

LIFE SOLUTIONS

# The Lincoln Leader

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## Lincoln to No Longer Offer Administrative Services of Newly Submitted Cases Through LifeComp® Platform Change effective March 11, 2022

As we continue to focus on delivering the best administrative services and experience to our customers, Lincoln will no longer offer administrative services of newly submitted cases through the LifeComp® platform **after March 11, 2022**. LifeComp® is a proprietary administrative system primarily focused on supporting the reporting and administration needs of advanced life solutions. There is currently no impact to enforce policies. Lincoln is evaluating administration options for solutions that currently leverage LifeComp® administration.

**All formal application submissions using LifeComp® administration must be signed, dated, and received in-good-order at Lincoln's home office by March 11, 2022.** Please note: *Lincoln AssetEdge® VUL (2022)* will not be available for administration.

**All pending business must be placed with premium, or 1035 exchanges initiated (where applicable), by June 10, 2022.** If your policy is not placed, or any applicable 1035 exchange is not initiated by the June 10, 2022 deadline, Lincoln will be unable to provide LifeComp® administration.

This change does not impact any policies outside of the LifeComp® administration platform. Lincoln will continue to accept split-dollar, 162 bonus and multi-life cases on our approved products.

Please review these [Frequently Asked Questions](#) for more information.

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## Reminder: New York *MoneyGuard*® Product Suspension

**Last day to submit applications is March 25, 2022. Important Placement Guidelines included below.**

Due to the existing regulatory environment in New York, Lincoln Life & Annuity Company of New York (Lincoln) is unable to maintain a modern portfolio of *MoneyGuard*® hybrid life insurance products in the state and will be suspending new *MoneyGuard*® sales in New York until further notice. These changes do not impact existing policyholders.

The following product currently sold in New York will be suspended after March 25, 2022:

- Lincoln *MoneyGuard*® II NY

Submission and placement deadline

- All New York applications for the product listed above must be received in-good-order at Lincoln by March 25, 2022, and
- All pipeline cases for the New York product listed above must be placed inforce, or 1035 exchange initiated by June 30, 2022
- Any case not placed inforce or 1035 exchange initiated by June 30, 2022 will be cancelled

As a reminder, [New York Solicitation and Situs guidelines](#) must continue to be followed. For any New York resident (Proposed Insured or Owner) applying for life insurance coverage outside of New York no part of the sale can take place in the state of New York. All sales activities including solicitation, paperwork signing, and policy delivery must be conducted in the state of situs, and all paperwork and forms must align to the state of situs. Additionally, the New York resident (Proposed Insured or Owner) must sign the Out of State Verification Form. An article [with important New York Situs reminders](#) is also available as a reference.

At this time, there is no date set for the future availability or reintroduction of *MoneyGuard*® products in New York. Any updates will be communicated through the Lincoln Life Leader. Please contact your Lincoln representative with any questions.

### Lincoln *MoneyGuard* II NY – Placement Guidelines

Applications for Lincoln *MoneyGuard*® II NY – 07/12/21 will be accepted until March 25, 2022 with policies needing to be placed inforce or 1035 exchange initiated by June 30, 2022. Please see below for important information associated with these dates.

- For applications to qualify for *MoneyGuard*® II NY, a projection of values and the completed application Part 1 must be signed, dated and received in-good-order by Lincoln's home office by Friday, March 25, 2022.
- As of March 26, 2022, *Lincoln DesignIt*<sup>SM</sup> and WinFlex will be updated to no longer allow for new submissions. Between March 26, and June 30, only Revised illustrations will be allowed.
- Ensure that you are appropriately credentialed. Clients of financial professionals who are not properly credentialed to solicit business when the paperwork is submitted will be subject to product availability in effect on the date when the financial professional becomes properly credentialed and resubmits the paperwork.
- New York Reg 187: Please note that effective February 1, 2020, financial professionals are now required to complete two presale training courses prior to soliciting new business or servicing existing business in New York. Specifically, the trainings include:
  - NY Regulation 187 Best Interests Training; AND
  - Carrier Specific Product Training
    - You will not need to retake these trainings if you have already completed them. In accordance with NY Regulation 187, the enhanced documentation and suitability review are still required before policy issue.

## Tax Returns and Tax Season

### Tax season reminder and best practices

REMINDER: During tax season, the turnaround time for tax returns to be processed by the Internal Revenue Service (IRS) can be affected. Please be mindful of this when you request a tax return or are waiting on an order to be fulfilled for your client's insurance applications.

### Best Practices for Completing IRS FORM 4506-C

As the Internal Revenue Service (IRS) adopts the use of Optical Character Recognition (OCR) in their modernization effort, Lincoln's Underwriting & New Business team would like to reinforce the importance of submitting a full correct tax FORM 4506-C. Below are some tips to help you complete the form and decrease rejections and turnaround times:

1. **Ensure the client's printed name is on the form.** Make sure the printed name matches the name as it appears on the tax return. Forms without the printed name will be rejected.
2. **Do not edit, whiteout or cross out any areas of the form.** If you make an error, complete a new form. IRS rejections may increase for "edited" forms and extended processing timeframes.
3. **Only identify the transcripts, tax years, and/or taxpayers that need to be processed.** Each request needs to be handled individually, versus requesting multiple transcripts, tax years or taxpayers. For example:
  - a. Line 6 should indicate "1040" and checkbox 6a selected. Do not check any other box.
  - b. Line 8 should display the exact years you are requesting and should be in 12/31/YYYY format. Order no more than two years of tax returns. Do not request more or fewer years than is needed.
4. **For joint filers,** if the Proposed Insured is one individual, then only ONE individual (the person seeking insurance) should be noted on the form.

Tax returns are requested based on age of the insured and face amount of the insurance policy:

- Age 26-69; Face amount \$10 million and over
- Age 70-75; Face amount \$2.5 million and over
- Age 76-80; Face amount \$2 million and over

An Underwriter may request a tax return on cases that are outside of the above guidelines. If you have any questions regarding tax returns, please reach out to your dedicated Underwriting and New Business Team.

## Important New York Situs Reminders

### Guidance for handling Situs for residents of New York – updated as of Feb. 8, 2022

#### *Updated from the Feb. 14, 2022, Lincoln Life Leader*

In 2021, [Lincoln Financial Group suspended the sale of several life insurance products](#), as well as suspended all electronic process solutions, in New York. Our Underwriting and New Business Department is closely monitoring applications for attempts to circumvent these rules by creating the appearance that an application was solicited in a state other than New York.

### What You Need to Know

If any portion of the solicitation or application process occurs in New York, including physical examinations, the application submitted must be a Lincoln Life & Annuity Company of New York (LLANY) application for a product approved in New York. In other states, life insurance products are issued by The Lincoln National Life Insurance Company (LNL). LNL is not licensed in New York. If LNL were to issue a policy that had been solicited or delivered in New York, the New York Department of Financial Services would view LNL as acting as an unauthorized insurer.

If a New York resident applies for coverage outside of New York, no part of the sale can take place in the state of New York. All sales activities must be conducted in the state of Situs and the New York resident must sign and submit the Out of State Sale Verification Form [LF12247] with the application. New York residents may only apply for life insurance coverage in another state if there is an obvious tie to the Situs state, other than for the reason of purchasing insurance.

The New York Department of Financial Services issued Circular Letter No. 6, Sale of Unapproved Insurance Policies or Contracts to Residents of New York State in April 2011. This letter noted that the Department’s findings that “producers submitted applications on behalf of New York residents that falsely stated that the transactions had taken place outside of New York, even though the producers in fact solicited applicants, completed applications, or delivered the policies or contracts in New York.” The Department stated that violations will lead to disciplinary action, which may include monetary penalties, suspension or revocation of the producer’s or insurer’s license.

### Soliciting Business in New York

If you encounter an applicant who has completed **any portion** of the solicitation/application process while located in New York, ensure the application is submitted as a New York (LLANY) application for a product that is currently available for sale in New York. Product availability can be verified by viewing the [State Availability Grids](#). A failure to comply with these requirements may lead to further disciplinary action, up to and including termination for cause. **The following instances could be considered as soliciting a case in New York (NY):**

<b>Pause!</b>	<ul style="list-style-type: none"><li>Meeting with the applicant(s) in NY</li><li>Completing any portion of an application package in NY (see following instructions for “dummy applications”, trials or pre-trust applications)</li><li>Delivery and/or signing of policies or contracts while in NY (traditional or electronic)</li><li>Completion of an exam in NY</li></ul>
	
<b>Is this a New York application?</b>	<ul style="list-style-type: none"><li>Lack of an obvious and reasonable link to the Situs state by the Insured or Owner</li><li>Any paperwork or form that does not match the state of Situs</li></ul>

### A Special Note on Trial, “Dummy” and Pre-Trust Applications

Lincoln will only accept trials, dummy applications, or pre-trust applications on New York residents for a non-New York product so long as ALL sales activities (application, illustration, paramed exam, policy delivery, etc.) are done outside of New York. The New York resident must also sign and submit the Out of State Sale Verification Form [LF12247] with the application. You must include a cover letter indicating that the formal application will be a non-New York solicitation and product.

If a New York resident applies for coverage outside of New York, and any part of the sale occurs in New York, the application will be rejected.

### Frequently Asked Questions

**If my New York resident client conducted an exam in New York for another carrier, will Lincoln accept this exam for a non-New York policy?**

- An exam completed in New York on another carrier’s form may be accepted by Lincoln for a non-New York policy, **if and only if** the exam was conducted PRIOR to the sign-date on Lincoln’s application forms.

**Will Lincoln accept labs drawn in New York for a non-New York policy?**

- Lincoln may accept labs drawn in New York as they are not considered part of the contract. However, the exam (vitals) must be conducted OUTSIDE of New York.

### Can I submit a trial on a non-New York product for my New York resident client?

- Lincoln will accept trials, dummy applications, or pre-trust applications on New York residents for a non-New York product so long as ALL sales activities (application forms, exam, etc.) are conducted in the state of Situs and the New York resident must sign the Out of State Sale Verification Form [LF12247].
- Lincoln will not accept trials, dummy applications, or pre-trust applications on New York residents for any *Lincoln MoneyGuard*® products.

### Will Lincoln accept funds for a non-New York policy from a New York Bank?

- Yes.

### What are some examples of a valid Situs?

- A valid Situs may include, but is not limited to, the following:
  - A second home/residence,
  - Work reasons and/or a physical business located in the state of sale,
  - A Trust domiciled in the Situs state,
  - Or other valid reasons to be in the state of sale **other than for the purchase of life insurance**

### I've seen the recent announcement of closure of new sales to Lincoln *MoneyGuard*® II NY coming in March. What are the Situs guidelines there?

- Lincoln *MoneyGuard*® II NY is Issued by a Lincoln Life & Annuity Company of New York (LLANY) and is currently approved for sale in New York. All other *MoneyGuard* offerings are Issued by The Lincoln National Life Insurance Company (LNL) and follow the Situs guidelines that were shared above. After March 25, 2022, Lincoln *MoneyGuard* II NY will no longer be available for new sales.

If you have questions about a case, please contact your dedicated Lincoln Underwriting & New Business team.

## New Life Unified Application Launching March 28, 2022

### Updated information and resources

#### ***Reprinted from the Feb. 14, 2022, Lincoln Life Leader***

Updates:

- The Unified Application Overview of Key Changes document has been updated to include the Receipt of Required Notices Form [LF10244]
- All states with the exception of MA, VI and MP are approved and will launch the new application package on March 28.
  - For states that are not yet approved, there will be a 60-day transition period from the date of approval

Beginning March 28, 2022, Underwriting & New Business will implement an updated application package for all life insurance products and submission methods. We are excited to share a preview of these new and updated forms, which can be accessed via our [Overview of Key Changes](#) document. This document provides a comprehensive overview of each form and the changes made throughout the application.

This updated application package has been designed, based on feedback from our partners and consumers, to enhance the user experience of completing and applying for a policy, improve clarity and readability of the forms, and reduce overall turnaround times by increasing efficiencies within case processing and underwriting.

## [2022 Life Insurance Application Package Updates: Overview of Key Changes](#)


UNDERWRITING & NEW BUSINESS

### Lincoln Life Insurance Unified Product Application 2022

#### Overview of Key Changes

**Beginning February 14, 2022, Lincoln Underwriting & New Business will launch an updated application package for all life insurance products and submission methods. This updated application package has been designed to enhance the user experience of completing and applying for a policy, improve clarity and readability of the forms, and reduce overall turnaround times by increasing efficiencies within case processing and underwriting.**

**What you need to know**

**The updated application package will be used for:**

- All Term, Universal Life (UL), Indexed UL and Variable UL products\*
- All ages and all face amounts
- All submission methods (Traditional full application, eApp and Ticket)
  - Lincoln TermAccel will remain a fully electronic process with eTicket submissions only and required eDelivery
- The application package will automatically update on the Lincoln Forms Tool, or wherever you access Lincoln's forms.

**Transition Guidelines**

**Electronic Submissions**

- Beginning February 14, 2022, the new application packet will be available on electronic submission platforms, for states that have approved the new forms.
- For states that have not approved the new application packet as of February 14, 2022, the old forms will remain on the electronic platform. Upon the state approval of the new forms, the new application packet will be made available.

**Traditional LincXpress Ticket Submissions**

- Effective on or after February 14, 2022, only the new ticket will be accepted.
- If an old LincXpress ticket is submitted on or after February 14, 2022, the agent will be contacted for any missing information required for the new ticket.

**Traditional Full Application Submissions**

- There will be a 90-day transition period beginning February 14, 2022, in which Lincoln will accept either the current application or the new application for all states that have approved the new application.
- For states that have not approved the new application as of February 14, 2022, the 90-day transition will begin when the new application is approved.

**Continue reading to learn more about the exciting changes we've made to our forms!**

\*Not for use in New York or with Lincoln MoneyGuard® products

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## [Article: Get the 411 on the New Life Application](#)


LIFE SOLUTIONS

### Get the 411 on the New Life Application

#### Updated Life Insurance Unified Product Application Issued March 28, 2022

**Beginning March 28, 2022, Underwriting & New Business will implement an updated application package for all life insurance products and submission methods. We are excited to share a preview of these new and updated forms, which can be accessed via our [Overview of Key Changes](#) document. This document provides a comprehensive overview of each form and the changes made throughout the application.**

This updated application package has been designed, based on feedback from our partners and consumers, to enhance the user experience of completing and applying for a policy, improve clarity and readability of the forms, and reduce overall turnaround times by increasing efficiencies within case processing and underwriting.

**What you need to know**

The updated application package will be used for:

- All Term, Universal Life (UL), Indexed UL (IUL) and Variable UL (VUL) products
- Not for use in New York or with Lincoln MoneyGuard® products
- All ages and all face amounts
- All submission methods (traditional full application and ticket, eTicket and eApp)
  - Lincoln TermAccel® will remain a fully electronic process with eTicket submissions only and required eDelivery
- The application package will automatically update on the Lincoln Forms Tool, or wherever you access Lincoln's forms
- eApp and eTicket submissions and eentirenew will automatically update to the new application questions

**Important Changes**

Review the [Key Changes Document](#) for complete details and all updates that have been made to the Unified Application. Please note changes to the following forms:

- Application Part B Medical Supplement**
  - The most extensively redesigned form
  - Changed Medical History questions to a packet of 95+ conditions
- Agent's Report**
  - This form is required to be submitted with ALL traditional applications and tickets
  - Electronically submitted applications and tickets will continue to generate an Agent Attestation form, which replaces the need for the Agent's Report
- New Forms**
  - Additional Beneficiary Designation Supplement – For policies with more than 3 beneficiaries
  - Variable Life Insurance Suitability Supplement – For VUL cases only
  - Aerial Sports Association Supplement
  - MotorSport Racing Association Supplement
  - Mountain Climbing Association Supplement
  - Diving Association Supplement
  - LincolnTerm® Ticket Part B – Insured B – For survivorship ticket submissions only
- Revised or Renamed Forms**
  - Association Supplement – Revised
  - Declaration Of Insurability Supplement – Renamed Good Health Statement and Insurability Supplement

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Contact your dedicated Lincoln Underwriting & New Business team with any questions.

# State Approvals

Updates since Feb. 14, 2022

**No Updates**

[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.

Lincoln Financial Group® affiliates, their distributors, and their respective employees, representatives, and/or insurance agents do not provide tax, accounting, or legal advice. Please consult an independent financial professional as to any tax, accounting, or legal statements made herein.”

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.

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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