

# Lincoln WealthAccumulate<sup>SM</sup> IUL Compensation Increase Overview

For Agent Use Only: Not for use with the general public

Lincoln Financial Group is increasing target premiums by 25% for its accumulation-focused Indexed Universal Life solution, *Lincoln WealthAccumulate<sup>SM</sup> IUL*. Details related to the target increase are outlined below:

## When will the target premiums increase?

Effective September 10, 2018, all *Lincoln WealthAccumulate* IUL policies will automatically receive the increased compensation. Lincoln will also retroactively charge back and repay all policies placed since the launch of the product in May, 2018, to apply the target increase.

## How will the increased compensation be applied to inforce policies?

All policies placed before September 10, 2018, will be adjusted to reflect the target premium improvements. These adjustments will begin after September 10, 2018 and be completed by the end of September, 2018.

## Will the increased compensation be paid on riders?

The additional compensation will be paid on two riders: the Exec rider and *Lincoln LifeEnhance<sup>®</sup> Accelerated Benefits* rider (LEABR).

**Note:** Illustrations that include riders other than the Exec or LEABR cannot be approximated as the target was not increased on the Primary Insured, Other Insured and Children's Term Riders.

**Below are examples of a policy paid below and above target with the new target premium:**

<p><b>Paid below target:</b></p> <ul style="list-style-type: none"> <li>○ Original target \$1000</li> <li>○ Premiums paid \$850</li> <li>○ 1<sup>st</sup> year compensation paid based on \$850</li> <li>○ New target = \$1000 * 1.25 = \$1250</li> </ul>	<p><b>Rewrite:</b></p> <ul style="list-style-type: none"> <li>○ Original policy is reversed out – compensation reversal: - commission % of \$850</li> <li>○ Rewritten policy is placed back on the system – commission % of \$850</li> <li>○ Rolling target left based on new target \$1250 - \$850 = \$400</li> </ul>
<p><b>Paid above target:</b></p> <ul style="list-style-type: none"> <li>○ Original target \$1000</li> <li>○ Premiums paid \$1500</li> <li>○ 1<sup>st</sup> year compensation paid based on \$1000 target plus excess of \$500</li> </ul> <p>New target = \$1000 * 1.25 = \$1250</p>	<p><b>Rewrite:</b></p> <ul style="list-style-type: none"> <li>○ Original policy is reversed out – compensation reversal: - commission % of \$1000 plus \$500 excess.</li> <li>○ Rewritten policy is placed back on the system – commission % of \$1250 plus \$250 excess.</li> </ul>

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**Will the new target compensation flow to all levels of the hierarchy.**

Yes.

**Will the compensation increase impact policy holders?**

No. Policy holders will not be impacted.

**Will the performance of *Lincoln WealthAccumulate* IUL be impacted?**

No. The performance of the product will not be affected. This change is specific to the target premium.

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