

# Lincoln *MoneyGuard*® III

## Lincoln Financial announces new strategy to *MoneyGuard* Solutions Suite

As part of our long-standing commitment to provide you and your clients with our strongest long-term care solutions, we are constantly reviewing and enhancing our product lineup.

As a result, we are pleased to announce the launch of *MoneyGuard* III, which offers a new Long-Term Care Benefits Rider (LTCBR) design for simplified policy designs and a smoother transition between benefits. The introduction of the Transitional Care Assistance Benefit and Terminal Illness Rider adds additional flexibility for clients to access their benefits. In addition, Lincoln *MoneyGuard* III will be expanding our return of premium options, issue ages and payment options to provide more financial flexibility to clients.

Lincoln *MoneyGuard* III complies with principle-based reserving (PBR)/2017 CSO Mortality Table regulatory adopted by the NAIC. Following a transition period, Lincoln *MoneyGuard* III will replace currently sold Lincoln *MoneyGuard*® II (2019) in all approved states.

### What we are doing

Added simplicity	More flexibility	
New	New	Updated
<b>Single rider design</b> <ul style="list-style-type: none"> <li>The LTCBR is one simple rider (rather than separate riders for Acceleration and Extension), which allows for a streamlined contract structure and consistent pricing between the benefit period options. <ul style="list-style-type: none"> <li>LTC benefit design of 3–7 years</li> </ul> </li> </ul>	<b>Transitional Care Assistance (TCA) Benefit</b> <ul style="list-style-type: none"> <li>New Covered Service that helps clients transition from informal to formal care</li> <li>The TCA allows for \$100/day for up to 180 days (no receipts required)</li> </ul>	<b>Issue ages</b> <ul style="list-style-type: none"> <li>Maximum issue age: 80 (previously 79)</li> <li>Minimum issue age: 30 (previously 40)</li> </ul>
<b>Streamlined communication</b> <ul style="list-style-type: none"> <li>Conversational contract language was implemented to be more consumer-friendly</li> </ul>	<b>Terminal Illness Rider (TIR)</b> <ul style="list-style-type: none"> <li>Lump sum between 25% to 75% of the specified amount if diagnosed as terminally ill</li> </ul>	<b>Return of Premium</b> <ul style="list-style-type: none"> <li>Basic: 70% (previously 80%)</li> <li>Vested: 100% with an 11-year vesting schedule (previously a 6-year vesting schedule)</li> </ul>
<b>Reduced barriers</b> <ul style="list-style-type: none"> <li>First dollar return of premium (no need to meet threshold)</li> </ul>	<b>Flex pay options</b> <ul style="list-style-type: none"> <li>Flexible premiums available to be paid up to the greater of 10 years or age 70; could be lower for higher issue ages.</li> </ul>	<b>International benefits</b> <ul style="list-style-type: none"> <li>One rider design concept allows for 36 months of international benefits</li> </ul>

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Insurance products issued by:  
The Lincoln National Life Insurance Company

## Updated rates

Due in large part to the PBR/2017 CSO Mortality Table regulatory changes and the significant headwinds presented by the current interest rate environment, we will be making pricing adjustments leading to a cost increase — the weighted average increase is about 7% between ages 50–70. Overall, the pricing change range in this core market is between 0% to 20% depending on several factors, including age, gender, marital status and funding schedule.

With these design changes, some sales opportunities have improved for certain benefit periods and inflation options, for example, the 5-year benefit period and 5% compound inflation availability.

## Why we are doing it

There are two new requirements that became effective for all life insurance policies sold on or after January 1, 2020 — the use of a new 2017 CSO Mortality Table and with PBR.

Lincoln Financial Group has a long-standing commitment to helping you protect client wealth from long-term care expenses with innovative solutions appropriately priced for market conditions.

## How this change impacts your business

- For applications to qualify for the current *MoneyGuard*® II (2019), a projection of values and the completed Part I must be signed, dated and received in good order by Lincoln's Home Office by Friday, November 1, 2019.
- For pending or issued business, after September 16, 2019, Lincoln will accept requests to change to *MoneyGuard*® III by submitting a revised projection of values.
  - Before policy issue (or reissue if currently in issued status), a signed Terminal Illness Disclosure will be required.
  - Prior to policy placement, a completed *MoneyGuard* III Part I Application will be required (in place of completing a new Part I, Lincoln can amend the current *MoneyGuard* II Part I to satisfy this requirement).
  - In addition, the advisor should provide the updated Outline of Coverage to the client.
- For placed business, normal internal replacement guidelines apply. Rewrites will not be accepted.
- As of September 16, 2019, *Lincoln DesignIt*™ Platform and WinFlex will be updated with the new product. During the transition period both the current and new products can be run.

## Standard *MoneyGuard* rules apply during this transition

- Ensure that you are appropriately credentialed. Clients of advisors who are not properly credentialed to solicit business when the paperwork is submitted will be subject to the premium rates in effect on the date when the advisor becomes properly credentialed and resubmits the paperwork.
- Remember that once an application is submitted, the Personal History Interview (PHI) must be completed within 60 days of submission. In addition, the case must be placed within 90 days of the PHI (or within the non-PBR/2017 CSO deadline on the next page). If these conditions are not met, the case will be closed out. If a case is reopened, a new Part 1 must be submitted, and the case will be subject to the product available at that time.

Any non-PBR/2017 CSO compliant products must be placed in-force with premium by **12/31/19**. To help ensure policy placement, Lincoln suggests all premium(s) and delivery requirements be received in good order by **December 27, 2019**.



Contact your **Lincoln MoneyGuard®** representative for more information.

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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**Order code: MG-WWHW-FLI002**



**Important information:**

**Issuer:** 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.**

**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.

Products, riders and features are subject to state availability. The insurance policy and riders have limitations, exclusions, and reductions. Check state availability. Long-term care benefit riders may not cover all costs associated with long-term care costs incurred by the insured during the coverage period. Accelerated death benefits may be taxable and may affect public assistance eligibility.

**Distributor:** Lincoln Financial Distributors, Inc., a broker-dealer

**Policy:** Lincoln MoneyGuard® III Policy Form 19-MG890 with the following riders: Value Protection Endorsement (VPE) on form ICC19END-10534/END-10534; Terminal Illness Acceleration of Death Benefit Rider (TIR) on form ICC19TIR-891/TIR-891; Long-Term Care Benefits Rider (LTCBR) on form ICC19LTCBR-890/LTCBR-890.

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