

Lincoln VUL^{ONE} and SVUL^{ONE} Transition Guidelines

Frequently Asked Questions – effective beginning May 11, 2020

As the life insurance industry operates in today's challenging and evolving environment, Lincoln continues to proactively manage our business as part of our disciplined approach to financial and risk management. 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.

Effective May 11, 2020, Lincoln is increasing pricing on *Lincoln VUL^{ONE}* (2019), and *Lincoln SVUL^{ONE}* (2019). The following Frequently Asked Questions outline the transition guidelines specifically related to this pricing change. Please note: **All pending business must be issued, or 1035 exchanges initiated, on or before August 28, 2020.**

Question	Answer
What are the transition guidelines for the May 11, 2020 <i>Lincoln VUL^{ONE}</i> (2019), and <i>Lincoln SVUL^{ONE}</i> (2019) pricing change?	<p>All states are automatically approved at rollout with the exception of New York (where the products are not currently available), and the transition period begins on May 11, 2020 and <u>ends on May 22, 2020</u>. Additionally, all pending business must be issued, or 1035 exchanges initiated (where applicable), on or before August 28, 2020.</p> <ul style="list-style-type: none"> • 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 <i>Lincoln VUL^{ONE}</i> (2019) – 05/11/20, and <i>Lincoln SVUL^{ONE}</i> (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. <p>Click here to view the Variable Universal Life state availability.</p>

How does Lincoln define an “issued” status as it relates to the August 28, 2020 deadline?	<p>The “issued” status means the policy/contract has been generated and sent out for delivery to the client, or that the 1035 exchange has been initiated. As long as the policy was issued, or 1035 exchange initiated, on or before August 28, 2020, the policy may be placed in-force at a later date, to allow time for policy delivery and/or receipt of other requirements, including any 1035 exchange proceeds.</p> <p>Please note: For any non-1035 exchange cases issued on or before August 28, 2020, the policy must be placed in-force within our normal protocol, which is within 30-calendar days following policy issue. However, Lincoln Underwriting will work with you on a case-by-case basis, as needed, for extension to this placement period as long as the client’s medical information is within our normal guidelines (e.g. exams good for one year for younger insured). Please work with your New Business Associate if you have an extenuating situation. Please note that there will be no exceptions to extend the policy issue transition restriction of August 28, 2020.</p>
If an application is postponed due to temporary underwriting changes for COVID-19, and the restrictions are not lifted by August 28, 2020, will the client still be eligible for the ORIGINAL <i>Lincoln VUL^{ONE}</i> or <i>Lincoln SVUL^{ONE}</i> they applied for?	No. The client will only be eligible for a product in market at the time the restrictions are lifted.
Will Lincoln loosen underwriting requirements to help agent and clients move business through underwriting during the transition period?	No. Lincoln’s stated underwriting rules and guidelines will apply.
If I have a client that will likely be postponed due to temporary underwriting changes for COVID-19, should I sell the new <i>Lincoln VUL^{ONE}</i> or <i>Lincoln SVUL^{ONE}</i> product or the old one?	<p>Due to the uncertainty of timing of when the temporary underwriting guidelines may be lifted, we recommend that the agent ensure the client understands their options and the risks associated with waiting to secure coverage with the old pricing.</p> <p>The client should be aware that coverage under the old pricing will not be available if the contract is not issued, or 1035 exchange initiated, by August 28, 2020.</p>
Will reissues be permitted on policies issued prior to August 28, 2020?	Reissues due to home office errors will be permitted. Reissues for material changes, such as an increase in face amount, will not be permitted.
Once an application is received in good order in Lincoln’s Home Office by the end of the transition period on May 22, 2020, can any changes be made to the application?	<p>That depends upon the change being requested. Once an application has been received in good order in the Home Office, Lincoln will:</p> <ul style="list-style-type: none"> • Not allow an increase to the face amount on the application on the same insured. However, in 1035 exchange situation where Lincoln receives more premium than anticipated from the losing carrier resulting in an increase in death benefit, if the death benefit is within reasonable limits, Lincoln would allow. • Not allow additional face amounts on a second policy using the same application.

Contact your Lincoln representative with any additional questions.

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