

Term Conversion Guidelines

Lincoln Product Policies and Procedures

Revised July 1, 2024

These guidelines apply to life contracts originally issued by The Lincoln National Life Insurance Company¹ and its affiliates. This document provides the guidelines currently in effect for underwriting requirements, convertibility options, policy issue requirements, commissions, and conversion credits. Outside of term policy contractual obligations, these guidelines are subject to change.

A Term Conversion is defined as a term policy fully or partially exchanged or a term rider partially or fully exchanged for a permanent policy during the contractual convertibility period, without the need for underwriting. Underwriting will be required when adding a second life or increasing coverage, and with the addition of some riders

Additionally, it is important to note that term conversions to the Lincoln *MoneyGuard*® products, *Lincoln WealthAccelerate*® IUL, or *Lincoln LifeGoals*® are not allowed.

Term conversions are subject to the convertibility clauses in each term contract, which define provisions including the length of the convertibility period and available riders. Please reference the originating term policy language for details.

Highlight of Changes

- Effective July 1, 2024, all premium refunds will be refunded to the owner(s) of the existing policy.
- Update May 2024: (page 7) Clarifying wording added to ***If the term policy was issued outside of New York*** bullet regarding nexus
- Wording tweak for readability
- Reworded question (page 15) to: Why do I need a back dated illustration when I am not saving age? (from: Does *TermAccel*® have the Premium Relief feature?)

This memo is an integral part of the Guidelines and must accompany any communication of the attached pages.

The policy to which you convert must be one that would otherwise require full underwriting, cannot be a policy that is primarily sold as part of a corporate-owned or corporate sponsored program or benefit plan and must be a policy that we make generally available and which we otherwise distribute through licensed agents.

¹The Lincoln National Life Insurance Company refers to policies issued by Lincoln companies and business obtained through previous acquisitions and administrative agreements, included but not limited to; First Penn Pacific Life, Connecticut General Life Insurance, CIGNA Life Insurance, Voya Retirement Insurance and Annuity Company formerly ING Life and Annuity Company of New York/Aetna Life Insurance, Mass Mutual Life Insurance, UNUM Life Insurance, Lincoln Life & Annuity Company of New York, Jefferson Standard Life Insurance, Pilot Life Insurance, Kentucky Central Life Insurance, Jefferson Pilot Financial Insurance Company, Chubb Life, Alexander Hamilton Life Insurance Company, Guarantee Life Insurance Company, Westfield Life Insurance Company, American Guardian Life, Jefferson Pilot LifeAmerica and First Alexander Hamilton Life Insurance.

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

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.

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Key Terms

Non-level Premium Product: A product where the required premium is flexible. If the policy has sufficient funds to cover costs, the policy owner does not have to pay a premium (i.e., UL and VUL).

Term Conversion: A term policy on the life of an insured which is exchanged for a permanent policy on the same insured during the contractual convertibility period without need for underwriting.

Term-to-Term Replacements: Exchanging a Term policy for another Term policy is not considered a term conversion. In most situations, such exchanges are considered replacement sales and require signed replacement forms and full underwriting. This type of exchange falls outside the Term Conversion guidelines, except where a contract specifically allows for such an exchange. Please refer to the Internal Replacement Guidelines for more information.

Company Abbreviations

Aetna	Aetna Life Insurance Company
AGL	American Guardian Life
AHL	Alexander Hamilton Life Insurance Company
CG	Connecticut General Life Insurance Company
FPP	First Penn-Pacific Life insurance Company
ING	ING Life & Annuity Company
GL	Guarantee Life
JPFIC	Jefferson Pilot Financial Insurance Company
JPLIC	Jefferson Pilot Life Insurance Company
JPLA	Jefferson Pilot Life America Insurance Company
KCL	Kentucky Central Life Insurance
LL	Lincoln National Life Insurance Company
LLNY	Lincoln Life & Annuity of New York

Underwriting Requirements

- Based on the contract language, term conversions generally do not require underwriting unless there is an addition of coverage or riders or a request for a rate or underwriting class change. Conversion into Death Benefit Option III (DBO III) is an example of when underwriting is required due to an addition of coverage. There are exceptions to the general rule as noted in this document.
- Conversion into Death Benefit Option II (DBO II) on a product that includes a death benefit floor of 115% of the specified amount must reduce the new policy specified amount by 15% to be converted without evidence of insurability. If the full specified amount is desired, underwriting will be required for the additional 15%. Products that do not include a death benefit floor of 115% of the specified amount will not require evidence of insurability to convert into Death Benefit Option II.
- Conversions are only allowed without evidence of insurability if no premium is in default. If a policy is in lapse pending or lapsed status when the term conversion application is received, underwriting will be required.
- Adding the *Lincoln Care Coverage*® Accelerated Benefits Rider (ABR), *Lincoln LifeAssure*® ABR, *Lincoln LifeEnhance*® ABR, or Lincoln Long-Term Care Rider requires full underwriting (base and rider), even if the base policy could be converted without underwriting.
- If the initial term policy was issued on a unismoker basis, a tobacco questionnaire and additional evidence will be required to determine tobacco classification.
- If the initial term policy was issued with a temporary flat extra rating, the client will receive credit for the number of completed policy years. The temporary flat extra rating will be carried over for the remaining policy years.
- If a client wishes to upgrade an underwriting class, evidence of insurability will be required. Contact your Underwriter to determine what evidence will be needed prior to ordering any requirements.
- It is important to verify the underwriting class and convertibility with Customer Service prior to meeting with the client. Call 800-487-1485 and a Customer Service Professional will send a request to the appropriate team for handling. The information will be returned to you in writing. You will need to complete the full reinstatement change form and conversion worksheet to proceed.

Underwriting Classes on the Permanent Policy

Term conversions without underwriting will generally have the same or similar underwriting class as the original term policy, including substandard rating or substandard flat extras. "Same or similar" is based on original underwriting requirements, not the name of the underwriting class. For example, *Lincoln LifeElements*® Level Term products will be converted to permanent plans with the same underwriting class using the grid below. However, in some cases, the permanent product will not have the same underwriting structure as the original term policy. Any special or preferred plus type classes, if any, will be converted as shown below.

Legacy Lincoln and Affiliates Original Underwriting Class	New Underwriting Class for Lincoln Products
Preferred Best Non-Tobacco	Preferred Plus Non-Tobacco*
Preferred Non-Tobacco	Preferred Non-Tobacco*
Standard Plus Non-Tobacco	Standard Non-Tobacco
Standard Non-Tobacco	Standard Non-Tobacco
Preferred Tobacco	Preferred Tobacco*
Standard Tobacco	Standard Tobacco

*Preferred Plus and Preferred ratings are not available for face amounts less than \$100,000.

For Lincoln (older Ft. Wayne issued) (Pre-2000) term/rider products where the product issued had only three underwriting classes, please refer to the following grids to determine the correct new underwriting class.

Lincoln (Ft. Wayne) Original Underwriting Class	Actual Rate Class Category	New Underwriting Class for Lincoln Products
Preferred Plus	Preferred Non-Smoker	Preferred Non-Tobacco
Non-Smoker Preferred	Non-Smoker	Standard Non-Tobacco
Standard	Smoker	Standard Tobacco

The following are the identified blocks of Jefferson Pilot in-force business that require translation of underwriting class.

Original Company	Blocks	Translation of Terms
Alexander Hamilton Life, First AHL	All except P500 UL	Preferred means Standard; Non-Tobacco Standard means Standard Tobacco
Guarantee Life	All except Lifetime Builder for \$100,000+ and Lifetime Builder 100 for \$100,000+	Preferred means Standard; Non-Tobacco Standard means Standard Tobacco
Jefferson Pilot Life	All prior to Ultima (1989) series	Standard means Standard Tobacco
JPLex, Jefferson Standard, Pilot Life	All	Standard means Standard Tobacco
Sovereign	All	Standard means Standard Tobacco

Jefferson Pilot term issued (prior to 2000) with an underwriting class of Preferred Plus will be converted to Preferred Plus in the new Lincoln products, without additional underwriting.

Convertibility Options

Permanent Life Portfolio Available for Conversion

- Subject to applicable policy language or Lincoln’s relationship with the original issuer, Lincoln reserves the right to limit and change the products it makes available for conversion at any time.
- Available products change frequently. Refer to the most recent State Availability chart for details of which permanent products are available in the client’s state.
- Products available for conversion will be determined based on the product generation block:

Products introduced prior to April 2007 <i>Written by companies preceding the Lincoln-Jefferson Pilot merger.</i>	
Products Available for Conversion¹ <i>Lincoln ConversionSM UL, except in limited scenarios shown below</i>	
Products introduced after April 2007 with a policy effective date prior to 9/12/16² <i>All generations of Lincoln LifeElements[®] Level Term, Lincoln LifeStratos[®] Level Term and Lincoln TermAccel[®] with a policy effective date prior to 9/12/16.</i>	
Products Available for Conversion¹ Full Product Portfolio for entire conversion period⁸⁸	
Policy effective date on or after 9/12/16² <i>Currently sold products with policy effective dates on or after 9/12/16.</i>	
Term Policy Form	Products Available for Conversion¹
<i>Lincoln LifeElements[®] Level Term And Lincoln TermAccel[®] Level Term</i>	Full Product Portfolio for policy years 1-7 Limited Product Portfolio for policy years 8 – end of conversion period

¹Products Available for Conversion:

Full Product Portfolio: Includes any single universal life and variable universal life policies available for new sales at the time of conversion except policies:

- Without surrender charges or with riders and/or benefits that waive surrender charges or enhance surrender values, such as the Exec Rider, Enhanced Surrender Value Rider, Surrender Value Enhancement Endorsement, etc. (excludes ROP Riders)
- Sold within the Guaranteed Issue or Simplified Issue underwriting classification.

Lincoln ConversionSM UL:

- Conversion-only current assumption universal life product priced to reflect the anticipated mortality of converted policies.
- Full product portfolio will be available when required by applicable policy language, Lincoln’s relationship with the original issuer, or for consistency across smaller blocks. See below for additional information.

Limited Product Portfolio: Includes at least one single life individual permanent life insurance policy made available for the purpose of conversion at the time of conversion.

²**Term Policy Effective Date:** The date the policy is effective and insurance coverage begins.

- If policy is backdated, it is the date used to save age.
- If policy is current dated, it is the date the policy is in-force with all placement-restrictive requirements satisfied and premium applied.

For Conversion worksheet please reach out to your Lincoln Internal Wholesaler or sales desk at 833-422-5433.

Products/Riders Introduced Prior to April 2007 with Option to Convert to Full Product Portfolio

Below is a summary of the term products/riders where the Full Product Portfolio will be available as required by applicable policy language, Lincoln's relationship with the original issuer, or for consistency across smaller blocks. Products that are outside of their conversion period are not shown. This is a summary. Always refer to the *Term Conversion Guidelines Product/Rider Matrix* for complete details.

Term Products with Full Product Portfolio Access

Company Name	Product / Plan Name
Alexander Hamilton Life (AHL)	10 Year Renewable Term
	15 Year Renewable Term
	Annual Renewable Term ¹
	5 Yr. Term (NY)
	10 Yr. Term (NY)
	1 Yr. Term (NY)
CHUBB	Score Twenty
	Your Economizer Special
Jefferson Pilot Financial (JPF)	Score Twenty
Jefferson Pilot Financial (JPF) and Alexander Hamilton Life (AHL)	Conquest Fifteen Year Level Term
	Conquest Ten Year Level Term
	Conquest One Year Renewable and Convertible Term
	Current Assumption Term to 95
	Prelude LP
	Prelude Plus
Lincoln Life Manufactured in Fort Wayne (LFW)	One Year Renewable and Convertible Term ²

¹Does not include "ART" or "ART-100", ²Policy form RTN4 only

Term Riders with Full Product Portfolio Access

Company Name	Rider Name
Alexander Hamilton Life (AHL)	Children's Rider
	Children's Term Insurance Rider
	Joint First to Die Term Rider
	Other Insured Rider
	Spouse Rider
Guarantee Life	Family Protector Term Insurance
	Level Term Rider-Children (Policy form 58539 only)
	Decreasing Term Rider-Wife (Policy form 58639 only)
Jefferson Pilot Financial (JPF)	Children's Level Term Insurance Benefit Rider (Policy form CTR-5670.29 only)
Kentucky Central Life (KCL)	Children's Term Insurance Rider
	Children's Term Life Insurance Rider
	Family Term Life Insurance Rider
	Level Term Life Insurance Rider
	Secondary Insured Rider
	Spouse's Term Life Insurance Rider
	Term Life Insurance Rider Basic Insured's Term Life Insurance Coverage
	UL Basic Insured's Term Life Insurance Rider
	UL Children's Level Term Life Insurance Rider
UL Spouse's Term Life Insurance Rider	
Lincoln Life Manufactured in Fort Wayne (LFW)	Children's Level Term Insurance Rider (Policy form GL-2095AA only)
Westfield	Other Insured Rider Renewable Term Life Insurance

Permanent Life Portfolio Available for Conversion (continued)

- Term Conversions can be made into inforce policies on the same insured when the inforce product meets the product availability parameters outlined above and is still available for new sales.
- Survivorship policies are currently included as part of the Full Product Portfolio, with underwriting for any additional lives/ risk, and excluding term policies issued prior to July 2007. See the section below.
- Subject to the parameters outlined above, products made available for conversion are impacted by the issuing company of the term policy:
 - If the term policy was issued in New York:
 - If the policy owner currently has any residence in the state of New York, the term policy can only be converted to a New York permanent product.
 - If the policy owner no longer has any residence in the state of New York, the term policy can be converted to either a New York permanent product or a non-New York permanent product available for sale in their current state of residence.
 - If the policy owner is a corporation, or other legal entity, the location of the entity and where the insured resides/works will apply.
 - If the policy owner is a trust the policy must be a LLANY policy if: a) the trustee signs the application in New York; or b) any portion of the solicitation or application process occurs in New York. Note that an LNL policy can be issued to a New York domiciled Trust if all solicitation and application completion/signing by insured and trustee (including medical exams) occur outside of NY and the out-of-state sales verification form signed by insured, trustee, and agent, must be received.
 - If the term policy was issued outside of New York, it can only be converted to another non-New York permanent product. If, however, the owner lives in New York at time of conversion and has no sufficient nexus to a non-NY state, a LLANY policy must be issued.

Minimum Face Amount Limits

- Issuance of the permanent policy will be subject to the minimum/maximum age and face requirements of the specific product. In general, single-life Universal Life, single life Variable Universal Life, and survivorship policies are available starting at \$100,000, although some Survivorship Variable Universal Life policies have a \$250,000 minimum.
- *Lincoln Conversion*SM UL can be issued as low as \$1,000 for contractual obligations that do not require underwriting (e.g. Convertible term riders). All *Lincoln EmployeeValue*[®] Universal Life Child Term Riders will be converted into the *Lincoln Conversion*SM UL.
- Check the policy specifications before running an illustration. Exceptions CANNOT be made to product minimums.

Single Life Term to a Survivorship Life Permanent Policy

- Conversions from single-life term policies to survivorship policies are currently included as part of the Full Product Portfolio (and conversion credits, if any, will apply) provided that satisfactory medical evidence is provided on the second insured. The second insured cannot be rated as uninsurable. A \$100,000 single-life term policy converts to \$100,000 of survivorship coverage.
- Similarly, two single-life term policies can convert to one survivorship policy (\$100,000 of convertible term on each insured is required to convert to \$100,000 of survivorship). Underwriting will not be required for either insured.
- Excludes policies issued prior to July 2007. For reinsurance purposes, these products are not allowed to convert to a survivorship product.

Term Riders or Guaranteed Insurability Options – on Existing Permanent Contracts

- Refer to the Term Conversion Guidelines Product/Rider Matrix for rider specific information.
- Convertible riders (including, but not limited to, Children’s, Primary Insured Term and Other Insured Term riders) are convertible to products according to the product availability parameters outlined above, subject to convertibility provisions found in the rider contract form.
- Conversion or guaranteed-issue provisions exercised are subject to the face and issue requirements of the products originally available for sale.
- *Lincoln Conversion*SM UL can be issued as low as \$1,000 for contractual obligations that do not require underwriting. All *Lincoln EmployeeValue*[®] Universal Life Child Term Riders will be converted into the *Lincoln Conversion*SM UL. Additional information about *Lincoln Conversion*SM UL is posted on the various websites.

Term Policy and Waiver of Premium Rider

Generally converting a term policy on waiver status to a permanent policy on waiver is not allowed; however, the term contract language may specifically allow it. In some cases, the term policy on waiver will automatically convert at the end of the conversion period.

Lincoln LifeElements[®] Level Term (2009) and **subsequent generations** allow the Waiver of Premium Rider to be converted to the Waiver of Monthly Deduction Rider whether the insured is presently exercising the waiver benefit or not, assuming all issue requirements for the new permanent product and the waiver rider are met.

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 the waiver of monthly deduction benefit as part of the conversion (subject to availability and the company guidelines in place at the time of the conversion).

This option is important because it allows a client on waiver to keep the original face amount if they convert the policy, rather than only having access to the smaller benefit available on the original product when the face amount decreases at the end of the level term period.

Example: Term Policy on Waiver of Premium to Permanent Policy on Waiver of Monthly Deduction

- The client purchases a *Lincoln LifeElements*[®] Level Term policy with the Waiver of Premium Rider.
- In five years, while on Waiver benefit, the client converts into a product available at the time of conversion.

The Details

In this example, the following would apply:

- The new permanent policy will include a waiver of monthly deduction benefit, where available.
- Since the term policy is still within the term period, the full face-amount can be converted.
- No new premium would be required at the time of conversion because the client is on waiver benefit.
- No conversion credits would be available.
- Since still on waiver, the new permanent policy would have no value and no in-force illustrations would be available.
- Since deductions have been waived, if/when the insured comes off the waiver benefit, the new policy would start with a zero-coverage protection value and a zero-accumulation value.

Two Term Policies Converting to One Permanent Policy

- When both term policies are within convertibility and are on the same insured, owner and rate class, they can convert into a single policy for the combined amount, subject to the product availability parameters outlined above.
- When the two term policies have different paid-to dates, the closest paid-to date will be used as the new effective date and any unused premium on the second policy will be refunded to the owner.
- When the two term policies have different rate classes or different product availability parameters, they cannot be converted into one permanent policy. Two permanent policies would be issued.

Policy Issue Requirements

Backdated Illustration If the new policy requires backdating (to save age or paid-to date of term policy is not current), a backdated illustration will be required. The *Lincoln DesignIt*SM “How to Run a Backdated Illustration” Guide contains information about backdating. Please note that conversions cannot be backdated if the conversion period has ended.

Premium Refund

All premium refunds will be refunded automatically to the owner(s) of the existing policy.

Replacement Paperwork

Term Conversions are exempt from state replacement requirements with the exception of: The Solicitation Form LFF10994-18; entitled Regulation 60 – Appendix 11, Department of Financial Services of the State of New York, Definition of Replacement, which is required on all policies, including Term Conversions.

Effective Date of Term Conversion to a Fixed or Variable Product

The effective date of the new policy will be the prior paid-to date of the term policy, unless we are backdating to save age. We can backdate to save age up to six months prior to the application signed date.

The premium effective date will be the current date we confirmed all requirements, including premium, are in good order.

VUL Specific Guidelines:

- Policy will be reviewed for placement within 2 business days from the date when the final issue/placement restrictive requirements are received in good order.”
- If requirements are not received by 4:00 p.m., the policy cannot be placed until the following business day (including, but not limited to, premium payment).

Example:

The term policy has a paid-to date of March 6. The new application has a signed date of March 5. The new policy effective date will be March 6, unless backdating to save age.

Note: If premium is due on the term policy being converted, and that premium is not paid to keep the policy in force during the conversion process, we cannot date past the current paid to date of the term.

Example: Term policy paid to 12/01, application was signed as of 11/28 and case is ready for placement on 1/2, the policy date would remain 12/01 since no additional premium was paid on the term policy.

Commissions and Conversion Credits

- Lincoln reserves the right to change the commissions paid on term conversions at any time.
- Unless otherwise noted below, commissions paid on term conversions (including partial conversions and rider conversions) will be determined based on the product generation block:

Products introduced prior to April 2007 <i>Written by companies preceding the Lincoln-Jefferson Pilot merger.</i>	
Term Policy Year at Conversion	Commissions Paid on Permanent Policy ¹
2+	Full first year and renewal commission.
1	First year commission reduced by 100% of the commission paid on the term policy. Full renewal commission.

Products introduced after April 2007 with a policy effective date prior to 9/12/16 ² <i>Includes all generations of Lincoln LifeElements® Level Term, Lincoln LifeStratos® Level Term and Lincoln TermAccel® with a policy effective date prior to 9/12/16.</i>	
Term Policy Year at Conversion	Commissions Paid on Permanent Policy ¹
2+	Full first year and renewal commission.
1	First year commission reduced by 100% of the commission paid on the term policy. Full renewal commission.

Policy effective date on or after 9/12/16 ² <i>Currently sold products with policy effective dates on or after 9/12/16.</i>	
Term Policy Year at Conversion	Commissions Paid on Permanent Policy ¹
4+	Full first year and renewal commission.
3	First year commission reduced by 25% of the commission paid on the term policy. Full renewal commission.
2	First year commission reduced by 50% of the commission paid on the term policy. Full renewal commission.
1	First year commission reduced by 100% of the commission paid on the term policy. Full renewal commission.

¹For partial conversions and rider conversions, the commission adjustment pertains to the impacted portion of the policy rather than the policy as a whole.

²**Term Policy Effective Date:** The date the policy is effective and insurance coverage begins.

- If policy is backdated, it is the date used to save age.
- If policy is current dated, it is the date the policy is in-force with all placement restrictive requirements satisfied and premium applied.

Commissions and Conversion Credits (continued)

- Group life conversions to an individual life contract are not commissionable.
- No conversion credits are applied on convertible term riders. Guaranteed Insurability Riders do offer conversion credits.
- Conversion credits (if any) vary by term product (see Term Conversion Guidelines Product/Rider Matrix for details).
- Conversion credits (if any) applied to any UL, SUL, IUL and SIUL policy in the current portfolio **may** be commissionable (see Term Conversion Guidelines Product/Rider Matrix for more details).
- Conversion credits (if any) applied to any VUL and SVUL policy are non-commissionable.
- A prorated conversion credit, if any, is applied for partial face amount conversions.
- Conversion credits can be applied to modal premiums; they cannot be refunded to the Owner.
- A conversion credit is not available when the premiums under the term policy are being waived under the Waiver of Premium for Disability Rider/provision. Generally, conversions are not allowed on term policies that are currently on Waiver for Disability. There may be certain policies that allow conversion in the policy language.
- For off-anniversary conversions in years two or later, where a premium has already been paid, an unearned premium refund will be provided in addition to a conversion credit, if any, equal to a prorated portion of one year of term premium.
 - This will be the case regardless of whether the permanent policy date is equal to the last anniversary of the term policy or current-dated.
 - For refund and credit purposes, they will be treated as two separate transactions as of the date the paperwork is received in good order. The term policy will be surrendered as of the current date and any premium refund will be offered back to the Owner. In addition, a full year's worth of conversion credit will be applied to the new permanent policy.

Example:

1. If the Owner wished to convert three months into a policy year (anniversary date is January and the current month is April) and they have paid three monthly premiums through pre-authorized check or electronic transfer, the Owner would receive no unearned premium refund, but would receive a full year's worth of conversion credits, even if the new policy is dated as of January.
2. If the Owner had paid an annual premium, the Owner would receive a pro-rated share of nine months' worth of the annual premium back as an unearned premium refund AND would receive a full year's worth of conversion credits.

Questions and Answers

Can a term policy be converted to a permanent policy with half of the face amount being a term rider?

No. Conversions are allowed to the base product only. The term rider would need to be underwritten.

- Example: A term policy with a face amount of \$250,000 cannot be converted to a permanent policy with a face amount of \$125,000 with a Primary Insured Term Rider of another \$125,000. In this example, the client can convert to the permanent policy base face amount of less than \$250,000, but within the product face amount requirements (e.g. \$100,000); however, underwriting is required for the term rider amount.

Can a term policy be partially converted?

Yes, under the following conditions:

- Both the new policy and the balance of the old policy must meet product minimum face requirements;
- The ongoing premium due on the balance of the old policy will be calculated based on the pricing band that the remaining amount falls in;
- The new policy must be placed and cannot be "not taken"; and
- If the total face amount between the new and old policy is increased, underwriting will be required on the face amount increase.

Can a term policy be fully or partially converted into multiple policies?

Yes, under the following conditions:

- The conversion must occur within a timeframe spelled out in the term policy and may have an age limit for conversion;
- Both the new policies and the balance of the old policy must meet product minimum face requirements;
- The ongoing premium due on the balance of the old policy will be calculated based on the pricing band that the remaining amount falls in; and
- The new policies must be placed and cannot be "not taken."

Can a term policy be partially converted multiple times during the life of the term policy?

Yes, under the following conditions:

- The conversion must occur within a timeframe spelled out in the term policy and may have an age limit for conversion;
- Both the new policy and the balance of the old policy must meet product minimum face requirements;
- The ongoing premium due on the balance of the old policy will be calculated based on the pricing band that the remaining amount falls in; and
- The new policies must be placed and cannot be "not taken."

Can a term policy have a partial conversion and also have a face amount decrease?

If your term policy has a *decrease option* in the contract, then yes you can also have a face amount decrease. If your policy does not have a decrease option, then that feature will not be available. Varies by product and generation. Add: Verify with Customer Service if your policy has a decrease option.

Can a term policy be converted into an existing permanent contract?

Yes, term conversions can be made into inforce policies on the same insured when the inforce product meets the product availability guidelines outlined above and is still available for new sales. The conversion must be for the same or a lesser amount to not require underwriting. The conversion must occur within a timeframe spelled out in the term policy and may have an age limit for the conversion.

Can a term policy be converted into a Lincoln permanent product and combined with an external 1035 exchange?

Yes, this will require a fully completed Reinstatement or Change Application due to the replacement questions not included on the Application for Conversion form.

When do you use the short form Application for Conversion versus the long form Reinstatement or Change Application?

Short Form Application for Conversion is used when:

- No underwriting is required.
- Reinstatement or Change Application is used with: Change to non-smoker rate, rate reduction, additional benefits, or increase in coverage is requested;
- Change to non-smoker on Child Rider conversion (Child Rider converts at tobacco user rates); or
- Internal or external replacement is involved. Note: If no underwriting is required, only the replacement questions need to be answered.

Are term conversions allowed into a policy with *Lincoln Care Coverage*[®] Accelerated Benefits Rider (ABR), *Lincoln LifeAssure*[®] ABR, *Lincoln LifeEnhance*[®] ABR or Long-Term Care Rider?

Yes, but the following documentation may be required:

- Age and face amount requirements (full underwriting base and rider); and
- Reinstatement/Change application and any required application supplements.

If the underwriting offer on the rider is less favorable than the conversion underwriting class, the client can choose to:

- a) Proceed with the conversion with the conversion underwriting class and **not** add the rider; or
- b) Accept the less favorable rating and add the rider, but the less favorable rating would be applied to **both** the base policy and the rider.

Do I need to show evidence of insurability if I convert to Death Benefit Option II?

If your product includes a death benefit floor of 115% of the specified amount, you must reduce the new policy specified amount by 15% to be converted without evidence of insurability. If the full specified amount is desired, underwriting will be required for the additional 15%. Products that do not include a death benefit floor of 115% of the specified amount will not require evidence of insurability to convert into Death Benefit Option II.

What will be the expected turnaround time for processing a term conversion?

- The expected turnaround times from approval to placement on term conversions are longer than a new business case.
- Depending on the nature of the case, the conversion credits may need to be calculated and the surrender of the old policy and cost basis information coordinated before issuing/placing the new policy.
- Allow an additional five business days for processing from normal turnaround time.

Why do I need a back dated illustration when I am not saving age?

When doing a conversion, a revised illustration may be required if the new product does not have the premium relief feature. The revised illustration will need to be backdated one month if the policy is not placed in force as of day one (policy date) in order to place funds in month one. Otherwise, they will be placed in month two (that is the normal process).

Note: The illustration may reflect that 2 premiums are needed in month 2, this does not mean that we need both premiums for placement.

Example: Policy is ready for placement on 01/09, policy date is 01/01, we would only need 1 premium payment if on monthly EFT to cover the 01/01 premium at placement but the next premium would not be due until 2/1 and would draft accordingly.

Will term conversions receive credit on the Suicide and Contestability period?

Yes, the new policy will receive credit for the portion of the Suicide and Contestability period completed, but only for the converted portion of the face amount. Increases or certain changes in coverage will receive new suicide and contestability periods.

How are conversion credits apportioned when there are multiple term conversions or where one term conversion is being broken into two or more permanent policies?

- To avoid conflicts of interest, a formula will be applied to the application of conversion credits that removes any guesswork no matter how many original or new policies are involved in the transaction.
- All the policies on an insured would be reviewed in total. So, all the conversion credits generated would be prorated in the same percentage as the resulting death benefit and would be apportioned accordingly.

Example:

Total Conversion credits generated = \$10,000

Three new policies: Face Amounts of \$200,000, \$600,000 and \$400,000 for a total coverage of \$1,200,000

Conversion credits would be applied to policies 1, 2 and 3 as follows:

- (Policy face amount/total face amount) to get percentage of total coverage.
- (Percentage of total coverage multiplied by total conversion credit) to get Policy credit amount.

Policy #	Policy Face Amount	Total coverage Amount	% of Total Coverage	Total Conversion Credit	Policy Credit amount
1	\$ 200,000	\$ 1,200,000	16.7%	\$ 10,000.00	\$ 1,666.67
2	\$ 600,000	\$ 1,200,000	50.0%	\$ 10,000.00	\$ 5,000.00
3	\$ 400,000	\$ 1,200,000	33.3%	\$ 10,000.00	\$ 3,333.33
			100.0%		\$ 10,000.00

Term Conversion Guideline Change Log

Date	Change
07/01/24 v.18	<ul style="list-style-type: none"> Effective July 1, 2024, all premium refunds will be refunded to the owner(s) of the existing policy.
04/01/24 v.17	<ul style="list-style-type: none"> 5/6/24: addition to (page 7) clarifying New York nexus in <i>If the term policy was issued outside of New York</i> section Wording tweaks for readability Reworded question (page 13) to: Why do I need a back dated illustration when I am not saving age? (from: Does <i>TermAccel</i>[®] have the Premium Relief feature?)
04/27/23 v.16	<ul style="list-style-type: none"> Added into introduction, term conversions into Lincoln <i>WealthAccelerate</i>[®] IUL are not allowed Added clarifying language regarding If the term policy was issued in New York and is a trust
04/07/22 v.15	<ul style="list-style-type: none"> Term Conversions to <i>Lincoln LifeGoals</i>SM are not allowed Clarifying language added throughout Added new questions in the Q & A section <ul style="list-style-type: none"> Can a term policy have a partial conversion and also have a face decrease? Can a term policy be converted into a Lincoln permanent product and combined with an external 1035 exchange? Do I need to show evidence of insurability if I convert to Death Benefit Option II? Does TermAccel have the Premium Relief feature?
02/16/21 v.14	<ul style="list-style-type: none"> Added disclosure regarding the conversion into a COLI policy is not allowed The Term Conversion policy and premium dating rules for VUL have been updated to align with Life Added two new questions in the Q & A section <ul style="list-style-type: none"> Can a term policy be fully or partially converted into multiple policies? Can a term policy be partially converted multiple times during the life of the term policy?
03/02/20 v.13	<ul style="list-style-type: none"> Added handling of temporary flat extra rating to Underwriting Requirements.
10/30/19 v.12	<ul style="list-style-type: none"> Updated products to reflect PBR and/or 2017 CSO compliant product portfolio.
03/12/19 v.11	<ul style="list-style-type: none"> Corrected error in Commissions and Conversion Credits Chart for policy effective dates on or after 9/12/16 with accurate percentage for conversion at Term policy year 2.
12/19/16 v.10	<ul style="list-style-type: none"> Updated Permanent Life Portfolio Available for Conversion, Commissions and Questions & Answers sections to reflect new guidelines. Clarified Underwriting Requirements for Death Benefit Option II on a product that does not include a death benefit floor of 115% The “Term Conversion Matrix” and “Term Rider Matrix” have been moved to a separate document “Term Conversion Guidelines Product/Rider Matrix”.
07/06/16 v.9	<ul style="list-style-type: none"> Updated Permanent Life Portfolio Available for Conversion, Commissions and Questions & Answers sections to reflect new guidelines that become effective 9/12/16 and 1/1/17. Clarified Underwriting Requirements for Death Benefit Option II on a product that includes a death benefit floor of 115% and for policies in lapse pending or lapsed status. Clarified Policy Issue Requirements for Backdated Illustrations and updated New York replacement paperwork. Include the product minimum face amount.
08/10/15 v.8	<ul style="list-style-type: none"> Added new product offerings to the Term Conversion Matrix. Updated information on conversions from term policies originally issued in New York Lincoln <i>WealthAdvantage</i>[®] IUL with the Surrender Value Enhancement Endorsement is not available for term conversions.
02/10/14 v.7	<ul style="list-style-type: none"> Added information when converting two term policies into one permanent policy Added clarification about converting into a product with <i>Lincoln LifeEnhance</i>[®] ABR Added clarification about waiver of premium existing on term policies converted Added Retirement Insurability Option Rider to the Rider Matrix
09/04/12, v.6	<ul style="list-style-type: none"> Added Lincoln Employee Value Universal Life Child Term Rider Added clarification on rider matrix on PITR/ OITR convertibility Added clarification regarding convertibility into the Enhanced Surrender Value Rider

	<ul style="list-style-type: none"> • Changed legacy Lincoln and affiliates business to allow for preferred plus underwriting class.
06/06/11, v.5	<ul style="list-style-type: none"> • Added clarification on waiver convertibility • Added Q&A on convertibility into existing perm contract Added Policy Effective Dates • Add Riders Matrix • Changed NY conversion age to 70 on Matrix • Clarified use of Short Form vs. Reinstatement Application
03/01/10, v.4	<ul style="list-style-type: none"> • Added new questions (Q&A) • Added clarification in various areas
06/22/07, v.3	<ul style="list-style-type: none"> • Revised Policy Issue Requirements Q & A to include “Conversion into Death Benefit Option III (DBOIII) is an example of when underwriting is required due to an addition of coverage. “ • Added new question under Policy Issue Requirements Q & A section: “Can the policy be partially converted”. • Revised matrix to include detail around the First Penn-Pacific and Lincoln Life Manufactured in Schaumburg (Formerly FPP) products

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