

# Leading-Edge Underwriting Updates

Financial and Medical Underwriting Enhancements  
Effective February 5, 2018

We are excited to announce new Financial and Medical Underwriting guideline updates to help meet your clients' needs.

## Lincoln knows Business Insurance Coverage

Business insurance is important for continuity in any industry and today's business world requires flexibility to accommodate the fast changing business market. Lincoln remains "Leading-Edge" in our underwriting approach to Business Insurance and as a result, we are refining our Financial Underwriting Guidelines to better reflect and meet the changing needs of today's business environment.

Lincoln Financial Group Underwriting will now be able to consider more than the usual average of 5-10x income that is used for allowable insurance coverage for Key Person Business sales. Depending on the case situation and information provided, the following Key Person guidelines can be considered subject to Underwriter discretion:

### Key Person

**Ages up to 69:** Initial review will still allow for 5-10x income, with consideration given for higher multiples of **up to 20x income**, depending on the quantity and quality of financial information provided to the Underwriter. Details must be provided to the Underwriter with the reason why consideration above 10x income should be considered.

**Ages 70 and up:** Face amounts of up to 5x income may be applied for, depending on the case specifics and details provided regarding the need for coverage.

### Private Equity and Investor Capital Key Person

Lincoln recognizes the importance of accommodating Private Equity and Investor Capital Key Person cases. Lincoln will now consider up to 25%, or possibly more, of the capital investment amount for insurable Key Person coverage! The coverage amount will depend on the financial information and a detailed reason for coverage need that is provided to the Underwriter. Copies of funding agreements and business financials will be needed to evaluate the viability of the amount applied.

In today's Business Market, having the right underwriting approach is the key to success for your client. With the upcoming changes to our Financial Underwriting Guidelines, Lincoln is poised to be your Business Insurance company of choice. Send us your business cases and we will give them the flexible underwriting view approach that your situation requires.

## Charitable Gifting

With an established pattern of gifting to the charity, Lincoln can now consider allowable charitable gifting amounts that can be the greater of:

- 1) **10x** the average annual gift amount

OR

- 2) Allowance for a percentage of Net Worth using the following schedule:

<u>Net Worth</u>	<u>Percentage of Net Worth</u>
\$10 million or less	Up to 10%
\$11 million - \$50 million	Up to 20%
\$51 million – 100 million	Up to 30%
Greater than \$100 million	Up to 40%

## Medical Underwriting Guideline Updates

To expand our competitive edge, we are implementing significant medical updates to the Life Underwriting Manual. Utilizing current research and mortality data, together with advances in medical treatments, we've made changes which allow for more favorable offers to **clients with history of breast cancer, prostate cancer, asthma, ulcerative colitis, and atrial fibrillation.**

We have also updated our ratings section for the cardiac biomarker NT-pro BNP, which will also allow for more competitive offers.

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