LIFE SOLUTIONS

The Lincoln Leader

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Headlines

Update to Policy Split process

Updates to policy split initiating process for external 1035 Exchanges

Effective August 24, 2026, Lincoln will update the Policy Split process to reinforce exchange processing requirements. Before initiating an external 1035 exchange, Lincoln must know whether the exchange proceeds will fund a single policy or be allocated across multiple policies. This information must be provided to the surrendering carrier as part of the exchange request.

What this means for financial professionals

New process

Financial Professionals must determine before Lincoln initiates the 1035 exchange whether the proceeds will fund:

- One policy, or
- Multiple policies

If multiple policies will receive the proceeds, **all receiving policy numbers must be identified prior to initiating the 1035, allowing this information to be disclosed to the surrendering carrier***.

Why is this important?

This change is not just an operational preference; it is a tax and compliance requirement. If Lincoln does not notify the surrendering carrier in advance that the proceeds will be allocated across multiple policies, the transaction may not be processed in accordance with Section 1035 regulations. In the event of an audit, the surrendering carrier could determine that the exchange was not handled correctly, potentially resulting in an unintended taxable event for the client.

Split instructions must be identified and communicated upfront to help ensure compliance with 1035 exchange requirements and to protect clients from potential tax consequences.

*Please note, there are some carriers that will not allow policy splits.

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2026 Life insurance year-end guidelines

Individual Life, *MoneyGuard*® and Executive Benefits

Lincoln's Underwriting & New Business team is committed to helping you meet your year-end goals and objectives. Our focus is to support the placement of your targeted 2026 business before the close of business on December 31, 2026.

To help achieve your year-end business goals, we encourage the prompt submission of all outstanding requirements for year-end cases. Please refer to the following guidelines and key dates for important deadlines and processing expectations.

October 2	**Incoming 1035 exchange – begin overnight mailing requests.** Starting October 2, for incoming 1035 exchanges, Lincoln will request that surrendering carriers use Lincoln's FedEx account number to overnight exchange proceeds, helping to facilitate timely year-end placement and processing.
October 30	**Recommended 1035 exchange submission deadline.** Submit 1035 exchange applications and/or tickets to allow time for underwriting and receipt of 1035 exchange funds. Lincoln will leverage electronic methods to submit 1035 paperwork to surrendering carriers, when available.
November 6	**Pending 1035 Exchanges:** To help ensure timely processing, all pending 1035 exchanges should be initiated once the underwriting offer has been made and all issue-restrictive requirements have been received and approved as in good order. At that time, the surrendering carrier will be contacted and requested to overnight the exchange proceeds to Lincoln using Lincoln's FedEx account number. Please note: Completion of the 1035 exchange is subject to losing carrier turn-around times.
November 26-27	**Company Holiday**
November 30	**Recommended final date to submit all applications and tickets.** The completion of the interview is contingent on scheduling and your client's availability. As a reminder, the online interview (eInterview) is flexible and can be completed at any time.
December 11	**Recommended final date to submit all full applications and tickets requesting an online interview or any term conversions without an external exchange.**
December 18	**All placement-restrictive requirements, including premium, must be received at Lincoln in good-order to be guaranteed for placement by December 31, 2026.**
December 22	**2026 compensation income placement deadline.** All business placed in-force with premium by December 22, 2026, including internal replacements, will be considered as 2026 income. Any business placed after this date, through December 31, 2026, will count as 2026 production but will be treated as 2027 earnings.
December 25	**Company Holiday**

FYI

Pending Case Status: The following Memo to Agent Requirement will be added to all pending cases starting Q4 2026: **"IMPORTANT YEAR-END NOTICE:** To ensure this policy is placed in-force by year-end, all placement restrictive requirements, including premium(s), must be received at Lincoln in-good-order by **December 18, 2026.**"

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Best Practices

Top 5

- Include special instructions on a cover sheet.
- Always download and submit the latest version of the application, forms and product illustration.
- Include an in-good-order EFT form for **all bank draft cases** and note on the coversheet if the first premium will be drafted. Submit the voided check ASAP.
- Input correct ticket/application information so it will match the client interview information.
- If a policy qualifies for automated underwriting (AU), (ages 18-60 up to $2.5M), please do not order labs in advance. Lincoln's AU process will determine if labs are needed.

Forms

- Leverage the Ready-to-Sell Tool to confirm you're properly licensed and appointed with Lincoln, prior to soliciting an application.
- Complete the Agent's Report at submission, with correct agent code and agency/broker dealer, to ensure compensation is paid correctly.
- Complete the application and all forms in their entirety, including signatures and dates on all forms. Trust/Corporate owned policies require the trustee/officer to sign with a title.
- The Replacement Notice [Form 33503] must be signed on/or before the application signature date. **For ticket submissions**, the Replacement Form [LF10087] must be signed on/or before the earliest solicitation signature date.

Timing Reminders

- **1035 Exchange Initial calls** made 3 business days after the exchange has been initiated. **Follow-up calls** made every 2 weeks (based on carrier).
  1035 Exchange Carrier Information
- **Wire Transfers are not instantaneous.** Allow a minimum of 4 hours after initiation of a wire to Lincoln before trying to confirm its receipt.
  Wire and ACH Instructions
- **Suitability review for VUL** can take time. Send all VUL forms through the outside broker-dealer (OBD) for suitability review as soon as possible.
- **VUL policies** will be placed in-force within 2 business days from the date in which the final placement restrictive requirement was received in-good-order.

Digital Tools

Help expedite your cases

- **eSubmission (via eTicket or eApp)** help to ensure cases submitted in-good-order.
- **Online client interview (eInterview)** available 24/7.
- **eNIGO** Resolves not-in-good-order form requirements online.
- **Two-Way Communications** satisfy requirements and accept underwriting offers via the Pending Website.
- **ePolicy Delivery** Offers same day delivery of issued policies with electronic signing capability for the agent and client.
- **Pending Case Status** available 24/7 from your Lincoln Producer website or via automated email notifications.

www.lfg.com/godigital

In-good-order best practices **reference guides**: Life and *MoneyGuard®*

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

Reminder of upcoming placement deadline for already submitted late duration Term conversions

August 24, 2026 deadline

Below is a reminder that all premium and placement restrictive requirements for select, in-house pending converted permanent policies must be received at the Lincoln Home Office on or before **11:59 pm ET August 24, 2026.** This is limited to submitted Term conversion applications for *Lincoln LifeElements*® Level Term and *Lincoln TermAccel*® policies with an effective date prior to September 12, 2016, as announced previously in Lincoln Leaders.

Transition guidelines

For **in-force *Lincoln LifeElements*® and *Lincoln TermAccel*® policies with an effective date prior to September 12, 2016**, please see the following conditions and timeline to secure the products available for conversion:

- **The Term Conversion application must have been signed, dated and received in good order at the Lincoln Home Office on or before June 23, 2026**.
- **The converted permanent policy must have all placement restrictive requirements, including premium received** (and/or 1035 exchange initiated) **at the Lincoln Home Office in good order on or before 11:59 pm ET August 24, 2026**. For any pending conversions that do not meet the deadline, the client must select *Lincoln Conversion* UL and submit a new Illustration and any additional required forms, or the case will be closed.

NOTE: If submitting via email, please submit to this email address: Termconversion@lfg.com.

Resources	
FAQ: Term Conversion Guideline updates	Previous Lincoln Leader article
Term Conversion Guidelines	Book of Business Guide
Term Conversion Process Overview	

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Last Updated 8/10/2026 **View State Availability Grids**	Your one-stop shop for all Lincoln digital capability resources! **GoDigital website**	Market data and insights from Lincoln and industry asset management partners **Market Intel Exchange** (PDF)	Help solve a range of client income needs through holistic planning. **See the latest blog**	**View the Index of Articles** or visit the **Lincoln Leader archive page** (must be logged in to LFD.com)

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May go down in value

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Important Information:
Lincoln life insurance policies are issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc., a broker-dealer. **The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so.**

Policies sold in New York are issued by Lincoln Life & Annuity Company of New York, Syracuse, NY, and distributed by Lincoln Financial Distributors, Inc., a broker-dealer.

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. Limitations and exclusions may apply.

With variable products, policy values will fluctuate and are subject to market risk and to possible loss of principal.

Lincoln variable universal life insurance is sold by prospectuses. Carefully consider the investment objectives, risks, and charges and expenses of the policy and its underlying investment options. This and other important information can be found in the prospectus for the variable universal life policy and the prospectus for the underlying investment options. Prospectuses are available upon request and should be read carefully before investing or sending money. For current prospectuses, please call 800-444-2363 or go to www.LincolnFinancial.com.

It is possible coverage will expire when either no premiums are paid following the initial premium, or subsequent premiums are insufficient to continue coverage.

Only registered representatives can sell variable products.

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