

# Lincoln DesignIt<sup>SM</sup> Platform

## How to illustrate MoneyGuard Market Advantage

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This document shows you how to illustrate a MoneyGuard Market Advantage hypothetical. Select the scenario that best fits your goal and follow the steps to generate an illustration.

### Helpful Tips Before You Get Started:

**Face Amount** – must be between \$50,000 and \$500,000

**Rate of Return** – must be between 0% and 12%

if funding at or above the No Lapse premium required, the policy will be designed to prevent lapse based on the duration specified in the solve objective.

### Face Amount Options

**Known Premium/ Optimize Overall Benefits** – This solve provides a balance between the guaranteed protections (LTC and Face Amount), while providing the opportunity for additional future funding capacity and upside growth potential. If selected, define the duration you want the guaranteed benefits to last in the “No Lapse Guarantee Period” field.

**\*\*NOTE** – The illustration will indicate the monthly no-lapse premium required to keep the policy in force. Paying this premium will design the policy to prevent lapse.

**Minimize Face/ Max Premium Limits** – With a known premium amount, this solve will calculate the lowest initial face amount. This is a max fund design and will calculate the maximum premium that can be paid without violating premium limits.

# Getting Started

Select Lincoln MoneyGuard Market Advantage from the available templates.

The screenshot displays the MoneyGuard Templates interface. On the left, the 'Available Designs' sidebar lists various categories including Insurance Products, Compositing Tools, Planning Models, Sales Concepts, MoneyGuard Concepts, Wealth Protection Planning, Business Insurance Planning, and Wealth Transfer/Estate Planning. The main panel, titled 'MoneyGuard Templates', contains a search bar and a list of templates. A red circle highlights the 'Lincoln MoneyGuard Market Advantage' template under the 'MoneyGuard VUL Products' section. Below it, two other templates are listed: 'Known Initial LTC Max Monthly - Maximum Premium Solve' and 'Known Initial LTC Max Monthly - NLG Premium Solve'. The 'Old Products' section at the bottom lists 'Lincoln MoneyGuard III (2020)', 'Lincoln MoneyGuard II (2020)', and 'Lincoln MoneyGuard II NY'.

**Available Designs**

Find Design

- Insurance Products
  - MoneyGuard
  - Term Insurance
  - UL Insurance
  - VUL Insurance
- Compositing Tools
- Planning Models
  - Wealth Transfer Analysis
- Sales Concepts
  - MoneyGuard Concepts
    - LTC Protection - A Two Policy Solution
    - LTC Protection - Beyond Self-Funding
  - Wealth Protection Planning
    - A Multiple Policy Plan
    - Asset Diversification Strategy/Concentrated Stock
    - LifeLINC (Annuity, Qualified Plan Alternatives)
    - Maximizing Qualified Pension Plan Benefits
    - Secure Act - An IRA/401(k) Transfer Strategy
    - Supplemental Retirement Planning
    - Survivor Risk Management
    - Tax Economics of Investing
    - Term vs. Permanent Life Insurance
    - VULOne/SVULOne Performance Rewards Opportunities
  - Business Insurance Planning
    - Business Valuation
    - Buy/Sell Presentation
    - Deferred Compensation
    - Executive Bonus (Section 162 Bonus Plan)
    - Key Person Insurance
    - Split Dollar (Corporate, Private)
  - Wealth Transfer/Estate Planning
    - Bypass Trust
    - Charitable Models Presentation
    - Dynasty Trust
    - Economics of Gifting

**MoneyGuard Templates**

To create a design based on a template, just double-click its link.

**MoneyGuard UL Products**

- Lincoln MoneyGuard III (2020) - 06/15/20
- Lincoln MoneyGuard II (2020) - 06/15/20
- Lincoln MoneyGuard II NY - 06/15/20

**MoneyGuard VUL Products**

- Lincoln MoneyGuard Market Advantage
- Known Initial LTC Max Monthly - Maximum Premium Solve
- Known Initial LTC Max Monthly - NLG Premium Solve

**Old Products**

- Lincoln MoneyGuard III (2020)
- Lincoln MoneyGuard II (2020) - 03/16/20
- Lincoln MoneyGuard II NY

## Basic Tab

- Provide client info, including the first and last name, age and/or birth date, gender, and underwriting class (Couples discount if married, Standard if single).
- All other fields can be left at their default settings.

**Lincoln MoneyGuard Market Advantage**

Basic Policy Funds Policy Management Inforce

**Insured Information**

Last name

First name

Birth date

Issue age

Gender ☐ Male ☒ Female

Underwriting class

**backdating**

☒ Do not illustrate with backdating

☐ Manual backdate using number of months  [?](#)

☐ Increase initial premium by missed modal premiums due to backdating

**Long-Term Care Benefits Rider**

Inflation election

**Report Options**

☐ Revised NAIC Illustration [?](#)

Alternate Age  [?](#)

Additional What Care Costs state  [?](#)

☐ Use alternate cost of care amount of  [?](#)

## Scenario #1

I can pay X premiums of \$Y and want to optimize my benefits and LTC leverage.

Example: Client wants to pay 10 premiums of \$10,000 each.

Face Amount	
1	Face amount <input type="text" value="Known Premium / Optimize Overall Benefits"/>
Premium	
	Premium mode <input type="text" value="Annually"/>
2	Modal premium <input checked="" type="radio"/> <input type="text" value="Known Premium Amount"/> <input type="text" value="10,000"/> thru <input type="text" value="Year"/> <input type="text" value="10"/>
	<input type="radio"/> <a href="#">Vary scheduled premium</a>
	Lump sum <input type="text" value="0"/>
	<input type="checkbox"/> Allow exchange and lump sum amounts to fund year one ?
Rate of Return Assumptions	
3	Variable account rate of return <input checked="" type="radio"/> <input type="text" value="Known Amount"/> <input type="text" value="6.00%"/>
	<input type="radio"/> <a href="#">Vary rate of return</a>
	Alternate rate of return (optional) <input type="text" value="0%"/>
Solve Objective	
	Solve objective <input type="text" value="0"/> in <input type="text" value="Maturity"/>
No Lapse Guarantee Period	
	Guarantee until <input type="text" value="Maturity"/>
Exchange Information	
	Illustrate with <input type="checkbox"/> External exchange <input type="checkbox"/> Internal exchange
	<a href="#">First year unscheduled exchange premium from above source(s) ?</a>

## Policy Tab

1. Select Known Premium/ Optimize Overall Benefits from the Face Amount drop down.
2. Select Known Premium Amount from the Modal premium drop down and fill in the amount and the number of years (i.e., \$10,000 thru year 10).
3. Rate of Return Assumptions – Select Known Amount from the drop down and fill in the rate of return (i.e., 6%).
  - Optional – Fill in an alternate rate of return to show in the same illustration.
4. Click Print or Preview Reports and select the required and optional reports.

## Scenario #2

**I want to be guaranteed \$X of initial monthly LTC.  
How much premium do I need to pay?**

Example: Client wants a guaranteed \$5,000 per month of LTC and they would like to do a 10-pay.

Face Amount and Benefits	
1	Face amount and benefits Known Base LTC Maximum Monthly 5000

Premium	
	Premium mode Annually
2	Modal premium <input checked="" type="radio"/> Minimum Premiums Required with Guarantee thru Year 10 <input type="radio"/> <a href="#">Vary scheduled premium</a>
	Lump sum 0
	<input type="checkbox"/> Allow exchange and lump sum amounts to fund year one ?

Rate of Return Assumptions	
3	Variable account rate of return <input checked="" type="radio"/> Known Amount 6.00% <input type="checkbox"/> Rate entered is net ? <input type="radio"/> <a href="#">Vary rate of return</a>
	Alternate rate of return (optional) 0%

Solve Objective	
	Solve objective 0 in Maturity

No Lapse Guarantee Period	
	Guarantee until Maturity

Exchange Information	
	Illustrate with <input type="checkbox"/> External exchange <input type="checkbox"/> Internal exchange <input checked="" type="checkbox"/> <a href="#">First year unscheduled exchange premium from above source(s)</a> ?

## Policy Tab

1. Select Known Base LTC Maximum Monthly and enter that desired value (i.e. \$5,000)
2. Select Minimum Premiums Required with Guarantee from the Modal Premium drop down and fill in the number of years to pay over (i.e., 10 years).
3. Rate of Return Assumptions – Select Known Amount from the drop down and fill in the rate of return (i.e., 6%).
  - Optional – Fill in an alternate rate of return to show in the same illustration.
4. Click Print or Preview Reports and select the required and optional reports.

## Scenario #3

**I want to be guaranteed \$X of initial total LTC.  
How much premium do I need to pay?**

Example: Client wants an initial guaranteed LTC pool of \$300,000. They'd like to pay over 10 years.

Face Amount and Benefits	
1	Face amount and benefits Known Base LTC Total Benefits 300,000

Premium	
2	Premium mode Annually
	Modal premium <input checked="" type="radio"/> Minimum Premiums Required with Guarantee thru Year 10 <input type="radio"/> <a href="#">Vary scheduled premium</a>
	Lump sum 0
	<input type="checkbox"/> Allow exchange and lump sum amounts to fund year one ?

Rate of Return Assumptions	
3	Variable account rate of return <input checked="" type="radio"/> Known Amount 6.00% <input type="checkbox"/> Rate entered is net ?
	<input type="radio"/> <a href="#">Vary rate of return</a>
	Alternate rate of return (optional) 0%

Solve Objective	
Solve objective	0 in Maturity

No Lapse Guarantee Period	
Guarantee until	Maturity

Exchange Information	
Illustrate with	<input type="checkbox"/> External exchange <input type="checkbox"/> Internal exchange
	<input checked="" type="checkbox"/> <a href="#">First year unscheduled exchange premium from above source(s)</a> ?

### Policy Tab

1. Select Known Base LTC Total Benefits and enter that desired value (i.e., \$300,000).
2. Select Minimum Premiums Required with Guarantee from the Modal Premium dropdown and fill in the number of years to pay over (i.e., 10 years).
3. Rate of Return Assumptions – Select Known Amount from the drop down and fill in the rate of return (i.e., 6%).
  - Optional – Fill in an alternate rate of return to show in the same illustration.
4. Click Print or Preview Reports and select the required and optional reports.

# Required and Optional Reports

**Available Reports**

- ☒ **Required Reports**
  - ☒ **Cover Page**
  - ☒ Product Overview
  - ☒ Summary of Your Benefits
  - ☒ How Your Policy Works
  - ☒ Current Charges-Hypothetical Return
  - ☒ Guaranteed Charges-Hypothetical Return
  - ☒ Current Charges-0% Return
  - ☒ Guaranteed Charges-0% Return
  - ☒ Initial Investment Options (page 1)
  - ☒ Initial Investment Options (page 2)
  - ☒ Initial Investment Options (page 3)
  - ☒ Tax Status
  - ☒ Signature Page
  - ☒ Key Product Details
  - ☒ New Business Data
- ☐ **Historical Reports**
  - ☐ Historical Report Graph
  - ☐ Historical Report Ledger
  - ☐ Delaware Bond Fund - Standard Class
  - ☐ SSGA S&P 500 Index Fund - Standard Cla
  - ☐ Mandatory Disclosures Report
- ☐ **What Care Costs Report**
  - ☐ What Care Costs Report
  - ☐ Mandatory Disclosures Report
- ☐ **Policy Expense and Analysis Report**
  - ☐ Policy Expense and Analysis Report
  - ☐ Mandatory Disclosures Report
- ☐ **Concierge Care Report**
  - ☐ Your Care Coordination Resources Report
  - ☐ Mandatory Disclosures Report
- ☐ **Internal Rate of Return Report**
  - ☐ Internal Return of Return Report
  - ☐ Mandatory Disclosures Report

- Check all boxes for Required Reports.
  - Select any additional optional reports.
  - Must include mandatory disclosure reports.
- **Historical Reports**
    - Only Available when specific funds are selected.
    - Provides a historical breakdown of net returns in selected funds and how they would have influenced client benefits.
  - **What Care Costs Report**
    - Shows average costs of care in the client's state.
  - **Policy Expense and Analysis Report**
    - Breaks down policy fees and charges.
  - **Concierge Care Report**
    - Details the complimentary LTC resources the client gets access to as a policyholder.
  - **Internal Rate of Return Report**
    - Provides a yearly breakdown of policy benefits and their assumed rates of return from initial investment.

# Fund Selection

Lincoln MoneyGuard Market Advantage

Basic
Policy
**Funds**
Policy Management
Inforce

Fund Options

Management fee assumption
☐ Target date fund with target year nearest age 85
☒ Arithmetic average using all funds within allocation requirements
☐ Weighted average using selected funds' allocations
[Allocate funds for weighted average and historical reports](#)
[View MMA fund performance](#)

Range of Returns and Benefits

☒ Illustrate with Range of Returns and Benefits table

## Funds Tab

- Target date fund reflects a fund designed to stay aggressive in the early years, then shift to a more conservative allocation as they get closer to the target age of 85.
- Arithmetic average reflects a fund showing average annual growth based on your selected rate of return.
- Weighted average allows you to select specific funds which reflect growth based on historical returns (Must click "Allocate funds" link and select fund percentages adding up to 100%. At least 20% must be allocated in Tier 1 funds).
- To select funds (required to produce Historical Report), click the blue link "Allocate funds for weighted average and historical reports"
- Total allocation must equal 100%.

Fund Allocations			
Fund	Fee	Inception Date	Allocation %
<b>Tier 1</b>			
Fixed Account	N/A	N/A	0%
<b>Lincoln Variable Insurance Products Trust</b>			
Delaware Bond Fund - Standard Class	0.37	12/28/1981	0%
Global Income Fund - Standard Class	0.71	5/4/2009	0%
Government Money Market Fund - Standard Class	0.45	1/7/1982	0%
PIMCO Low Duration Bond Fund - Standard Class	0.54	4/30/2014	0%
SSGA Bond Index Fund - Standard Class	0.35	4/30/2008	0%
SSGA Short-Term Bond Index Fund - Standard Class	0.36	4/30/2018	0%
<b>Tier 2</b>			
<b>Lincoln Variable Insurance Products Trust</b>			
American Growth Allocation Fund - Standard Class	0.63	8/2/2010	0%
American Income Allocation Fund - Standard Class	0.64	8/2/2010	0%
BlackRock Advantage Allocation Fund - Standard Class	0.73	7/28/1988	0%
BlackRock Global Allocation Fund - Standard Class	0.73	4/26/2019	0%
SSGA Conservative Index Allocation Fund - Standard Class	0.50	8/2/2010	0%
SSGA Moderate Index Allocation Fund - Standard Class	0.50	8/2/2010	0%
SSGA Moderately Aggressive Index Allocation Fund - Standard Class	0.51	8/2/2010	0%
T. Rowe Price 2010 Fund - Standard Class	0.69	5/1/2007	0%
T. Rowe Price 2020 Fund - Standard Class	0.67	5/1/2007	0%
(Under allocated by 100%) Current Allocation: 0%			
<a href="#">Switch to sortable view</a> <a href="#">Reset Allocations</a> <input checked="" type="button" value="OK"/> <input type="button" value="Cancel"/>			