues to have an Income Tax Free Death Benefit
- Return of premium options for increased LTC benefits
- Couples Discount – up to 15%-20% more in benefits than Lincoln *MoneyGuard*® Reserve Plus
- Males qualify for up to 10%-15% more in benefits than Lincoln *MoneyGuard*® Reserve Plus
- Extended flexible premium option from 1-10 years
- Increased International Benefits to provide reimbursement up to the monthly maximum

Transition Rules –

Effective August 11, 2014, per normal process guidelines, to qualify for *MoneyGuard*® Reserve Plus in New Jersey, the ticket and one signed POS form must be received by **Lincoln's home office by Wednesday, September 10, 2014**. For **pending *MoneyGuard*® Reserve Plus business where the client would like to switch to the new Lincoln *MoneyGuard*® II product**, Lincoln will need a new ticket, signed Lincoln *MoneyGuard*® II illustration, HIPPA form and LTC Worksheet.

Please note: Aside from Lincoln's normal *MoneyGuard*® processing guidelines, there are no back end dates in which we need to place a case by.

As a reminder, the standard *MoneyGuard*® rules are:

- If there is no activity on paperwork submitted after 60 days, Lincoln New Business will ask for newly dated and signed paperwork. Only the product available as of the new date would apply.
- PHIs are only valid for only 90 days. If a PHI expires and new paperwork is needed, the product available as of the new date would apply.
- If Lincoln determines that there are inappropriate licensing/issues that result in new signed paperwork, the product available as of the new date would apply.
- Rewrites from *MoneyGuard*® Reserve Plus into Lincoln *MoneyGuard*® II will not be allowed unless within the free look period. If the policy is within the free look period and the client would like to make the switch, they would need to submit the request (in writing).

States still pending approval of Lincoln *MoneyGuard*® II include: California, Florida, Hawaii and New York.

For additional information on Lincoln *MoneyGuard*® II, [Click here](#) to access the original Lincoln *MoneyGuard*® II launch announcement (Volume 12, Issue 2, dated February 10, 2014) or view your Lincoln Producer website.

Lincoln Special Exchange Program – External term-to-perm with *Lincoln Treasury Indexed UL – Extended!*

If your clients want more than what their term policies offer, now's a great time to step up to *Lincoln Treasury Indexed UL*. For a limited time, they can exchange their external term policies from a select group of carriers to *Lincoln Treasury Indexed UL*. They'll have guaranteed protection, affordable premiums, and a policy that gets better if the 10-year Treasury yield rises.¹

Make the switch to affordable guaranteed protection. **This Special Exchange Program has been extended through October 31, 2014.**

Program Highlights	
Maximum issue Age	60
Maximum face amount	\$2.5 million ²
Timeframe	Within 36 months of term issue date
Rate classes	Preferred and Preferred Plus only
No exam and No labs (blood or urine test)	If clients meet criteria
Eligible carriers	A+ rating (or higher) with A.M. Best

Additional Resources	
Click on the name of the piece to view the online version.	
Technical Training	<i>Special Exchange Program Q & A</i> – Provides program details, target market, commissions, underwriting and new business requirements
Marketing Materials	Promotional flier (UW-CONV-FLI001)
Cover Letter (LF10755)	Detailed checklist to use for submitting business – available from the Lincoln Forms Tool

For additional information, contact your internal wholesaler!

¹ Based on the 10-Year Constant Maturity Treasury Note nominal yield published by the Federal Reserve Board. This yield is referred to as the 10-year Treasury yield. If the average annual 10-year Treasury yield exceeds minimum levels, the policy will earn credits. The policy owner can use these credits as a Premium Election to extend their guarantee up to a lifetime or to reduce out-of-pocket premiums; as a Withdraw Election to receive a cash payment; or as a Policy Value Election to keep the earned credits in the policy value. The Withdraw and Policy Value elections do not extend policy guarantees.

² If there is current Lincoln in-force coverage of \$20 million or more, contact your Lincoln underwriter for pre-approval.

Term and universal life policies all offer a death benefit but differ greatly in their design, functionality and cost. These differences and others should be taken into consideration before recommending any one product over another to a client.

VUL Sales Concepts Changes

As part of normal business practice, Lincoln DesignItSM Illustration system (DesignIt) sales concepts are submitted for FINRA review with every update and/or every three years. In this review process, Lincoln was informed that FINRA has objected to the inclusion of variable products in two DesignIt sales concept illustrations. As a result, the ability to include single life and survivorship Variable Universal Life (VUL) products in the following sales concept illustrations has been removed:

- *Economics of Insurance*
- *Tax Economics of Investing*

This change affects all users of DesignIt Illustration system and includes both the web and desktop versions of the system. An updated version of DesignIt was released Friday, July 18, 2014 that removed the ability to use VUL products in these sales concept illustrations.

In the future, this may also affect the Asset Diversification Strategy sales concept (previously known as Concentrated Stock). The removal of VUL products from Asset Diversification Strategy is scheduled to happen on Friday, August 8, 2014; however, Lincoln is feverishly working with FINRA to modify the sales concept to meet FINRA guidelines.

What you need to do

If you are actively working on a case that includes VUL with one of these sales concepts, you may want to inform your customer that going forward you may not be able to produce updates or revisions to the design of the sales concept illustrations.

You can make changes to the integrated variable illustration by choosing the *Export to File* option when editing the integrated illustration. This will save the variable product in the DesignIt file separate from the sales concept.

Lincoln will continue to keep everyone informed as it relates to future changes or decisions. For your convenience, we've provided some additional details around questions you may have. Please review this information and contact your internal wholesaler if you have additional questions.

Frequently Asked Questions

Why are there changes now?

Updated and new sales concepts that allow the inclusion of a variable product are reviewed by both our compliance department and regulators. As personnel change there can be differences in interpretations of existing rules.

During the recent review of these previously approved pieces, it was decided that these concepts compare (to various degrees) the performance of unlike products. For example, a VUL and an Indexed UL are unlike products and a VUL and an IRA are unlike products.

FINRA cited Rule 2210-2, which states in part: *Any comparison in retail communications between investments or services must disclose all material differences between them, including (as applicable) investment objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, and tax features.*

What will happen to current cases in DesignIt that already include a variable product?

The sales concepts will still be in DesignIt and will contain the variable product but you will receive an error when you try to run the sales concept. You will need to choose a fixed product to re-run the sales concept.

Are these the only sales concepts affected?

These were the sales concepts up for review. Sales concepts must be reviewed every three years by Lincoln compliance and regulators. There could be others in the coming months that will require adjustment.

Will we get this functionality back?

Lincoln Advanced Sales and Operations are working with our partners in compliance and illustrations to update versions of these sales concepts that will satisfy current regulations. We hope to have these new versions available for November, but please understand that any development effort can run into roadblocks and be delayed.

State Approvals (Product Availability) Updates through July 28:

The following products are now available in the states listed below:

Connecticut:

Lincoln *MoneyGuard*® II

California:

Lincoln *LifeReserve*® Indexed UL Accumulator (2014)

No additional updates at this time

Looking for an Article?

For an index of articles from past Lincoln Life Leaders – [Click here](#)

State Approvals

[Click here to view the current product availability charts](#)

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 are subject to the financial strength of the insurer. Lincoln Financial Group is the marketing name for The Lincoln National Corporation and its affiliates.

Insurance 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 subject to the claims-paying ability of The Lincoln National Life Insurance Company.**

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

All guarantees and benefits of the insurance policy are subject to the claims-paying ability of the issuing insurance company. They are not backed by the broker-dealer and/or insurance agency selling the policy, or any affiliates of those entities other than the issuing company affiliates, and none makes any representations or guarantees regarding the claims-paying ability of the issuer.

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.

Only registered representatives can sell variable products.

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