



# LINCOLN LEADER

## LIFE INSURANCE VERSION

Volume 8, Issue 10

05/17/2010

### Key Headlines

- Introducing - *Lincoln LifeElements*<sup>®</sup> Level Term (2010)
- Fund Changes – Effective May 17, 2010
- *Lincoln DesignIt*<sup>SM</sup> Illustration Changes
- Introducing Lincoln Inforce Platform (LIP)
- Point-In-Time Illustrations for Additional UL Products
- Update to Inforce Illustrations Support Tool (LIST)
- Changes to *Lincoln LifeReserve*<sup>®</sup> Indexed Universal Life
- *Coming Soon* - Lincoln Reintroduces the VUL DCA Fixed Account Enhanced Interest Rate Program
- Life CS Call Center Focus on Automated Phone System Redesign
- Approved Vendor List – Updated
- VT Reg and *MoneyGuard*<sup>®</sup>
- Washington Form Updates

### State Availability

**Click here** to view the life state availability charts.

Information Compiled By  
Insurance Solutions, Product  
& Distribution Support

## Introducing - *Lincoln LifeElements*<sup>®</sup> Level Term (2010)

Lincoln is pleased to announce the latest update to the Term product portfolio, *Lincoln LifeElements*<sup>®</sup> Level Term (2010). We remain committed to maintaining our competitiveness in the older ages and higher death benefit market. However, there have been changes in the overall economic environment which include increased cost of capital and lower investment returns, so to balance out keeping the core competitiveness, we have needed to increase rates for younger ages and smaller face amounts. In general, rates for all four term periods were improved for many of our higher-face amount clients at ages 45 and older. This change will allow Lincoln to be more competitive on Standard and second-tier Preferred Non-Tobacco classes on face amounts of \$1,000,000 and above. Rates for face amounts under \$500,000 and all Tobacco rates have not changed. For the most part, Non-Tobacco rates for face amounts between \$500,000 and \$999,999 will be increasing.

The changes are to the rates only, with no structural changes to the contract from the 2009 version with the exception of a new Waiver of Premium Rider. Effective May 17, 2010, the following changes have been made to *Lincoln LifeElements*<sup>®</sup> Level Term:

- Rates for the 10-year, 15-year, 20-year, and 30-year terms have been adjusted;
- If the term policy has a waiver rider at the time of conversion, including the case where the insured is totally disabled and premiums are currently being waived, the insured will have access to a waiver benefit as part of the conversion, subject to availability and the company guidelines in place at the time of conversion. This change is important as it will allow a client on waiver to keep the original face amount if they convert the policy, versus only having access to the smaller benefit available on the original product where there will be a face decrease at the end of the level term period.

### Rider Availability

The following riders are available on *Lincoln LifeElements*<sup>®</sup> Level Term (2010):

- Waiver of Premium Rider – WP-5765 (Subject to state approval)
- Children's Level Term Insurance Rider
- Accelerated Benefits Rider

### **Transition Period**

There will be a 30-day transition period from the date of state availability. For the majority of states which have already approved the product, the transition period begins **May 17, 2010** and ends **June 16, 2010**.

A new Waiver of Premium rider has been filed in all states. The new waiver is only available on the new product and the old waiver is only available on the old product. So, for the few states that will rollout with the new Waiver of Premium Rider not yet approved, if the client wants the new product they will either have to:

- Forgo Waiver of Premium on their contract, or
- Wait for the approval of the rider before purchasing.

### **Lincoln does not allow Waiver of Premium to be added post-issue.**

As of the launch date of May 17, 2010, the states which have not approved the new Waiver of Premium Rider are: CA, GU, HI, IL, MP, NJ, NY, and RI.

**In states where the rates and rider have been approved**, if applications are signed and received in good order within the transition period, the insured will have their choice of:

- *Lincoln LifeElements*<sup>®</sup> Level Term (2009) with or without the old Waiver of Premium; or
- *Lincoln LifeElements*<sup>®</sup> Level Term (2010) with or without the new Waiver of Premium.

For applications already in underwriting, the insured will also have the choice of products, provided the new *Lincoln LifeElements*<sup>®</sup> Level Term (2010) is approved in their state.

**If the state has approved the new rates but NOT the Waiver of Premium**, the insured will have their choice of:

- *Lincoln LifeElements*<sup>®</sup> Level Term (2009) with or without the old Waiver of Premium, or
- *Lincoln LifeElements*<sup>®</sup> Level Term (2010) **WITHOUT** the new Waiver of Premium Rider.

### **The old rider will not be available on the new product.**

To request a change in the product on any applications currently in house, New Business will require notification in writing, indicating the desire to change products.

Any applications received after the 30-day transition period ends will automatically receive the new product and rates. A policy may be backdated, but if the application is received after the transition period, it will receive the new rates.

States that approve after the launch date will have a 30-day transition period from the date of availability.

For policies already placed, we will not allow rewrites to the new *Lincoln LifeElements*<sup>®</sup> Level Term (2010).

## State Availability

**Click here** to view the state availability chart. This chart will be updated weekly and posted to the web. As of launch, the only jurisdictions that have not approved the new rates are Illinois and New York.

As of launch, Maryland has not yet approved the 30-year term period.

## Pre-Pay Discount

*Lincoln LifeElements*<sup>®</sup> Level Term (2010) allows for a pre-pay discount. The discount can only be used for a set number of years (no more than 10), cannot be combined with the employee discount, and can only be used for annual premiums. The discount rate is currently 2.0% but can be changed at any time. The *Lincoln DesignIt*<sup>SM</sup> Illustration platform has an additional feature that will allow you to calculate the discounted premium for discussions with the client. This can be found under “Other Options” on the Basic Tab. The discounted premium can be seen in the Quick Preview on the right hand side of the screen. The client will need to sign an acknowledgement form (LFF10043) available in the forms tool on the website.

The first premium will always be paid in full and will not be discounted. The discounting can be set up after the policy is put in force, through Customer Service. The amount of the discount may be subject to tax and, if so, the Owner will receive an applicable 1099 from Lincoln.

## Illustration Availability

In order to run illustrations on this product, you must have the current version of *Lincoln DesignIt*<sup>®</sup> illustration software (v8.0) which is available for download from the Lincoln websites. If you have an active internet connection, the software will automatically update on May 17, 2010.

## Reference Materials

The following reference materials will be available from the websites:

*Lincoln LifeElements*<sup>®</sup> Level Term (2010) Product Reference Guide.

- **Click here** to view a copy of the *Lincoln LifeElements*<sup>®</sup> Level Term (2010) Product Reference Guide.

*Lincoln LifeElements*<sup>®</sup> Level Term (2010) vs. *Lincoln LifeElements*<sup>®</sup> Level Term (2009) side by side comparison

- **Click here** to view a copy of the *Lincoln LifeElements*<sup>®</sup> Level Term (2010) vs. *Lincoln LifeElements*<sup>®</sup> Level Term (2009) side by side comparison.

**Specimen Contracts**

Click on the titles below to view a copy of the nationwide version of the specimen contracts:

<i>Lincoln LifeElements</i> <sup>®</sup> Level Term (2010) 10 Year Policy
<i>Lincoln LifeElements</i> <sup>®</sup> Level Term (2010) 15 Year Policy
<i>Lincoln LifeElements</i> <sup>®</sup> Level Term (2010) 20 Year Policy
<i>Lincoln LifeElements</i> <sup>®</sup> Level Term (2010) 30 Year Policy
Available Riders:
Children’s Term Insurance Rider
Waiver of Premium Rider
Accelerated Death Benefit Rider

**Marketing Materials**

The core materials for *Lincoln LifeElements*<sup>®</sup> Level Term (2010) can be viewed on the various Lincoln websites and will be available for order from the Lincoln Literature Fulfillment Center on May 17, 2010.

Listed below are the material order numbers.

<b>Client Materials</b>	<b>Order Code</b>
Client Brochure	TO-CLT-BRC001
Term Rate Ad with tear-off	TO-RATE-FLI001
Plexiglas Ad for Desk	TO-CL-FLI001
Client Newspaper Ad	TO-ADV002
<b>Advisor materials</b>	
Agent Fact sheet	TO-FST-FLI001
Advisor Postcard	TO-CARD-PCD001
Sales idea – Business application	TO-BUS-FLI001
Sales idea – Personal needs	TO-PERS-FLI001
Competitive ladder Ad	TO RECR-FLI001

\*\*\*\*\***End of Product Launch Section**\*\*\*\*\*