



FOR LIFE

Financial Underwriting Made EZ

A Message from Lincoln's Office of the Chief Underwriter

The industry-leading Underwriting & New Business organization of Lincoln Financial Group (LFG) has long set the market standard for prudent Life Insurance underwriting practices. Keeping with the industry-leading tradition, Lincoln Underwriting is introducing a new form that will be required for formal business received as of April 16, 2012.

IRS Form 4506T- EZ, Request for Transcript of Tax Return will be required for applications submitted on individuals ages 26 and older. This authorization allows the underwriter to obtain transcripts of applicants' tax returns from the IRS.

The 4506T-EZ form is beneficial for the underwriter, the producer, and the applicant. It provides Underwriting with access to accurate income without having the producer burden the client for that information and it avoids delay and expense if the client has to contact his or her accountant or CPA to obtain the tax return copies.

There are times an underwriter is provided income information that is significantly different from the application information, and that requires the underwriter to obtain verification of the correct income figure. This could take weeks to months to obtain, and producers are sometimes hesitant to ask the client to provide the tax return information, or a client may be reluctant to share tax return information with the producer for a variety of reasons, including confidentiality for those living in smaller communities.

LFG has contracted with a vendor to provide a secure electronic interface with the IRS that will deliver tax information from the IRS directly to the underwriter within 24-48 hours of the request. The 4506T-EZ form will significantly speed up the underwriting process on cases where there is a financial underwriting question.

The IRS Form 4506T-EZ form is a requirement for nearly all consumer loan applications today, ranging from mortgages to car loans, so many clients will be familiar with this authorization procedure. By submitting the signed form with the application, if there is a need for income verification, the underwriter will be able to obtain the information expeditiously.

Form completion is very easy. Just have your client enter the last two years of completed returns (i.e. 2009, 2010), sign and date the form, submitting it with the application package. The signed form is valid for 120 days.

The 4506T-EZ form signature will be just like having the client sign a HIPAA form which is a required form for every case. There are a number of current market dynamics that are redefining traditional financial underwriting review and verification. Ultimately, we feel that requiring the form will be a "win" for all parties involved, and we expect that the 4506T-EZ will become an industry standard in the years to come.

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Lincoln Financial Group

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