

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D. C. 20549

**FORM 10-Q**

(Mark One)

**Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
For the quarterly period ended March 31, 2024

OR

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_.  
Commission File Number: 1-6028

**LINCOLN NATIONAL CORPORATION**

(Exact name of registrant as specified in its charter)

Indiana

(State or other jurisdiction of incorporation or organization)

35-1140070

(I.R.S. Employer Identification No.)

150 N. Radnor-Chester Road, Suite A305, Radnor, Pennsylvania

(Address of principal executive offices)

19087

(Zip Code)

(484) 583-1400

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

**Securities registered pursuant to Section 12(b) of the Act:**

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock	LNC	New York Stock Exchange
Depository Shares, each representing a 1/1000 <sup>th</sup> interest in a share of 9.000% Non-Cumulative Preferred Stock, Series D	LNC PRD	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-accelerated Filer	<input type="checkbox"/>	Smaller Reporting Company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

As of April 29, 2024, there were 170,026,818 shares of the registrant's common stock outstanding.

**Lincoln National Corporation****Table of Contents**

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**PART I – FINANCIAL INFORMATION**
**Item 1. Financial Statements**
**LINCOLN NATIONAL CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
(in millions, except share data)

	As of March 31, 2024 <u>(Unaudited)</u>	As of December 31, 2023
<b>ASSETS</b>		
Investments:		
Fixed maturity available-for-sale securities, at fair value (amortized cost: 2024 - \$97,546; 2023 - \$97,433; allowance for credit losses: 2024 - \$21; 2023 - \$19)	\$ 87,764	\$ 88,738
Trading securities	2,227	2,359
Equity securities	319	306
Mortgage loans on real estate, net of allowance for credit losses (portion at fair value: 2024 - \$289; 2023 - \$288)	19,266	18,963
Policy loans	2,476	2,476
Derivative investments	8,394	6,474
Other investments	5,256	5,015
Total investments	125,702	124,331
Cash and invested cash	4,122	3,365
Deferred acquisition costs, value of business acquired and deferred sales inducements	12,405	12,397
Reinsurance recoverables, net of allowance for credit losses	29,461	29,843
Deposit assets, net of allowance for credit losses	28,904	28,789
Market risk benefit assets	4,878	3,894
Accrued investment income	1,127	1,082
Goodwill	1,144	1,144
Other assets	9,413	9,311
Separate account assets	166,225	158,257
Total assets	<u>\$ 383,381</u>	<u>\$ 372,413</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Policyholder account balances	\$ 122,300	\$ 120,737
Future contract benefits	38,848	39,864
Funds withheld reinsurance liabilities	17,486	17,641
Market risk benefit liabilities	1,266	1,716
Deferred front-end loads	6,099	5,901
Payables for collateral on investments	10,117	8,105
Short-term debt	503	250
Long-term debt	5,726	5,699
Other liabilities	7,265	7,350
Separate account liabilities	166,225	158,257
Total liabilities	<u>375,835</u>	<u>365,520</u>
<b>Contingencies and Commitments (See Note 14)</b>		
<b>Stockholders' Equity</b>		
Preferred stock – 10,000,000 shares authorized:		
Series C preferred stock – 20,000 shares authorized, issued and outstanding as of March 31, 2024, and December 31, 2023	493	493
Series D preferred stock – 20,000 shares authorized, issued and outstanding as of March 31, 2024, and December 31, 2023	493	493
Common stock – 800,000,000 shares authorized; 170,016,887 and 169,666,137 shares issued and outstanding as of March 31, 2024, and December 31, 2023, respectively	4,624	4,605
Retained earnings	5,887	4,778
Accumulated other comprehensive income (loss)	(3,951)	(3,476)
Total stockholders' equity	<u>7,546</u>	<u>6,893</u>
Total liabilities and stockholders' equity	<u>\$ 383,381</u>	<u>\$ 372,413</u>

See accompanying Notes to Consolidated Financial Statements

**LINCOLN NATIONAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
(Unaudited, in millions, except per share data)

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
Insurance premiums	\$ 1,601	\$ 1,579
Fee income	1,324	1,379
Net investment income	1,346	1,466
Realized gain (loss)	(434)	(828)
Amortization of deferred gain (loss) on business sold through reinsurance	(12)	9
Other revenues	291	209
Total revenues	<u>4,116</u>	<u>3,814</u>
<b>Expenses</b>		
Benefits	2,003	2,291
Interest credited	822	785
Market risk benefit (gain) loss	(1,907)	619
Policyholder liability remeasurement (gain) loss	(12)	(118)
Commissions and other expenses	1,601	1,324
Interest and debt expense	81	83
Total expenses	<u>2,588</u>	<u>4,984</u>
Income (loss) before taxes	1,528	(1,170)
Federal income tax expense (benefit)	306	(289)
Net income (loss)	<u>1,222</u>	<u>(881)</u>
Other comprehensive income (loss), net of tax:		
Unrealized investment gain (loss)	(127)	1,774
Market risk benefit non-performance risk gain (loss)	(464)	1,025
Policyholder liability discount rate remeasurement gain (loss)	116	(202)
Foreign currency translation adjustment	(1)	3
Funded status of employee benefit plans	1	(2)
Total other comprehensive income (loss), net of tax	<u>(475)</u>	<u>2,598</u>
Comprehensive income (loss)	<u>\$ 747</u>	<u>\$ 1,717</u>
<b>Net Income (Loss) Available to Common Stockholders</b>		
Net income (loss)	\$ 1,222	\$ (881)
Preferred stock dividends declared	(34)	(25)
Deferred units of LNC stock in our deferred compensation plans	3	(3)
Net income (loss) available to common stockholders	<u>\$ 1,191</u>	<u>\$ (909)</u>
<b>Net Income (Loss) Per Common Share</b>		
Basic	\$ 6.98	\$ (5.35)
Diluted	6.93	(5.37)
<b>Cash Dividends Declared Per Preferred Share</b>		
Series C preferred stock	\$ 1,156.25	\$ 635.94
Series D preferred stock	562.50	618.75
<b>Cash Dividends Declared Per Common Share</b>	<b>\$ 0.45</b>	<b>\$ 0.45</b>

**LINCOLN NATIONAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
(Unaudited, in millions)

	For the Three Months Ended March 31,	
	2024	2023
<b>Preferred Stock</b>		
Balance as of beginning-of-year	\$ 986	\$ 986
Balance as of end-of-period	986	986
<b>Common Stock</b>		
Balance as of beginning-of-year	4,605	4,544
Stock compensation/issued for benefit plans	19	16
Balance as of end-of-period	4,624	4,560
<b>Retained Earnings</b>		
Balance as of beginning-of-year	4,778	5,924
Net income (loss)	1,222	(881)
Preferred stock dividends declared	(34)	(25)
Common stock dividends declared	(79)	(78)
Balance as of end-of-period	5,887	4,940
<b>Accumulated Other Comprehensive Income (Loss)</b>		
Balance as of beginning-of-year	(3,476)	(6,352)
Other comprehensive income (loss), net of tax	(475)	2,598
Balance as of end-of-period	(3,951)	(3,754)
Total stockholders' equity as of end-of-period	\$ 7,546	\$ 6,732

**LINCOLN NATIONAL CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited, in millions)

	For the Three Months Ended March 31,	
	2024	2023
<b>Cash Flows from Operating Activities</b>		
Net income (loss)	\$ 1,222	\$ (881)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Realized (gain) loss	434	828
Market risk benefit (gain) loss	(1,907)	619
Sales and maturities (purchases) of trading securities, net	129	290
Amortization of deferred gain (loss) on business sold through reinsurance	12	(9)
Change in:		
Deferred acquisition costs, value of business acquired, deferred sales inducements and deferred front-end loads	190	156
Accrued investment income	(32)	4
Insurance liabilities and reinsurance-related balances	(1,047)	(1,322)
Accrued expenses	(41)	(143)
Federal income tax accruals	306	(289)
Other	(609)	(27)
Net cash provided by (used in) operating activities	<u>(1,343)</u>	<u>(774)</u>
<b>Cash Flows from Investing Activities</b>		
Purchases of available-for-sale securities and equity securities	(2,360)	(2,999)
Sales of available-for-sale securities and equity securities	677	1,739
Maturities of available-for-sale securities	1,694	1,440
Purchases of alternative investments	(315)	(170)
Sales and repayments of alternative investments	16	22
Issuance of mortgage loans on real estate	(571)	(269)
Repayment and maturities of mortgage loans on real estate	267	183
Repayment (issuance) of policy loans, net	(1)	(27)
Net change in collateral on investments, certain derivatives and related settlements	2,232	(184)
Other	-	(60)
Net cash provided by (used in) investing activities	<u>1,639</u>	<u>(325)</u>
<b>Cash Flows from Financing Activities</b>		
Payment of long-term debt, including current maturities	(47)	-
Issuance of long-term debt, net of issuance costs	347	-
Payment related to sale-leaseback transactions	(4)	(5)
Payment related to certain financing arrangements	(16)	(10)
Deposits of fixed account balances	3,602	4,192
Withdrawals of fixed account balances	(3,215)	(2,570)
Transfers from (to) separate accounts, net	(90)	21
Common stock issued for benefit plans	(5)	(4)
Dividends paid to preferred stockholders	(34)	(25)
Dividends paid to common stockholders	(77)	(77)
Net cash provided by (used in) financing activities	<u>461</u>	<u>1,522</u>
Net increase (decrease) in cash, invested cash and restricted cash	757	423
Cash, invested cash and restricted cash as of beginning-of-year	3,365	3,343
Cash, invested cash and restricted cash as of end-of-period	<u>\$ 4,122</u>	<u>\$ 3,766</u>

**LINCOLN NATIONAL CORPORATION**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**1. Nature of Operations and Basis of Presentation**

**Nature of Operations**

Lincoln National Corporation and its subsidiaries (“LNC” or the “Company,” which also may be referred to as “we,” “our” or “us”) operate multiple insurance businesses through four business segments: Annuities, Life Insurance, Group Protection and Retirement Plan Services. In addition, we include financial data for operations that are not directly related to our business segments in Other Operations. The collective group of businesses uses “Lincoln Financial Group” as its marketing identity. Through our business segments, we sell a wide range of wealth accumulation, wealth protection, group protection and retirement income products and solutions. These products primarily include variable annuities, fixed annuities (including indexed), registered index-linked annuities (“RILA”), universal life insurance (“UL”), variable universal life insurance (“VUL”), linked-benefit UL and VUL, indexed universal life insurance (“IUL”), term life insurance, group life, disability and dental and employer-sponsored retirement plans and services. For more information on our segments and the products and solutions we provide, see Note 16.

**Basis of Presentation**

The accompanying unaudited consolidated financial statements are prepared in accordance with United States of America generally accepted accounting principles (“GAAP”) for interim financial information and with the instructions for the Securities and Exchange Commission (“SEC”) Quarterly Report on Form 10-Q, including Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for complete financial statements. The information contained in the Notes to Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2023 (“2023 Form 10-K”), should be read in connection with the reading of these interim unaudited consolidated financial statements.

Certain GAAP policies, which significantly affect the determination of financial condition, results of operations and cash flows, are summarized in our 2023 Form 10-K.

In the opinion of management, these statements include all normal recurring adjustments necessary for a fair presentation of the Company’s results. Interim results for the three months ended March 31, 2024, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2024. All material inter-company accounts and transactions have been eliminated in consolidation.

Certain amounts reported in prior periods’ consolidated financial statements have been reclassified to conform to the presentation adopted in the current period.

We present disaggregated disclosures in the Notes below for long-duration insurance balances, applying the level of aggregation by reportable segment as follows:

Reportable Segment	Level of Aggregation
Annuities	Variable Annuities
	Fixed Annuities
	Payout Annuities
Life Insurance	Traditional Life
	UL and Other
Group Protection	Group Protection
Retirement Plan Services	Retirement Plan Services

The variable annuities level of aggregation includes RILA products, which are indexed variable annuities. The fixed annuities level of aggregation represents deferred fixed annuities. We have excluded amounts reported in Other Operations from our disaggregated disclosures that are attributable to the indemnity reinsurance agreements with Protective Life Insurance Company (“Protective”) and Swiss Re Life & Health America, Inc (“Swiss Re”) as these contracts are fully reinsured, run-off institutional pension business in the form of group annuity and the results of certain disability income business and are not reflected in the results of the reportable segments listed above.

*Sale of Wealth Management Business*

On December 14, 2023, we announced that we had entered into a Stock Purchase Agreement with Osaic Holdings, Inc., a Delaware corporation (“Osaic”), pursuant to which Osaic agreed to acquire all of the ownership interests in the subsidiaries of the Company that comprise the Company’s wealth management business, which include Lincoln Financial Securities Corporation and Lincoln Financial Advisors Corporation. The transaction is expected to close in the first half of 2024, subject to customary closing conditions.

As of March 31, 2024, we had assets of \$155 million and liabilities of \$81 million classified as held-for-sale and reported within other assets and other liabilities, respectively, on our Consolidated Balance Sheets. As of December 31, 2023, we had assets of \$131 million and liabilities of \$60 million classified as held-for-sale and reported within other assets and other liabilities, respectively, on our Consolidated Balance Sheets. Assets considered held-for-sale do not include \$71 million of cash and invested cash held by our wealth management business subsidiaries as of March 31, 2024. The assets are reported primarily within Other Operations in Note 16.

**2. New Accounting Standards****Adoption of New Accounting Standards**

In the current period, we did not adopt any new Accounting Standards Updates (“ASUs”) issued by the Financial Accounting Standards Board that were material in presentation or amount.

**Future Adoption of New Accounting Standards**

The following table provides a description of future adoptions of new ASUs that may have an impact on our consolidated financial statements when adopted. ASUs not listed below were assessed and determined to be either not applicable or insignificant in presentation or amount.

<b>Standard</b>	<b>Description</b>	<b>Effective Date</b>	<b>Effect on Financial Statements or Other Significant Matters</b>
ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures	This ASU aims to enhance reportable segment disclosure requirements. It requires that a public entity disclose significant segment expenses that are regularly provided to the chief operating decision maker (“CODM”), disclose and describe other segment items and report additional measures of a segment’s profit or loss if used by the CODM.	January 1, 2024 (Annual Filings) and January 1, 2025 (Quarterly Filings)	We are evaluating the impact of this ASU to our consolidated financial statements.
ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures	This ASU establishes new income tax disclosure requirements, along with adjusting certain existing requirements. It specifically requires expanded and disaggregated disclosures around the tax rate reconciliation.	January 1, 2025	We are evaluating the impact of this ASU to our consolidated financial statements.

### 3. Investments

#### Fixed Maturity AFS Securities

The amortized cost, gross unrealized gains and losses, allowance for credit losses and fair value of fixed maturity available-for-sale (“AFS”) securities (in millions) were as follows:

	As of March 31, 2024				
	Amortized Cost	Gross Unrealized		Allowance for Credit Losses	Fair Value
		Gains	Losses		
Fixed maturity AFS securities:					
Corporate bonds	\$ 76,968	\$ 640	\$ 9,065	\$ 10	\$ 68,533
U.S. government bonds	422	4	35	–	391
State and municipal bonds	3,097	46	400	–	2,743
Foreign government bonds	304	12	53	–	263
RMBS	1,962	20	217	6	1,759
CMBS	1,658	4	178	–	1,484
ABS	12,903	71	621	4	12,349
Hybrid and redeemable preferred securities	232	23	12	1	242
Total fixed maturity AFS securities	<u>\$ 97,546</u>	<u>\$ 820</u>	<u>\$ 10,581</u>	<u>\$ 21</u>	<u>\$ 87,764</u>

  

	As of December 31, 2023				
	Amortized Cost	Gross Unrealized		Allowance for Credit Losses	Fair Value
		Gains	Losses		
Fixed maturity AFS securities:					
Corporate bonds	\$ 77,085	\$ 852	\$ 8,272	\$ 8	\$ 69,657
U.S. government bonds	416	6	29	–	393
State and municipal bonds	3,106	101	417	–	2,790
Foreign government bonds	314	16	47	–	283
RMBS	1,948	28	197	6	1,773
CMBS	1,622	5	203	–	1,424
ABS	12,698	62	585	4	12,171
Hybrid and redeemable preferred securities	244	21	17	1	247
Total fixed maturity AFS securities	<u>\$ 97,433</u>	<u>\$ 1,091</u>	<u>\$ 9,767</u>	<u>\$ 19</u>	<u>\$ 88,738</u>

The amortized cost and fair value of fixed maturity AFS securities by contractual maturities (in millions) as of March 31, 2024, were as follows:

	Amortized	
	Cost	Fair Value
Due in one year or less	\$ 4,615	\$ 4,574
Due after one year through five years	17,551	16,871
Due after five years through ten years	14,424	13,180
Due after ten years	44,433	37,547
Subtotal	<u>81,023</u>	<u>72,172</u>
Structured securities (RMBS, CMBS, ABS)	16,523	15,592
Total fixed maturity AFS securities	<u>\$ 97,546</u>	<u>\$ 87,764</u>

Actual maturities may differ from contractual maturities because issuers may have the right to call or pre-pay obligations.

The fair value and gross unrealized losses of fixed maturity AFS securities (dollars in millions) for which an allowance for credit losses has not been recorded, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, were as follows:

	As of March 31, 2024					
	Less Than or Equal to Twelve Months		Greater Than Twelve Months		Total	
	Gross Unrealized		Gross Unrealized		Gross Unrealized	
	Fair Value	Losses	Fair Value	Losses	Fair Value	Losses <sup>(1)</sup>
Fixed maturity AFS securities:						
Corporate bonds	\$ 23,895	\$ 4,432	\$ 33,636	\$ 4,633	\$ 57,531	\$ 9,065
U.S. government bonds	102	9	188	26	290	35
State and municipal bonds	894	222	895	178	1,789	400
Foreign government bonds	107	30	66	23	173	53
RMBS	620	76	907	141	1,527	217
CMBS	677	70	621	108	1,298	178
ABS	1,998	91	6,118	530	8,116	621
Hybrid and redeemable preferred securities	18	3	102	9	120	12
Total fixed maturity AFS securities	<u>\$ 28,311</u>	<u>\$ 4,933</u>	<u>\$ 42,533</u>	<u>\$ 5,648</u>	<u>\$ 70,844</u>	<u>\$ 10,581</u>
Total number of fixed maturity AFS securities in an unrealized loss position						<u>7,485</u>

	As of December 31, 2023					
	Less Than or Equal to Twelve Months		Greater Than Twelve Months		Total	
	Gross Unrealized		Gross Unrealized		Gross Unrealized	
	Fair Value	Losses	Fair Value	Losses	Fair Value	Losses <sup>(1)</sup>
Fixed maturity AFS securities:						
Corporate bonds	\$ 14,005	\$ 3,270	\$ 34,595	\$ 5,002	\$ 48,600	\$ 8,272
U.S. government bonds	65	6	195	23	260	29
State and municipal bonds	371	72	874	345	1,245	417
Foreign government bonds	111	31	57	16	168	47
RMBS	360	20	886	177	1,246	197
CMBS	583	56	589	147	1,172	203
ABS	1,900	68	7,217	517	9,117	585
Hybrid and redeemable preferred securities	32	3	95	14	127	17
Total fixed maturity AFS securities	<u>\$ 17,427</u>	<u>\$ 3,526</u>	<u>\$ 44,508</u>	<u>\$ 6,241</u>	<u>\$ 61,935</u>	<u>\$ 9,767</u>
Total number of fixed maturity AFS securities in an unrealized loss position						<u>7,605</u>

<sup>(1)</sup> As of March 31, 2024, and December 31, 2023, we recognized \$12 million and \$8 million of gross unrealized losses, respectively, in other comprehensive income (loss) (“OCI”) for fixed maturity AFS securities for which an allowance for credit losses has been recorded.

The fair value, gross unrealized losses (in millions) and number of fixed maturity AFS securities where the fair value had declined and remained below amortized cost by greater than 20% were as follows:

	As of March 31, 2024		
	Fair Value	Gross Unrealized Losses	Number of Securities <sup>(1)</sup>
Less than six months	\$ 3,759	\$ 1,318	697
Six months or greater, but less than nine months	423	158	131
Nine months or greater, but less than twelve months	275	86	68
Twelve months or greater	3,709	1,517	740
Total	<u>\$ 8,166</u>	<u>\$ 3,079</u>	<u>1,636</u>

  

	As of December 31, 2023		
	Fair Value	Gross Unrealized Losses	Number of Securities <sup>(1)</sup>
Less than six months	\$ 2,492	\$ 927	533
Six months or greater, but less than nine months	343	96	79
Nine months or greater, but less than twelve months	336	109	90
Twelve months or greater	4,094	2,922	997
Total	<u>\$ 7,265</u>	<u>\$ 4,054</u>	<u>1,699</u>

<sup>(1)</sup> We may reflect a security in more than one aging category based on various purchase dates.

Our gross unrealized losses on fixed maturity AFS securities increased by \$814 million for the three months ended March 31, 2024. As discussed further below, we do not believe the unrealized loss position as of March 31, 2024, required an impairment recognized in earnings as: (i) we did not intend to sell these fixed maturity AFS securities; (ii) it is not more likely than not that we will be required to sell the fixed maturity AFS securities before recovery of their amortized cost basis; and (iii) the difference in the fair value compared to the amortized cost was due to factors other than credit loss. Based upon this evaluation as of March 31, 2024, management believes we have the ability to generate adequate amounts of cash from our normal operations (e.g., insurance premiums, fee income and investment income) to meet cash requirements with a prudent margin of safety without requiring the sale of our impaired securities.

As of March 31, 2024, the unrealized losses associated with our corporate bond, U.S. government bond, state and municipal bond and foreign government bond securities were attributable primarily to rising interest rates and widening credit spreads since purchase. We performed a detailed analysis of the financial performance of the underlying issuers and determined that we expected to recover the entire amortized cost of each impaired security.

Credit ratings express opinions about the credit quality of a security. Securities rated investment grade (those rated BBB- or higher by S&P Global Ratings (“S&P”) or Baa3 or higher by Moody’s Investors Service (“Moody’s”)) are generally considered by the rating agencies and market participants to be low credit risk. As of March 31, 2024, and December 31, 2023, 96% of the fair value of our corporate bond portfolio was rated investment grade. As of March 31, 2024, and December 31, 2023, the portion of our corporate bond portfolio rated below investment grade had an amortized cost of \$2.8 billion and \$3.0 billion, respectively, and a fair value of \$2.7 billion and \$2.8 billion, respectively. Based upon the analysis discussed above, we believe that as of March 31, 2024, and December 31, 2023, we would have recovered the amortized cost of each corporate bond.

As of March 31, 2024, the unrealized losses associated with our mortgage-backed securities (“MBS”) and asset-backed securities (“ABS”) were attributable primarily to rising interest rates and widening credit spreads since purchase. We assessed for credit impairment using a cash flow model that incorporates key assumptions including default rates, severities and prepayment rates. We estimated losses for a security by forecasting the underlying loans in each transaction. The forecasted loan performance was used to project cash flows to the various tranches in the structure, as applicable. Our forecasted cash flows also considered, as applicable, independent industry analyst reports and forecasts and other independent market data. Based upon our assessment of the expected credit losses of the security given the performance of the underlying collateral compared to our subordination or other credit enhancement, we expected to recover the entire amortized cost of each impaired security.

As of March 31, 2024, the unrealized losses associated with our hybrid and redeemable preferred securities were attributable primarily to wider credit spreads caused by illiquidity in the market and subordination within the capital structure, as well as credit risk of underlying issuers. For our hybrid and redeemable preferred securities, we evaluated the financial performance of the underlying issuers based upon credit performance and investment ratings and determined that we expected to recover the entire amortized cost of each impaired security.

*Credit Loss Impairment on Fixed Maturity AFS Securities*

We regularly review our fixed maturity AFS securities for declines in fair value that we determine to be impairment-related, including those attributable to credit risk factors that may require an allowance for credit losses. Changes in the allowance for credit losses on fixed maturity AFS securities (in millions), aggregated by investment category, were as follows:

	<b>For the Three Months Ended March 31, 2024</b>			
	<b>Corporate Bonds</b>	<b>RMBS</b>	<b>Other</b>	<b>Total</b>
Balance as of beginning-of-year	\$ 8	\$ 6	\$ 5	\$ 19
Additions from purchases of PCD debt securities <sup>(1)</sup>	–	–	–	–
Additions for securities for which credit losses were not previously recognized	1	–	–	1
Additions (reductions) for securities for which credit losses were previously recognized	2	–	–	2
Reductions for disposed securities	(1)	–	–	(1)
Balance as of end-of-period <sup>(2)</sup>	<u>\$ 10</u>	<u>\$ 6</u>	<u>\$ 5</u>	<u>\$ 21</u>

  

	<b>For the Three Months Ended March 31, 2023</b>			
	<b>Corporate Bonds</b>	<b>RMBS</b>	<b>Other</b>	<b>Total</b>
Balance as of beginning-of-year	\$ 9	\$ 7	\$ 6	\$ 22
Additions from purchases of PCD debt securities <sup>(1)</sup>	–	–	–	–
Additions for securities for which credit losses were not previously recognized	19	–	–	19
Additions (reductions) for securities for which credit losses were previously recognized	–	(1)	–	(1)
Reductions for disposed securities	(1)	–	–	(1)
Balance as of end-of-period <sup>(2)</sup>	<u>\$ 27</u>	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ 39</u>

<sup>(1)</sup> Represents purchased credit-deteriorated (“PCD”) fixed maturity AFS securities.

<sup>(2)</sup> As of March 31, 2024 and 2023, accrued investment income on fixed maturity AFS securities totaled \$943 million and \$1.1 billion, respectively, and was excluded from the estimate of credit losses.

## Mortgage Loans on Real Estate

The following provides the current and past due composition of our mortgage loans on real estate (in millions):

	As of March 31, 2024			As of December 31, 2023		
	Commercial	Residential	Total	Commercial	Residential	Total
Current	\$ 17,372	\$ 1,833	\$ 19,205	\$ 17,256	\$ 1,665	\$ 18,921
30 to 59 days past due	4	37	41	61	28	89
60 to 89 days past due	2	10	12	–	9	9
90 or more days past due	60	59	119	–	60	60
Allowance for credit losses	(84)	(31)	(115)	(86)	(28)	(114)
Unamortized premium (discount)	(7)	48	41	(7)	43	36
Mark-to-market gains (losses) <sup>(1)</sup>	(38)	1	(37)	(37)	(1)	(38)
Total carrying value	<u>\$ 17,309</u>	<u>\$ 1,957</u>	<u>\$ 19,266</u>	<u>\$ 17,187</u>	<u>\$ 1,776</u>	<u>\$ 18,963</u>

<sup>(1)</sup> Represents the mark-to-market on certain mortgage loans on real estate for which we have elected the fair value option. See Note 13 for additional information.

Our commercial mortgage loan portfolio had the largest concentrations in California, which accounted for 26% and 27% of commercial mortgage loans on real estate as of March 31, 2024, and December 31, 2023, respectively, and Texas, which accounted for 10% and 9% of commercial mortgage loans on real estate as of March 31, 2024, and December 31, 2023, respectively.

As of March 31, 2024, and December 31, 2023, our residential mortgage loan portfolio had the largest concentrations in California and New York, which accounted for 14% and 12% of residential mortgage loans on real estate, respectively.

As of March 31, 2024, and December 31, 2023, we had 118 and 116 residential mortgage loans, respectively, that were either delinquent or in foreclosure. As of March 31, 2024, and December 31, 2023, we had 82 residential mortgage loans in foreclosure, with an aggregate carrying value of \$35 million and \$38 million, respectively.

There were no losses from loan modifications for the three months ended March 31, 2024 and 2023, that were reported in realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss).

The amortized cost of mortgage loans on real estate on nonaccrual status (in millions) was as follows:

	As of March 31, 2024		As of December 31, 2023	
	Nonaccrual with no Allowance for Credit Losses		Nonaccrual with no Allowance for Credit Losses	
	Nonaccrual	Losses	Nonaccrual	Losses
Commercial mortgage loans on real estate	\$ 60	\$ –	\$ –	\$ –
Residential mortgage loans on real estate	–	61	–	62
Total	\$ 60	\$ 61	\$ –	\$ 62

We use loan-to-value and debt-service coverage ratios as credit quality indicators for our commercial mortgage loans on real estate. The amortized cost of commercial mortgage loans on real estate (dollars in millions) by year of origination and credit quality indicator was as follows:

Origination Year	As of March 31, 2024						
	Less than 65%	Debt-Service Coverage Ratio	65% to 75%	Debt-Service Coverage Ratio	Greater than 75%	Debt-Service Coverage Ratio	Total
	2024	\$ 333	2.64	\$ 18	1.31	\$ –	–
2023	1,373	1.90	50	1.35	–	–	1,423
2022	1,735	2.05	104	1.59	5	1.33	1,844
2021	2,335	3.34	53	1.54	–	–	2,388
2020	1,190	3.22	6	1.43	–	–	1,196
2019 and prior	10,079	2.57	142	1.59	8	1.30	10,229
Total	\$ 17,045		\$ 373		\$ 13		\$ 17,431

Origination Year	As of December 31, 2023						
	Less than 65%	Debt-Service Coverage Ratio	65% to 75%	Debt-Service Coverage Ratio	Greater than 75%	Debt-Service Coverage Ratio	Total
	2023	\$ 1,368	1.90	\$ 54	1.38	\$ –	–
2022	1,710	2.06	140	1.54	–	–	1,850
2021	2,335	3.34	61	1.55	–	–	2,396
2020	1,214	3.24	11	1.38	–	–	1,225
2019	2,446	2.40	80	1.56	10	2.33	2,536
2018 and prior	7,789	2.39	78	1.60	14	0.87	7,881
Total	\$ 16,862		\$ 424		\$ 24		\$ 17,310

We use loan performance status as the primary credit quality indicator for our residential mortgage loans on real estate. The amortized cost of residential mortgage loans on real estate (in millions) by year of origination and credit quality indicator was as follows:

Origination Year	As of March 31, 2024		
	Performing	Nonperforming	Total
2024	\$ 54	\$ –	\$ 54
2023	665	5	670
2022	525	23	548
2021	459	16	475
2020	76	2	78
2019 and prior	147	15	162
Total	<u>\$ 1,926</u>	<u>\$ 61</u>	<u>\$ 1,987</u>

Origination Year	As of December 31, 2023		
	Performing	Nonperforming	Total
2023	\$ 515	\$ 2	\$ 517
2022	533	22	555
2021	465	18	483
2020	78	3	81
2019	99	13	112
2018 and prior	53	4	57
Total	<u>\$ 1,743</u>	<u>\$ 62</u>	<u>\$ 1,805</u>

#### *Credit Losses on Mortgage Loans on Real Estate*

In connection with our recognition of an allowance for credit losses for mortgage loans on real estate, we perform a quantitative analysis using a probability of default/loss given default/exposure at default approach to estimate expected credit losses in our mortgage loan portfolio as well as unfunded commitments related to commercial mortgage loans, exclusive of certain mortgage loans held at fair value.

Changes in the allowance for credit losses on mortgage loans on real estate (in millions) were as follows:

	For the Three Months Ended		
	March 31, 2024		
	Commercial	Residential	Total
Balance as of beginning-of-year	\$ 86	\$ 28	\$ 114
Additions (reductions) from provision for credit loss expense <sup>(1)</sup>	(2)	3	1
Additions from purchases of PCD mortgage loans on real estate	–	–	–
Balance as of end-of-period <sup>(2)</sup>	<u>\$ 84</u>	<u>\$ 31</u>	<u>\$ 115</u>

	For the Three Months Ended March 31, 2023		
	Commercial	Residential	Total
Balance as of beginning-of-year	\$ 84	\$ 15	\$ 99
Additions (reductions) from provision for credit loss expense <sup>(1)</sup>	(1)	5	4
Additions from purchases of PCD mortgage loans on real estate	—	—	—
Balance as of end-of-period <sup>(2)</sup>	<u>\$ 83</u>	<u>\$ 20</u>	<u>\$ 103</u>

<sup>(1)</sup> We recognized \$1 million of credit loss benefit (expense) related to unfunded commitments for mortgage loans on real estate for the three months ended March 31, 2024. We did not recognize any credit loss benefit (expense) related to unfunded commitments for mortgage loans on real estate for the three months ended March 31, 2023.

<sup>(2)</sup> Accrued investment income on mortgage loans on real estate totaled \$69 million and \$52 million as of March 31, 2024 and 2023, respectively, and was excluded from the estimate of credit losses.

### Alternative Investments

As of March 31, 2024, and December 31, 2023, alternative investments included investments in 358 and 352 different partnerships, respectively, and represented approximately 3% of total investments.

### Impairments on Fixed Maturity AFS Securities

Details underlying credit loss benefit (expense) incurred as a result of impairments that were recognized in net income (loss) and included in realized gain (loss) on fixed maturity AFS securities (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Credit Loss Benefit (Expense)</b>		
Fixed maturity AFS securities:		
Corporate bonds	\$ (2)	\$ (18)
RMBS	—	1
Total credit loss benefit (expense)	<u>\$ (2)</u>	<u>\$ (17)</u>

**Payables for Collateral on Investments**

The carrying value of the payables for collateral on investments included on the Consolidated Balance Sheets and the fair value of the related investments or collateral (in millions) consisted of the following:

	As of March 31, 2024		As of December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Collateral payable for derivative investments <sup>(1)</sup>	\$ 6,934	\$ 6,934	\$ 5,250	\$ 5,250
Securities pledged under securities lending agreements <sup>(2)</sup>	283	274	205	197
Investments pledged for FHLBI <sup>(3)</sup>	2,900	4,032	2,650	3,603
Total payables for collateral on investments	<u>\$ 10,117</u>	<u>\$ 11,240</u>	<u>\$ 8,105</u>	<u>\$ 9,050</u>

- <sup>(1)</sup> We obtain collateral based upon contractual provisions with our counterparties. These agreements take into consideration the counterparties' credit rating as compared to ours, the fair value of the derivative investments and specified thresholds that if exceeded result in the receipt of cash that is typically invested in cash and invested cash or fixed maturity AFS securities. This also includes interest payable on collateral. See Note 5 for additional information.
- <sup>(2)</sup> Our pledged securities under securities lending agreements are included in fixed maturity AFS securities on the Consolidated Balance Sheets. We generally obtain collateral in an amount equal to 102% and 105% of the fair value of the domestic and foreign securities, respectively. We value collateral daily and obtain additional collateral when deemed appropriate. The cash received in our securities lending program is typically invested in cash and invested cash or fixed maturity AFS securities.
- <sup>(3)</sup> Our pledged investments for Federal Home Loan Bank ("FHLB") of Indianapolis ("FHLBI") are included in fixed maturity AFS securities and mortgage loans on real estate on the Consolidated Balance Sheets. The collateral requirements are generally 105% to 115% of the fair value for fixed maturity AFS securities and 155% to 175% of the fair value for mortgage loans on real estate. The cash received in these transactions is primarily invested in cash and invested cash or fixed maturity AFS securities.

We have repurchase agreements through which we can obtain liquidity by pledging securities. The collateral requirements are generally 80% to 95% of the fair value of the securities, and our agreements with third parties contain contractual provisions to allow for additional collateral to be obtained when necessary. The cash received in our repurchase program is typically invested in fixed maturity AFS securities. As of March 31, 2024, and December 31, 2023, we were not participating in any open repurchase agreements.

Increase (decrease) in payables for collateral on investments (in millions) consisted of the following:

	For the Three Months Ended March 31,	
	2024	2023
Collateral payable for derivative investments	\$ 1,684	\$ 268
Securities pledged under securities lending agreements	78	(2)
Investments pledged for FHLBI	250	(175)
Total increase (decrease) in payables for collateral on investments	<u>\$ 2,012</u>	<u>\$ 91</u>

We have elected not to offset our securities lending transactions in the consolidated financial statements. The remaining contractual maturities of securities lending transactions accounted for as secured borrowings (in millions) were as follows:

	As of March 31, 2024				
	Overnight and Continuous	Up to 30 Days	30-90 Days	Greater Than 90 Days	Total
<b>Securities Lending</b>					
Corporate bonds	\$ 276	\$ —	\$ —	\$ —	\$ 276
Foreign government bonds	1	—	—	—	1
Equity securities	6	—	—	—	6
Total gross secured borrowings	<u>\$ 283</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 283</u>

**As of December 31, 2023**

	<b>Overnight and Continuous</b>	<b>Up to 30 Days</b>	<b>30-90 Days</b>	<b>Greater Than 90 Days</b>	<b>Total</b>
<b>Securities Lending</b>					
Corporate bonds	\$ 202	\$ –	\$ –	\$ –	\$ 202
Equity securities	3	–	–	–	3
Total gross secured borrowings	<u>\$ 205</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 205</u>

We accept collateral in the form of securities in connection with repurchase agreements. In instances where we are permitted to sell or re-pledge the securities received, we report the fair value of the collateral received and a related obligation to return the collateral in the consolidated financial statements. In addition, we receive securities in connection with securities borrowing agreements that we are permitted to sell or re-pledge. As of March 31, 2024, the fair value of this collateral received that we are permitted to sell or re-pledge was \$25 million, and we had not re-pledged any of this collateral to cover our collateral requirements.

We also accept collateral from derivative counterparties in the form of securities that we are permitted to sell or re-pledge. As of March 31, 2024, the fair value of this collateral received that we are permitted to sell or re-pledge was \$1.7 billion, and we had re-pledged \$527 million of this collateral to cover our collateral requirements.

We have also pledged fixed maturity AFS securities to derivative counterparties with a fair value of \$52 million as of March 31, 2024.

#### **Investment Commitments**

As of March 31, 2024, our investment commitments were \$3.8 billion, which included \$2.9 billion of limited partnerships (“LPs”), \$748 million of mortgage loans on real estate and \$199 million of private placement securities.

#### **Concentrations of Financial Instruments**

As of March 31, 2024, and December 31, 2023, our most significant investments in one issuer were our investments in securities issued by the Federal National Mortgage Association with a fair value of \$741 million and \$739 million, respectively, or 1% of total investments, and our investments in securities issued by the Federal Home Loan Mortgage Corporation with a fair value of \$567 million and \$570 million, respectively, or 1% of total investments. These concentrations include fixed maturity AFS, trading and equity securities.

As of March 31, 2024, our most significant investments in one industry were our investments in securities in the consumer non-cyclical industry and financial services industry with a fair value of \$13.7 billion and \$13.5 billion, respectively, or 11% of total investments. As of December 31, 2023, our most significant investments in one industry were our investments in securities in the financial services industry and consumer non-cyclical industry with a fair value of \$14.0 billion and \$13.8 billion, respectively, or 11% of total investments. These concentrations include fixed maturity AFS, trading and equity securities.

#### **4. Variable Interest Entities**

##### **Consolidated VIEs**

Asset information (dollars in millions) for the consolidated variable interest entities (“VIEs”) included on the Consolidated Balance Sheets was as follows:

	<b>As of March 31, 2024</b>			<b>As of December 31, 2023</b>		
	<b>Number of Instruments</b>	<b>Notional Amounts</b>	<b>Carrying Value</b>	<b>Number of Instruments</b>	<b>Notional Amounts</b>	<b>Carrying Value</b>
<b>Assets</b>						
Total return swap	1	\$ 529	\$ –	1	\$ 544	\$ –

There were no gains or losses for consolidated VIEs recognized on the Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2024 and 2023.

## **Unconsolidated VIEs**

### *Structured Securities*

Through our investment activities, we make passive investments in structured securities issued by VIEs for which we are not the manager. These structured securities include our ABS, residential mortgage-backed securities (“RMBS”) and commercial mortgage-backed securities (“CMBS”). We have not provided financial or other support with respect to these VIEs other than our original investment. We have determined that we are not the primary beneficiary of these VIEs due to the relative size of our investment in comparison to the principal amount of the structured securities issued by the VIEs and the level of credit subordination that reduces our obligation to absorb losses or right to receive benefits. Our maximum exposure to loss on these structured securities is limited to the amortized cost for these investments. We recognize our variable interest in these VIEs at fair value on the Consolidated Balance Sheets. For information about these structured securities, see Note 3.

### *Limited Partnerships and Limited Liability Companies*

We invest in certain LPs and limited liability companies (“LLCs”) that we have concluded are VIEs. Our exposure to loss is limited to the capital we invest in the LPs and LLCs. We do not hold any substantive kick-out or participation rights in the LPs and LLCs, and we do not receive any performance fees or decision maker fees from the LPs and LLCs. Based on our analysis of the LPs and LLCs, we are not the primary beneficiary of the VIEs as we do not have the power to direct the most significant activities of the LPs and LLCs. The carrying amounts of our investments in the LPs and LLCs are recognized in other investments on the Consolidated Balance Sheets and were \$4.5 billion and \$4.2 billion as of March 31, 2024, and December 31, 2023, respectively.

## **5. Derivative Instruments**

We maintain an overall risk management strategy that incorporates the use of derivative instruments to minimize significant unplanned fluctuations in earnings that are caused by interest rate risk, foreign currency exchange risk, equity market risk, basis risk, commodity risk and credit risk. We assess these risks by continually identifying and monitoring changes in our exposures that may adversely affect expected future cash flows and by evaluating hedging opportunities.

Derivative activities are monitored by various management committees. The committees are responsible for overseeing the implementation of various hedging strategies that are developed through the analysis of financial simulation models and other internal and industry sources. The resulting hedging strategies are incorporated into our overall risk management strategies.

See Note 13 for additional disclosures related to the fair value of our derivative instruments.

### **Interest Rate Contracts**

We use derivative instruments as part of our interest rate risk management strategy. These instruments are economic hedges unless otherwise noted and include:

#### *Forward-Starting Interest Rate Swaps*

We use forward-starting interest rate swaps to hedge the interest rate exposure within our annuity and life insurance products.

#### *Interest Rate Cap Corridors*

We use interest rate cap corridors to provide a level of protection from the effect of rising interest rates for certain annuity contracts and life insurance products. Interest rate cap corridors involve purchasing an interest rate cap at a specific cap rate and selling an interest rate cap with a higher cap rate. For each corridor, the amount of quarterly payments, if any, is determined by the rate at which the underlying index rate resets above the original capped rate. The corridor limits the benefit the purchaser can receive as the related interest rate index rises above the higher capped rate. There is no additional liability to us other than the purchase price associated with the interest rate cap corridor.

#### *Interest Rate Futures*

We use interest rate futures contracts to hedge the liability exposure on certain options in variable annuity products. These futures contracts require payment between our counterparty and us on a daily basis for changes in the futures index price.

#### *Interest Rate Swap Agreements*

We use interest rate swap agreements to hedge the liability exposure on certain options in variable annuity products.

We also use interest rate swap agreements designated and qualifying as cash flow hedges to hedge the interest rate risk of floating-rate bond coupon payments by replicating a fixed-rate bond.

Finally, we use interest rate swap agreements designated and qualifying as fair value hedges to hedge against changes in the fair value of certain fixed-rate long-term debt and fixed maturity securities due to interest rate risks.

#### *Bond Forwards and Treasury and Reverse Treasury Locks*

We use treasury locks designated and qualifying as cash flow hedges to hedge the interest rate exposure related to our issuance of fixed-rate securities or the anticipated future cash flows of floating-rate fixed maturity securities due to changes in interest rates. In addition, we use bond forwards and reverse treasury locks designated and qualifying as cash flow hedges to hedge the interest rate exposure related to the anticipated purchase of fixed-rate securities or the anticipated future cash flows of floating-rate fixed maturity securities due to changes in interest rates. These derivatives are primarily structured to hedge interest rate risk inherent in the assumptions used to price certain liabilities.

### **Foreign Currency Contracts**

We use derivative instruments as part of our foreign currency risk management strategy. These instruments are economic hedges unless otherwise noted and include:

#### *Currency Futures*

We use currency futures to hedge foreign exchange risk associated with certain options in variable annuity products. Currency futures exchange one currency for another at a specified date in the future at a specified exchange rate.

#### *Foreign Currency Swaps*

We use foreign currency swaps to hedge foreign exchange risk of investments in fixed maturity securities denominated in foreign currencies. A foreign currency swap is a contractual agreement to exchange one currency for another at specified dates in the future at a specified exchange rate.

We also use foreign currency swaps designated and qualifying as cash flow hedges to hedge foreign exchange risk of investments in fixed maturity securities denominated in foreign currencies.

#### *Foreign Currency Forwards*

We use foreign currency forwards to hedge foreign exchange risk of investments in fixed maturity securities denominated in foreign currencies. A foreign currency forward is a contractual agreement to exchange one currency for another at specified dates in the future at a specified current exchange rate.

### **Equity Market Contracts**

We use derivative instruments as part of our equity market risk management strategy that are economic hedges and include:

#### *Call Options Based on the S&P 500® Index and Other Indices*

We use call options to hedge the liability exposure on certain options in variable annuity, RILA, fixed indexed annuity, IUL and VUL products.

Our RILA, fixed indexed annuity and IUL contracts permit the holder to elect an interest rate return or an equity market component, where interest credited to the contracts is linked to the performance of the S&P 500 Index or other indices. Policyholders may elect to rebalance index options at renewal dates. At the end of each indexed term, which can be up to six years, we have the opportunity to re-price the indexed component by establishing participation rates, caps, spreads and specified rates, subject to contractual guarantees. We use call options that are highly correlated to the portfolio allocation decisions of our policyholders, such that we are economically hedged with respect to equity returns for the current reset period.

*Consumer Price Index Swaps*

We use consumer price index swaps to hedge the liability exposure on certain options in fixed annuity products. Consumer price index swaps are contracts entered into at no cost and whose payoff is the difference between the consumer price index inflation rate and the fixed-rate determined as of inception.

*Equity Futures*

We use equity futures contracts to hedge the liability exposure on certain options in variable annuity products. These futures contracts require payment between our counterparty and us on a daily basis for changes in the futures index price.

*Put Options*

We use put options to hedge the liability exposure on certain options in variable annuity, RILA and VUL products. Put options are contracts that require the buyers to pay at a specified future date the amount, if any, by which a specified equity index is less than the strike rate stated in the agreement, applied to a notional amount.

*Total Return Swaps*

We use total return swaps to hedge the liability exposure on certain options in variable annuity, RILA and VUL products.

In addition, we use total return swaps to hedge a portion of the liability related to our deferred compensation plans. We receive the total return on a portfolio of indexes and pay a floating-rate of interest.

**Commodity Contracts**

We use commodity contracts to economically hedge certain investments that are closely tied to the changes in commodity values. The commodity contract is an over-the-counter contract that combines a purchase put/sold call to lock in a commodity price within a predetermined range in exchange for a net premium.

**Credit Contracts**

We use derivative instruments as part of our credit risk management strategy that are economic hedges and include:

*Credit Default Swaps – Buying Protection*

We use credit default swaps (“CDSs”) to hedge the liability exposure on certain options in variable annuity products.

We buy CDSs to hedge against a drop in bond prices due to credit concerns of certain bond issuers. A CDS allows us to put the bond back to the counterparty at par upon a default event by the bond issuer. A default event is defined as bankruptcy, failure to pay, obligation acceleration or restructuring.

*CDSs – Selling Protection*

We use CDSs to hedge the liability exposure on certain options in variable annuity products.

We sell CDSs to offer credit protection to policyholders and investors. The CDSs hedge the policyholders and investors against a drop in bond prices due to credit concerns of certain bond issuers. A CDS allows the investor to put the bond back to us at par upon a default event by the bond issuer. A default event is defined as bankruptcy, failure to pay, obligation acceleration or restructuring.

## Embedded Derivatives

We have embedded derivatives that include:

### *RILA, Fixed Indexed Annuity and IUL Contracts Embedded Derivatives*

Our RILA, fixed indexed annuity and IUL contracts permit the holder to elect an interest rate return or an equity market component, where interest credited to the contracts is linked to the performance of the S&P 500® Index or other indices. Policyholders may elect to rebalance index options at renewal dates. At the end of each indexed term, which can be up to six years, we have the opportunity to re-price the indexed component by establishing participation rates, caps, spreads and specified rates, subject to contractual guarantees. We use options that are highly correlated to the portfolio allocation decisions of our policyholders, such that we are economically hedged with respect to equity returns for the current reset period.

### *Reinsurance-Related Embedded Derivatives*

We have certain modified coinsurance and coinsurance with funds withheld reinsurance agreements with embedded derivatives related to the withheld assets of the related funds. These derivatives are considered total return swaps with contractual returns that are attributable to various assets and liabilities associated with these reinsurance agreements.

## Primary Risks Managed by Derivatives

We have derivative instruments with off-balance-sheet risks whose notional or contract amounts exceed the related credit exposure. Outstanding derivative instruments with off-balance-sheet risks (in millions) were as follows:

	As of March 31, 2024			As of December 31, 2023		
	Notional Amounts	Fair Value		Notional Amounts	Fair Value	
		Asset	Liability		Asset	Liability
<b>Qualifying Hedges</b>						
Cash flow hedges:						
Interest rate contracts <sup>(1)</sup>	\$ 1,583	\$ 242	\$ 28	\$ 1,698	\$ 181	\$ 47
Foreign currency contracts <sup>(1)</sup>	4,722	467	60	4,662	423	78
Total cash flow hedges	6,305	709	88	6,360	604	125
Fair value hedges:						
Interest rate contracts <sup>(1)</sup>	1,076	2	32	1,081	1	39
Foreign currency contracts <sup>(1)</sup>	25	–	–	25	–	1
Total fair value hedges	1,101	2	32	1,106	1	40
<b>Non-Qualifying Hedges</b>						
Interest rate contracts <sup>(1)</sup>	72,592	771	1,027	90,829	636	979
Foreign currency contracts <sup>(1)</sup>	370	13	3	306	11	6
Equity market contracts <sup>(1)</sup>	231,313	13,816	5,953	225,626	10,244	4,227
Credit contracts <sup>(1)</sup>	39	–	–	91	–	–
Embedded derivatives:						
Reinsurance-related <sup>(2)</sup>	–	–	355	–	–	552
RILA, fixed indexed annuity and IUL contracts <sup>(3)</sup>	–	973	10,896	–	940	9,077
Total derivative instruments	\$ 311,720	\$ 16,284	\$ 18,354	\$ 324,318	\$ 12,436	\$ 15,006

<sup>(1)</sup> These asset and liability balances are presented on a gross basis. Amounts are reported in derivative investments and other liabilities on the Consolidated Balance Sheets after the evaluation for right of offset subject to master netting agreements.

<sup>(2)</sup> Reported in funds withheld reinsurance liabilities on the Consolidated Balance Sheets.

<sup>(3)</sup> Reported in policyholder account balances and deposit assets on the Consolidated Balance Sheets.

The maturity of the notional amounts of derivative instruments (in millions) was as follows:

	Remaining Life as of March 31, 2024					Total
	Less Than 1 Year	1 – 5 Years	6 - 10 Years	11 - 30 Years	Over 30 Years	
Interest rate contracts <sup>(1)</sup>	\$ 9,795	\$ 19,247	\$ 22,649	\$ 22,347	\$ 1,213	\$ 75,251
Foreign currency contracts <sup>(2)</sup>	356	1,007	1,725	1,987	42	5,117
Equity market contracts	186,027	34,228	7,262	8	3,788	231,313
Credit contracts	–	39	–	–	–	39
Total derivative instruments with notional amounts	\$ 196,178	\$ 54,521	\$ 31,636	\$ 24,342	\$ 5,043	\$ 311,720

<sup>(1)</sup> As of March 31, 2024, the latest maturity date for which we were hedging our exposure to the variability in future cash flows for these instruments was April 20, 2067.

<sup>(2)</sup> As of March 31, 2024, the latest maturity date for which we were hedging our exposure to the variability in future cash flows for these instruments was June 16, 2061.

The following amounts (in millions) were recorded on the Consolidated Balance Sheets related to cumulative basis adjustments for fair value hedges:

Line Item in the Consolidated Balance Sheets in which the Hedged Item is Included	Amortized Cost of the Hedged Assets / (Liabilities)		Cumulative Fair Value Hedging Adjustment Included in the Amortized Cost of the Hedged Assets / (Liabilities)	
	As of March 31, 2024	As of December 31, 2023	As of March 31, 2024	As of December 31, 2023
	Fixed maturity AFS securities, at fair value	\$ 510	\$ 534	\$ 21
Long-term debt <sup>(1)</sup>	(686)	(703)	189	172

<sup>(1)</sup> Includes \$(322) million and \$(326) million of unamortized adjustments from discontinued hedges as of March 31, 2024, and December 31, 2023, respectively.

The change in our unrealized gain (loss) on derivative instruments within accumulated other comprehensive income (loss) (“AOCI”) (in millions) was as follows:

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Unrealized Gain (Loss) on Derivative Instruments</b>		
Balance as of beginning-of-year	\$ 375	\$ 388
Other comprehensive income (loss):		
Unrealized holding gains (losses) arising during the period:		
Cash flow hedges:		
Interest rate contracts	89	58
Foreign currency contracts	(25)	76
Change in foreign currency exchange rate adjustment	101	(67)
Income tax benefit (expense)	(35)	(15)
Less:		
Reclassification adjustment for gains (losses) included in net income (loss):		
Cash flow hedges:		
Foreign currency contracts <sup>(1)</sup>	15	14
Interest rate contracts <sup>(2)</sup>	9	6
Foreign currency contracts <sup>(3)</sup>	–	2
Income tax benefit (expense)	(5)	(5)
Balance as of end-of-period	<u>\$ 486</u>	<u>\$ 423</u>

<sup>(1)</sup> The OCI offset is reported within net investment income on the Consolidated Statements of Comprehensive Income (Loss).

<sup>(2)</sup> The OCI offset is reported within interest and debt expense on the Consolidated Statements of Comprehensive Income (Loss).

<sup>(3)</sup> The OCI offset is reported within realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss).

The effects of qualifying and non-qualifying hedges (in millions) on the Consolidated Statements of Comprehensive Income (Loss) were as follows:

	<b>Gain (Loss) Recognized in Income</b>					
	<b>For the Three Months Ended March 31,</b>					
	<b>2024</b>			<b>2023</b>		
	<b>Realized Gain (Loss)</b>	<b>Net Investment Income</b>	<b>Interest and Debt Expense</b>	<b>Realized Gain (Loss)</b>	<b>Net Investment Income</b>	<b>Interest and Debt Expense</b>
<b>Total Line Items in which the Effects of Fair Value or Cash Flow Hedges are Recorded</b>	\$ (434)	\$ 1,346	\$ 81	\$ (828)	\$ 1,466	\$ 83
<b>Qualifying Hedges</b>						
Gain or (loss) on fair value hedging relationships:						
Interest rate contracts:						
Hedged items	–	(18)	17	–	16	(21)
Derivatives designated as hedging instruments	–	18	(17)	–	(16)	21
Foreign currency contracts:						
Hedged items	–	(1)	–	–	–	–
Derivatives designated as hedging instruments	–	1	–	–	–	–
Gain or (loss) on cash flow hedging relationships:						
Interest rate contracts:						
Amount of gain or (loss) reclassified from AOCI into income	–	–	9	–	–	6
Foreign currency contracts:						
Amount of gain or (loss) reclassified from AOCI into income	–	15	–	2	14	–
<b>Non-Qualifying Hedges</b>						
Interest rate contracts	(163)	–	–	332	–	–
Foreign currency contracts	–	–	–	(1)	–	–
Equity market contracts	2,134	–	–	(53)	–	–
Commodity contracts	–	–	–	11	–	–
Credit contracts	–	–	–	(1)	–	–
Embedded derivatives:						
Reinsurance-related	197	–	–	(49)	–	–
RILA, fixed indexed annuity and IUL contracts	(1,642)	–	–	(713)	–	–

As of March 31, 2024, \$99 million of the deferred net gains (losses) on derivative instruments in AOCI were expected to be reclassified to earnings during the next 12 months. This reclassification would be due primarily to interest rate variances related to our interest rate swap agreements.

For the three months ended March 31, 2024 and 2023, there were no material reclassifications to earnings due to hedged firm commitments no longer deemed probable or due to hedged forecasted transactions that had not occurred by the end of the originally specified time period.

Information related to our CDSs for which we are the seller (dollars in millions) was as follows:

As of March 31, 2024							
Credit Contract Type	Maturity	Reason for Entering	Name of Recourse	Credit Rating of Underlying Obligation <sup>(1)</sup>	Number of Instruments	Fair Value <sup>(2)</sup>	Maximum Potential Payout
Basket CDSs	12/20/2028	<sup>(3)</sup>	<sup>(4)</sup>	BBB+	1	\$ 1	\$ 39

<sup>(1)</sup> Represents average credit ratings based on the midpoint of the applicable ratings among Moody's, S&P and Fitch Ratings, as scaled to the corresponding S&P ratings.

<sup>(2)</sup> Third-party valuation specialists are used to determine the market value of our CDSs.

<sup>(3)</sup> CDSs were entered into in order to hedge the liability exposure on certain variable annuity products.

<sup>(4)</sup> Sellers do not have the right to demand indemnification or compensation from third parties in case of a loss (payment) on the contract.

As of December 31, 2023, we did not have any exposure related to CDSs for which we are the seller.

Details underlying the associated collateral of our CDSs for which we are the seller if credit risk-related contingent features were triggered (in millions) were as follows:

	As of March 31, 2024	As of December 31, 2023
Maximum potential payout	\$ 39	\$ –
Less: Counterparty thresholds	–	–
Maximum collateral potentially required to post	\$ 39	\$ –

Certain of our CDS agreements contain contractual provisions that allow for the netting of collateral with our counterparties related to all of our collateralized financing transactions that we have outstanding. If these netting agreements were not in place, our counterparties would have been required to post \$1 million of collateral as of March 31, 2024.

## Credit Risk

We are exposed to credit losses in the event of non-performance by our counterparties on various derivative contracts and reflect assumptions regarding the credit or non-performance risk. The non-performance risk is based upon assumptions for each counterparty's credit spread over the estimated weighted average life of the counterparty exposure, less collateral held. As of March 31, 2024, the non-performance risk adjustment was zero. The credit risk associated with such agreements is minimized by entering into agreements with financial institutions with long-standing, superior performance records. Additionally, we maintain a policy of requiring derivative contracts to be governed by an International Swaps and Derivatives Association ("ISDA") Master Agreement. We are required to maintain minimum ratings as a matter of routine practice in negotiating ISDA agreements. Under nearly all ISDA agreements, our insurance subsidiaries have agreed to maintain certain financial strength ratings. A downgrade below these levels could result in termination of derivative contracts, at which time any amounts payable by us would be dependent on the market value of the underlying derivative contracts. In certain transactions, we and the counterparty have entered into a credit support annex requiring either party to post collateral when net exposures exceed pre-determined thresholds. These thresholds vary by counterparty and credit rating. The amount of such exposure is essentially the net replacement cost or market value less collateral held for such agreements with each counterparty if the net market value is in our favor. We did not have any exposure as of March 31, 2024, or December 31, 2023.

The amounts recognized (in millions) by S&P credit rating of counterparty, for which we had the right to reclaim cash collateral or were obligated to return cash collateral, were as follows:

S&P Credit Rating of Counterparty	As of March 31, 2024		As of December 31, 2023	
	Collateral Posted by Counter- Party (Held by LNC)	Collateral Posted by LNC (Held by Counter- Party)	Collateral Posted by Counter- Party (Held by LNC)	Collateral Posted by LNC (Held by Counter- Party)
AA-	\$ 3,403	\$ (71)	\$ 2,378	\$ (63)
A+	2,929	(43)	2,496	(125)
A	90	–	82	–
A-	481	–	273	–
	<u>\$ 6,903</u>	<u>\$ (114)</u>	<u>\$ 5,229</u>	<u>\$ (188)</u>

### Balance Sheet Offsetting

Information related to the effects of offsetting on the Consolidated Balance Sheets (in millions) was as follows:

	As of March 31, 2024		
	Derivative Instruments	Embedded Derivative Instruments	Total
<b>Financial Assets</b>			
Gross amount of recognized assets	\$ 15,250	\$ 973	\$ 16,223
Gross amounts offset	(6,856)	–	(6,856)
Net amount of assets	8,394	973	9,367
Gross amounts not offset:			
Cash collateral	(6,903)	–	(6,903)
Non-cash collateral <sup>(1)</sup>	(1,491)	–	(1,491)
Net amount	<u>\$ –</u>	<u>\$ 973</u>	<u>\$ 973</u>
<b>Financial Liabilities</b>			
Gross amount of recognized liabilities	\$ 273	\$ 11,251	\$ 11,524
Gross amounts offset	(87)	–	(87)
Net amount of liabilities	186	11,251	11,437
Gross amounts not offset:			
Cash collateral	(114)	–	(114)
Non-cash collateral <sup>(2)</sup>	(72)	–	(72)
Net amount	<u>\$ –</u>	<u>\$ 11,251</u>	<u>\$ 11,251</u>

<sup>(1)</sup> Excludes excess non-cash collateral received of \$1.4 billion, as the collateral offset is limited to the net estimated fair value of derivatives after application of netting arrangements.

<sup>(2)</sup> Excludes excess non-cash collateral pledged of \$89 million, as the collateral offset is limited to the net estimated fair value of derivatives after application of netting arrangements.

	As of December 31, 2023		
	Derivative Instruments	Embedded Derivative Instruments	Total
<b>Financial Assets</b>			
Gross amount of recognized assets	\$ 10,927	\$ 940	\$ 11,867
Gross amounts offset	(4,453)	–	(4,453)
Net amount of assets	6,474	940	7,414
Gross amounts not offset:			
Cash collateral	(5,229)	–	(5,229)
Non-cash collateral <sup>(1)</sup>	(1,245)	–	(1,245)
Net amount	\$ –	\$ 940	\$ 940
<b>Financial Liabilities</b>			
Gross amount of recognized liabilities	\$ 967	\$ 9,629	\$ 10,596
Gross amounts offset	(612)	–	(612)
Net amount of liabilities	355	9,629	9,984
Gross amounts not offset:			
Cash collateral	(188)	–	(188)
Non-cash collateral <sup>(2)</sup>	(167)	–	(167)
Net amount	\$ –	\$ 9,629	\$ 9,629

<sup>(1)</sup> Excludes excess non-cash collateral received of \$1.3 billion, as the collateral offset is limited to the net estimated fair value of derivatives after application of netting arrangements.

<sup>(2)</sup> Excludes excess non-cash collateral pledged of \$82 million, as the collateral offset is limited to the net estimated fair value of derivatives after application of netting arrangements.

## 6. DAC, VOBA, DSI and DFEL

The following table reconciles deferred acquisition costs (“DAC”), value of business acquired (“VOBA”) and deferred sales inducements (“DSI”) (in millions) to the Consolidated Balance Sheets:

	As of March 31, 2024	As of December 31, 2023
<b>DAC, VOBA and DSI</b>		
Variable Annuities	\$ 3,871	\$ 3,873
Fixed Annuities	447	455
Traditional Life	1,411	1,418
UL and Other	6,246	6,232
Group Protection	157	154
Retirement Plan Services	273	265
Total DAC, VOBA and DSI	\$ 12,405	\$ 12,397

The following table reconciles deferred front-end loads (“DFEL”) (in millions) to the Consolidated Balance Sheets:

	As of March 31, 2024	As of December 31, 2023
<b>DFEL</b>		
Variable Annuities	\$ 277	\$ 278
UL and Other <sup>(1)</sup>	5,778	5,579
Other Operations <sup>(2)</sup>	44	44
<b>Total DFEL</b>	<b>\$ 6,099</b>	<b>\$ 5,901</b>

<sup>(1)</sup> We reported \$258 million and \$257 million of ceded DFEL in reinsurance recoverables on the Consolidated Balance Sheets as of March 31, 2024, and December 31, 2023, respectively.

<sup>(2)</sup> Represents DFEL reported in Other Operations attributable to the indemnity reinsurance agreement with Protective that is excluded from the following tables. We reported \$44 million of ceded DFEL in reinsurance recoverables on the Consolidated Balance Sheets as of March 31, 2024, and December 31, 2023.

The following tables summarize the changes in DAC (in millions):

	For the Three Months Ended March 31, 2024					
	Variable Annuities	Fixed Annuities	Traditional Life	UL and Other	Group Protection	Retirement Plan Services
Balance as of beginning-of-year	\$ 3,751	\$ 421	\$ 1,376	\$ 5,791	\$ 154	\$ 239
Deferrals	89	9	32	100	29	5
Amortization	(89)	(16)	(37)	(76)	(26)	(5)
Balance as of end-of-period	<u>\$ 3,751</u>	<u>\$ 414</u>	<u>\$ 1,371</u>	<u>\$ 5,815</u>	<u>\$ 157</u>	<u>\$ 239</u>

  

	For the Three Months Ended March 31, 2023					
	Variable Annuities	Fixed Annuities	Traditional Life	UL and Other	Group Protection	Retirement Plan Services
Balance as of beginning-of-year	\$ 3,751	\$ 439	\$ 1,333	\$ 5,605	\$ 141	\$ 236
Deferrals	84	14	55	118	25	6
Amortization	(90)	(17)	(36)	(73)	(24)	(5)
Balance as of end-of-period	<u>\$ 3,745</u>	<u>\$ 436</u>	<u>\$ 1,352</u>	<u>\$ 5,650</u>	<u>\$ 142</u>	<u>\$ 237</u>

DAC amortization expense of \$249 million and \$245 million was recorded in commissions and other expenses on the Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2024 and 2023, respectively.

The following tables summarize the changes in VOBA (in millions):

	For the Three Months Ended March 31, 2024		
	Fixed Annuities	Traditional Life	UL and Other
Balance as of beginning-of-year	\$ 15	\$ 42	\$ 413
Amortization	(1)	(2)	(10)
Balance as of end-of-period	<u>\$ 14</u>	<u>\$ 40</u>	<u>\$ 403</u>

	For the Three Months Ended March 31, 2023		
	Fixed Annuities	Traditional Life	UL and Other
Balance as of beginning-of-year	\$ 17	\$ 50	\$ 465
Deferrals	1	–	–
Amortization	(1)	(2)	(11)
Balance as of end-of-period	\$ 17	\$ 48	\$ 454

VOBA amortization expense of \$13 million and \$14 million was recorded in commissions and other expenses on the Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2024 and 2023, respectively. No additions or write-offs were recorded for each respective period.

The following tables summarize the changes in DSI (in millions):

	For the Three Months Ended March 31, 2024			
	Variable Annuities	Fixed Annuities	UL and Other	Retirement Plan Services
Balance as of beginning-of-year	\$ 122	\$ 19	\$ 28	\$ 26
Deferrals	1	–	–	8
Amortization	(3)	–	–	–
Balance as of end-of-period	\$ 120	\$ 19	\$ 28	\$ 34

	For the Three Months Ended March 31, 2023			
	Variable Annuities	Fixed Annuities	UL and Other	Retirement Plan Services
Balance as of beginning-of-year	\$ 128	\$ 23	\$ 30	\$ 17
Deferrals	1	–	–	2
Amortization	(4)	(1)	(1)	1
Balance as of end-of-period	\$ 125	\$ 22	\$ 29	\$ 20

DSI amortization expense of \$3 million and \$5 million was recorded in interest credited on the Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2024 and 2023, respectively.

The following tables summarize the changes in DFEL (in millions):

	For the Three Months Ended March 31, 2024		For the Three Months Ended March 31, 2023	
	Variable Annuities	UL and Other	Variable Annuities	UL and Other
Balance as of beginning-of-year	\$ 278	\$ 5,579	\$ 286	\$ 4,766
Deferrals	5	267	5	261
Amortization	(6)	(68)	(7)	(61)
Balance as of end-of-period	277	5,778	284	4,966
Less: ceded DFEL	–	258	–	–
Balance as of end-of-period, net of reinsurance	\$ 277	\$ 5,520	\$ 284	\$ 4,966

DFEL amortization of \$74 million and \$68 million was recorded in fee income on the Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2024 and 2023, respectively.

## 7. Reinsurance

### *Fortitude Re*

Effective October 1, 2023, we entered into two reinsurance agreements with Fortitude Reinsurance Company Ltd. (“Fortitude Re”), an authorized Bermuda reinsurer with reciprocal jurisdiction reinsurer status in Indiana, to reinsure certain blocks of in-force UL with secondary guarantees (“ULSG”), *MoneyGuard*® and fixed annuity products, including group pension annuities. Fortitude Re represents our largest reinsurance exposure as of March 31, 2024, and December 31, 2023.

The first agreement was structured as a coinsurance treaty between us and Fortitude Re for the ULSG and fixed annuities blocks. As significant insurance risk was transferred for ULSG products and life-contingent annuities, amounts recoverable from Fortitude Re were \$10.5 billion as of March 31, 2024, and December 31, 2023. We reported a deferred loss on the transaction of \$2.7 billion as of March 31, 2024, and December 31, 2023. We amortized \$22 million of the deferred loss during the three months ended March 31, 2024. Annuities that are not life-contingent do not contain significant insurance risk; therefore, we reported deposit assets for these contracts of \$3.9 billion and \$4.2 billion as of March 31, 2024, and December 31, 2023, respectively.

The second agreement was structured as coinsurance with funds withheld for the *MoneyGuard* block; however, as we retained significant insurance risk under the agreement, we reported deposit assets of \$7.8 billion as of March 31, 2024, and December 31, 2023. In this coinsurance with funds withheld reinsurance agreement, we as the ceding company withhold, and therefore retain, the assets backing the deposit assets. We held investments with a carrying value of \$9.8 billion and \$9.9 billion in support of reserves associated with the Fortitude Re transaction in a funds withheld arrangement as of March 31, 2024, and December 31, 2023, respectively, which consisted of the following (in millions):

	As of March 31, 2024	As of December 31, 2023
Fixed maturity AFS securities	\$ 8,651	\$ 8,867
Other investments	1,002	759
Cash and invested cash	34	141
Accrued investment income	107	103
Other assets	5	1
Total	<u>\$ 9,799</u>	<u>\$ 9,871</u>

## 8. MRBs

The following table reconciles market risk benefits (“MRBs”) (in millions) to MRB assets and MRB liabilities on the Consolidated Balance Sheets:

	As of March 31, 2024			As of December 31, 2023		
	Assets	Liabilities	Net	Assets	Liabilities	Net
			(Assets) Liabilities			(Assets) Liabilities
Variable Annuities	\$ 4,743	\$ 1,139	\$ (3,604)	\$ 3,763	\$ 1,583	\$ (2,180)
Fixed Annuities	96	123	27	96	128	32
Retirement Plan Services	39	4	(35)	35	5	(30)
Total MRBs	<u>\$ 4,878</u>	<u>\$ 1,266</u>	<u>\$ (3,612)</u>	<u>\$ 3,894</u>	<u>\$ 1,716</u>	<u>\$ (2,178)</u>

The following table summarizes the balances of and changes in net MRB (assets) liabilities (in millions):

	As of or For the Three Months Ended March 31, 2024			As of or For the Three Months Ended March 31, 2023		
	Variable Annuities	Fixed Annuities	Retirement Plan Services	Variable Annuities	Fixed Annuities	Retirement Plan Services
Balance as of beginning-of-year	\$ (2,180)	\$ 32	\$ (30)	\$ (662)	\$ (45)	\$ (22)
Less: Effect of cumulative changes in non-performance risk	(1,299)	(58)	(4)	(2,173)	(40)	(2)
Balance as of beginning-of-year, before the effect of changes in non-performance risk	(881)	90	(26)	1,511	(5)	(20)
Issuances	3	–	–	1	–	–
Attributed fees collected	380	9	2	379	9	2
Benefit payments	(11)	–	–	(19)	–	–
Effect of changes in interest rates	(1,081)	(17)	(6)	1,406	31	5
Effect of changes in equity markets	(1,343)	(11)	(4)	(1,029)	(2)	(6)
Effect of changes in equity index volatility	4	(2)	–	(286)	–	(2)
In-force updates and other changes in MRBs <sup>(1)</sup>	51	1	1	76	1	–
Balance as of end-of-period, before the effect of changes in non-performance risk	(2,878)	70	(33)	2,039	34	(21)
Effect of cumulative changes in non-performance risk	(726)	(43)	(2)	(3,451)	(65)	(5)
Balance as of end-of-period	(3,604)	27	(35)	(1,412)	(31)	(26)
Less: ceded MRB assets (liabilities)	(358)	–	–	(246)	–	–
Balance as of end-of-period, net of reinsurance	<u>\$ (3,246)</u>	<u>\$ 27</u>	<u>\$ (35)</u>	<u>\$ (1,166)</u>	<u>\$ (31)</u>	<u>\$ (26)</u>
Weighted-average age of policyholders (years)	72	69	63	71	68	63
Net amount at risk <sup>(2)</sup>	\$ 2,056	\$ 210	\$ 3	\$ 6,268	\$ 192	\$ 9

<sup>(1)</sup> Consists primarily of changes in MRB assets and liabilities related to differences between separate account fund performance and modeled indices and other changes such as actual to expected policyholder behavior.

<sup>(2)</sup> Net amount at risk (“NAR”) is the current guaranteed minimum benefit in excess of the current account balance as of the balance sheet date. For guaranteed living benefits (“GLBs”), the guaranteed minimum benefit is calculated based on the present value of GLB payments. Our variable annuity products may offer more than one type of guaranteed benefit rider to a policyholder. In instances where more than one guaranteed benefit feature exists in a contract, the guaranteed benefit rider that provides the highest NAR is used in the calculation.

See “MRBs” in Note 13 for details related to our fair value judgments, assumptions, inputs and valuation methodology.

## 9. Separate Accounts

The following table presents the fair value of separate account assets (in millions) reported on the Consolidated Balance Sheets by major investment category:

	As of March 31, 2024	As of December 31, 2023
Mutual funds and collective investment trusts	\$ 165,556	\$ 157,578
Exchange-traded funds	352	350
Fixed maturity AFS securities	162	167
Cash and invested cash	8	25
Other investments	147	137
Total separate account assets	<u>\$ 166,225</u>	<u>\$ 158,257</u>

The following table reconciles separate account liabilities (in millions) to the Consolidated Balance Sheets:

	As of March 31, 2024	As of December 31, 2023
Variable Annuities	\$ 118,176	\$ 113,356
UL and Other	27,007	25,150
Retirement Plan Services	20,986	19,699
Other Operations <sup>(1)</sup>	56	52
Total separate account liabilities	<u>\$ 166,225</u>	<u>\$ 158,257</u>

<sup>(1)</sup> Represents separate account liabilities reported in Other Operations primarily attributable to the indemnity reinsurance agreements with Protective (\$48 million and \$46 million as of March 31, 2024, and December 31, 2023, respectively) that are excluded from the following tables.

The following table summarizes the balances of and changes in separate account liabilities (in millions):

	As of or For the Three Months Ended March 31, 2024			As of or For the Three Months Ended March 31, 2023		
	Variable Annuities	UL and Other	Retirement Plan Services	Variable Annuities	UL and Other	Retirement Plan Services
Balance as of beginning-of-year	\$ 113,356	\$ 25,150	\$ 19,699	\$ 105,573	\$ 20,920	\$ 16,996
Gross deposits	904	358	570	624	394	554
Withdrawals	(3,208)	(103)	(732)	(2,436)	(75)	(586)
Policyholder assessments	(648)	(246)	(44)	(624)	(238)	(40)
Change in market performance	7,503	1,885	1,475	5,054	1,193	978
Net transfers from (to) general account	269	(37)	18	143	(32)	(26)
Balance as of end-of-period	<u>\$ 118,176</u>	<u>\$ 27,007</u>	<u>\$ 20,986</u>	<u>\$ 108,334</u>	<u>\$ 22,162</u>	<u>\$ 17,876</u>
Cash surrender value	\$ 116,771	\$ 24,606	\$ 20,971	\$ 106,796	\$ 19,863	\$ 17,862

## 10. Policyholder Account Balances

The following table reconciles policyholder account balances (in millions) to the Consolidated Balance Sheets:

	As of March 31, 2024	As of December 31, 2023
Variable Annuities	\$ 31,408	\$ 29,141
Fixed Annuities	25,162	25,355
UL and Other	37,006	37,180
Retirement Plan Services	23,586	23,784
Other <sup>(1)</sup>	5,138	5,277
Total policyholder account balances	<u>\$ 122,300</u>	<u>\$ 120,737</u>

<sup>(1)</sup> Represents policyholder account balances reported primarily in Other Operations attributable to the indemnity reinsurance agreements with Protective (\$4.7 billion and \$4.9 billion as of March 31, 2024, and December 31, 2023, respectively) that are excluded from the following tables.

The following table summarizes the balances and changes in policyholder account balances (in millions):

	<u>As of or For the Three Months Ended March 31, 2024</u>			
	<u>Variable Annuities</u>	<u>Fixed Annuities</u>	<u>UL and Other</u>	<u>Retirement Plan Services</u>
Balance as of beginning-of-year	\$ 29,141	\$ 25,355	\$ 37,180	\$ 23,784
Gross deposits	973	973	850	790
Withdrawals	(224)	(1,410)	(364)	(1,203)
Policyholder assessments	–	(17)	(1,124)	(3)
Net transfers from (to) separate account	(178)	–	38	50
Interest credited	158	183	365	168
Change in fair value of embedded derivative instruments	1,538	78	61	–
Balance as of end-of-period	<u>\$ 31,408</u>	<u>\$ 25,162</u>	<u>\$ 37,006</u>	<u>\$ 23,586</u>
Weighted-average crediting rate	2.1%	2.9%	3.9%	2.8%
Net amount at risk <sup>(1)(2)</sup>	\$ 2,056	\$ 210	\$ 300,740	\$ 3
Cash surrender value	30,228	24,139	33,314	23,560

**As of or For the Three Months Ended March 31, 2023**

	<b>Variable Annuities</b>	<b>Fixed Annuities</b>	<b>UL and Other</b>	<b>Retirement Plan Services</b>
Balance as of beginning-of-year	\$ 22,184	\$ 23,365	\$ 37,694	\$ 25,138
Gross deposits	1,222	1,317	926	701
Withdrawals	(170)	(889)	(393)	(1,113)
Policyholder assessments	–	(15)	(1,128)	(3)
Net transfers from (to) separate account	(114)	–	32	103
Interest credited	109	154	373	168
Change in fair value of embedded derivative instruments	540	87	29	–
Balance as of end-of-period	<u>\$ 23,771</u>	<u>\$ 24,019</u>	<u>\$ 37,533</u>	<u>\$ 24,994</u>
Weighted-average crediting rate	1.9 %	2.6 %	4.0 %	2.7 %
Net amount at risk <sup>(1)(2)</sup>	\$ 6,268	\$ 192	\$ 303,412	\$ 9
Cash surrender value	22,698	23,125	34,033	24,989

<sup>(1)</sup> NAR is the current guaranteed minimum benefit in excess of the current account balance as of the balance sheet date. For GLBs, the guaranteed minimum benefit is calculated based on the present value of GLB payments. Our variable annuity products may offer more than one type of guaranteed benefit rider to a policyholder. In instances where more than one guaranteed benefit rider exists in a contract, the guaranteed benefit rider that provides the highest NAR is used in the calculation.

<sup>(2)</sup> Calculation is based on total account balances and includes both policyholder account balances and separate account balances.

The following table presents policyholder account balances (in millions) by range of guaranteed minimum crediting rates and the related range of difference, in basis points, between the interest being credited to policyholders and the respective guaranteed contract minimums:

Range of Guaranteed Minimum Crediting Rate	As of March 31, 2024					Total
	At Guaranteed Minimum	1-50 Basis Points Above	51-100 Basis Points Above	101-150 Basis Points Above	Greater Than 150 Basis Points Above	
<b>Variable Annuities</b>						
Up to 1.00%	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
1.01% - 2.00%	5	–	–	–	6	11
2.01% - 3.00%	560	–	–	–	–	560
3.01% - 4.00%	1,319	–	–	–	–	1,319
4.01% and above	9	–	–	–	–	9
Other <sup>(1)</sup>	–	–	–	–	–	29,509
Total	\$ 1,893	\$ –	\$ –	\$ –	\$ 6	\$ 31,408
<b>Fixed Annuities</b>						
Up to 1.00%	\$ 679	\$ 605	\$ 560	\$ 493	\$ 2,466	\$ 4,803
1.01% - 2.00%	360	99	285	500	3,231	4,475
2.01% - 3.00%	1,749	39	5	1	25	1,819
3.01% - 4.00%	916	–	–	–	–	916
4.01% and above	177	–	–	–	–	177
Other <sup>(1)</sup>	–	–	–	–	–	12,972
Total	\$ 3,881	\$ 743	\$ 850	\$ 994	\$ 5,722	\$ 25,162
<b>UL and Other</b>						
Up to 1.00%	\$ 264	\$ –	\$ 219	\$ 119	\$ 30	\$ 632
1.01% - 2.00%	548	–	–	–	3,208	3,756
2.01% - 3.00%	6,848	10	149	–	–	7,007
3.01% - 4.00%	15,596	–	1	–	–	15,597
4.01% and above	3,722	–	–	–	–	3,722
Other <sup>(1)</sup>	–	–	–	–	–	6,292
Total	\$ 26,978	\$ 10	\$ 369	\$ 119	\$ 3,238	\$ 37,006
<b>Retirement Plan Services</b>						
Up to 1.00%	\$ 437	\$ 500	\$ 740	\$ 3,706	\$ 4,320	\$ 9,703
1.01% - 2.00%	527	1,660	1,413	1,345	14	4,959
2.01% - 3.00%	2,342	21	63	17	1	2,444
3.01% - 4.00%	4,842	31	3	3	–	4,879
4.01% and above	1,458	143	–	–	–	1,601
Total	\$ 9,606	\$ 2,355	\$ 2,219	\$ 5,071	\$ 4,335	\$ 23,586

As of March 31, 2023

Range of Guaranteed Minimum Crediting Rate	At Guaranteed Minimum	1-50 Basis Points Above	51-100 Basis Points Above	101-150 Basis Points Above	Greater Than 150 Basis Points Above	Total
<b>Variable Annuities</b>						
Up to 1.00%	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –
1.01% - 2.00%	4	–	–	–	8	12
2.01% - 3.00%	634	–	–	–	–	634
3.01% - 4.00%	1,503	–	–	–	–	1,503
4.01% and above	10	–	–	–	–	10
Other <sup>(1)</sup>	–	–	–	–	–	21,612
Total	<u>\$ 2,151</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 8</u>	<u>\$ 23,771</u>
<b>Fixed Annuities</b>						
Up to 1.00%	\$ 831	\$ 447	\$ 578	\$ 448	\$ 1,773	\$ 4,077
1.01% - 2.00%	559	141	184	493	1,083	2,460
2.01% - 3.00%	1,885	6	2	–	–	1,893
3.01% - 4.00%	1,473	–	–	–	–	1,473
4.01% and above	193	–	–	–	–	193
Other <sup>(1)</sup>	–	–	–	–	–	13,923
Total	<u>\$ 4,941</u>	<u>\$ 594</u>	<u>\$ 764</u>	<u>\$ 941</u>	<u>\$ 2,856</u>	<u>\$ 24,019</u>
<b>UL and Other</b>						
Up to 1.00%	\$ 312	\$ –	\$ 202	\$ 26	\$ 348	\$ 888
1.01% - 2.00%	556	–	–	–	3,229	3,785
2.01% - 3.00%	7,130	158	–	–	–	7,288
3.01% - 4.00%	16,107	–	1	–	–	16,108
4.01% and above	3,767	–	–	–	–	3,767
Other <sup>(1)</sup>	–	–	–	–	–	5,697
Total	<u>\$ 27,872</u>	<u>\$ 158</u>	<u>\$ 203</u>	<u>\$ 26</u>	<u>\$ 3,577</u>	<u>\$ 37,533</u>
<b>Retirement Plan Services</b>						
Up to 1.00%	\$ 595	\$ 751	\$ 3,062	\$ 2,911	\$ 2,213	\$ 9,532
1.01% - 2.00%	977	2,629	1,196	527	–	5,329
2.01% - 3.00%	3,093	–	–	–	–	3,093
3.01% - 4.00%	5,442	–	–	–	–	5,442
4.01% and above	1,598	–	–	–	–	1,598
Total	<u>\$ 11,705</u>	<u>\$ 3,380</u>	<u>\$ 4,258</u>	<u>\$ 3,438</u>	<u>\$ 2,213</u>	<u>\$ 24,994</u>

<sup>(1)</sup> Consists of indexed account balances that include the fair value of embedded derivative instruments, payout annuity account balances, short-term dollar cost averaging annuities business and policy loans.

## 11. Future Contract Benefits

The following table reconciles future contract benefits (in millions) to the Consolidated Balance Sheets:

	As of March 31, 2024	As of December 31, 2023
Payout Annuities <sup>(1)</sup>	\$ 2,034	\$ 2,085
Traditional Life <sup>(1)</sup>	3,793	3,841
Group Protection <sup>(2)</sup>	5,640	5,689
UL and Other <sup>(3)</sup>	14,444	15,000
Other Operations <sup>(4)</sup>	9,615	9,879
Other <sup>(5)</sup>	3,322	3,371
Total future contract benefits	<u>\$ 38,848</u>	<u>\$ 39,864</u>

<sup>(1)</sup> See liability for future policy benefits (“LFPB”) below for further information.

<sup>(2)</sup> See “Liability for Future Claims” below for further information.

<sup>(3)</sup> See “Additional Liabilities for Other Insurance Benefits” below for further information.

<sup>(4)</sup> Represents future contract benefits reported in Other Operations primarily attributable to the indemnity reinsurance agreements with Protective (\$5.5 billion and \$5.6 billion as of March 31, 2024, and December 31, 2023, respectively) and Swiss Re (\$2.2 billion as of March 31, 2024, and December 31, 2023) that are excluded from the following tables.

<sup>(5)</sup> Represents other miscellaneous reserves that are not representative of long-duration contracts and are excluded from the following tables.

**LFPB**

The following table summarizes the balances of and changes in the present values of expected net premiums and LFPB (in millions, except years):

	As of or For the Three Months Ended March 31, 2024		As of or For the Three Months Ended March 31, 2023	
	Payout Annuities	Traditional Life	Payout Annuities	Traditional Life
<b>Present Value of Expected Net Premiums</b>				
Balance as of beginning-of-year	\$ –	\$ 6,200	\$ –	\$ 6,063
Less: Effect of cumulative changes in discount rate assumptions	–	(148)	–	(582)
Beginning balance at original discount rate	–	6,348	–	6,645
Effect of actual variances from expected experience	–	2	–	(241)
Adjusted balance as of beginning-of-year	–	6,350	–	6,404
Issuances	–	108	–	176
Interest accrual	–	63	–	60
Net premiums collected	–	(202)	–	(203)
Flooring impact of LFPB	–	3	–	2
Ending balance at original discount rate	–	6,322	–	6,439
Effect of cumulative changes in discount rate assumptions	–	(254)	–	(230)
Balance as of end-of-period	\$ –	\$ 6,068	\$ –	\$ 6,209
<b>Present Value of Expected LFPB</b>				
Balance as of beginning-of-year	\$ 2,085	\$ 10,041	\$ 2,004	\$ 9,572
Less: Effect of cumulative changes in discount rate assumptions	(187)	(189)	(263)	(785)
Beginning balance at original discount rate <sup>(1)</sup>	2,272	10,230	2,267	10,357
Effect of actual variances from expected experience	1	7	(1)	(251)
Adjusted balance as of beginning-of-year	2,273	10,237	2,266	10,106
Issuances	15	108	27	177
Interest accrual	22	100	21	95
Benefit payments	(49)	(206)	(46)	(186)
Ending balance at original discount rate <sup>(1)</sup>	2,261	10,239	2,268	10,192
Effect of cumulative changes in discount rate assumptions	(227)	(378)	(200)	(302)
Balance as of end-of-period	\$ 2,034	\$ 9,861	\$ 2,068	\$ 9,890
Net balance as of end-of-period	\$ 2,034	\$ 3,793	\$ 2,068	\$ 3,681
Less: reinsurance recoverables	1,562	421	3	520
Net balance as of end-of-period, net of reinsurance	\$ 472	\$ 3,372	\$ 2,065	\$ 3,161
Weighted-average duration of future policyholder benefit liability (years)	9	9	9	10

<sup>(1)</sup> Includes deferred profit liability within Payout Annuities of \$60 million and \$43 million as of March 31, 2024 and 2023, respectively.

For the three months ended March 31, 2024 and 2023, Traditional Life and Payout Annuities did not have any significantly different actual experience compared to expected.

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The following table summarizes the discounted and undiscounted expected future gross premiums and expected future benefit payments (in millions):

	As of March 31, 2024		As of March 31, 2023	
	Undiscounted	Discounted	Undiscounted	Discounted
<b>Payout Annuities</b>				
Expected future gross premiums	\$ –	\$ –	\$ –	\$ –
Expected future benefit payments	3,438	2,034	3,461	2,068
<b>Traditional Life</b>				
Expected future gross premiums	13,896	9,570	14,005	9,750
Expected future benefit payments	14,582	9,861	14,485	9,890

The following table summarizes the gross premiums and interest accretion (in millions) recognized in insurance premiums and benefits, respectively, on the Consolidated Statements of Comprehensive Income (Loss):

	For the Three Months Ended March 31,	
	2024	2023
<b>Payout Annuities</b>		
Gross premiums	\$ 21	\$ 28
Interest accretion	22	21
<b>Traditional Life</b>		
Gross premiums	314	313
Interest accretion	37	35

The following table summarizes the weighted-average interest rates:

	For the Three Months Ended March 31,	
	2024	2023
<b>Payout Annuities</b>		
Interest accretion rate	3.9 %	3.9 %
Current discount rate	5.2 %	4.9 %
<b>Traditional Life</b>		
Interest accretion rate	5.0 %	5.1 %
Current discount rate	5.0 %	4.8 %

*Liability for Future Claims*

The following table summarizes the balances of and changes in liability for future claims (in millions, except years):

	<b>Group Protection</b>	
	<b>As of or For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Balance as of beginning-of-year	\$ 5,689	\$ 5,462
Less: Effect of cumulative changes in discount rate assumptions	(490)	(597)
Beginning balance at original discount rate	6,179	6,059
Effect of actual variances from expected experience	(67)	(100)
Adjusted beginning-of-year balance	6,112	5,959
New incidence	408	437
Interest	48	42
Benefit payments	(382)	(377)
Ending balance at original discount rate	6,186	6,061
Effect of cumulative changes in discount rate assumptions	(546)	(569)
Balance as of end-of-period	5,640	5,492
Less: reinsurance recoverables	123	126
Balance as of end-of-period, net of reinsurance	<u>\$ 5,517</u>	<u>\$ 5,366</u>
Weighted-average duration of liability for future claims (years)	5	4

For the three months ended March 31, 2024 and 2023, we experienced more favorable claim terminations than assumed.

The following table summarizes the discounted and undiscounted expected future benefit payments (in millions):

	<b>As of March 31, 2024</b>		<b>As of March 31, 2023</b>	
	<b>Undiscounted</b>	<b>Discounted</b>	<b>Undiscounted</b>	<b>Discounted</b>
<b>Group Protection</b>				
Expected future benefit payments	\$ 7,296	\$ 5,640	\$ 7,086	\$ 5,492

The following table summarizes the gross premiums and interest accretion (in millions) recognized in insurance premiums and benefits, respectively, on the Consolidated Statements of Comprehensive Income (Loss):

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Group Protection</b>		
Gross premiums	\$ 896	\$ 885
Interest accretion	48	42

The following table summarizes the weighted-average interest rates:

	For the Three Months Ended March 31,	
	2024	2023
<b>Group Protection</b>		
Interest accretion rate	3.2 %	2.9 %
Current discount rate	5.0 %	4.8 %

*Additional Liabilities for Other Insurance Benefits*

The following table summarizes the balances of and changes in additional liabilities for other insurance benefits (in millions, except years):

	UL and Other As of or For the Three Months Ended March 31,	
	2024	2023
Balance as of beginning-of-year	\$ 15,000	\$ 14,818
Less: Effect of cumulative changes in shadow balance in AOCI	(2,222)	(905)
Balance as of beginning-of-year, excluding shadow balance in AOCI	17,222	15,723
Effect of actual variances from expected experience	106	(9)
Adjusted beginning-of-year balance	17,328	15,714
Interest accrual	209	186
Net assessments collected	303	336
Benefit payments	(313)	(183)
Balance as of end-of-period, excluding shadow balance in AOCI	17,527	16,053
Effect of cumulative changes in shadow balance in AOCI	(3,083)	(669)
Balance as of end-of-period	14,444	15,384
Less: reinsurance recoverables <sup>(1)</sup>	4,776	862
Balance as of end-of-period, net of reinsurance	\$ 9,668	\$ 14,522
 Weighted-average duration of additional liabilities for other insurance benefits (years)	 17	 17

<sup>(1)</sup> Increase in reinsurance recoverables driven by the reinsurance agreement with Fortitude Re effective October 1, 2023 for certain blocks of in-force ULSG. See Note 7 for more information on the transaction.

For the three months ended March 31, 2024, we had unfavorable actual mortality experience compared to expected. For the three months ended March 31, 2023, we did not have any significantly different actual experience compared to expected.

The following table summarizes the gross assessments and interest accretion (in millions) recognized in insurance premiums and benefits, respectively, on the Consolidated Statements of Comprehensive Income (Loss):

	For the Three Months Ended March 31,	
	2024	2023
<b>UL and Other</b>		
Gross assessments	\$ 766	\$ 915
Interest accretion	209	186

The following table summarizes the weighted-average interest rates:

	For the Three Months Ended March 31,	
	2024	2023
<b>UL and Other</b>		
Interest accretion rate	5.3 %	5.0 %

## 12. Debt

Changes in debt (in millions) were as follows:

	For the Three Months Ended March 31, 2024
Balance as of beginning-of-year	\$ 5,949
Issuance of 5.852% Senior Notes due 2034	350
Partial repayment of variable rate term loan, due 2024 <sup>(1)</sup>	(47)
Unamortized debt issuance costs	(2)
Unamortized adjustments from discontinued hedges	(4)
Fair value hedge on interest rate swap agreements	(17)
Balance as of end-of-period	\$ 6,229

<sup>(1)</sup> Term loan uses a Secured Overnight Financing Rate (“SOFR”)-based interest rate, plus transition spread of 10 basis points and credit spread of 112.5 basis points.

### 13. Fair Value of Financial Instruments

The carrying values and estimated fair values of our financial instruments (in millions) were as follows:

	As of March 31, 2024		As of December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Assets</b>				
Fixed maturity AFS securities	\$ 87,764	\$ 87,764	\$ 88,738	\$ 88,738
Trading securities	2,227	2,227	2,359	2,359
Equity securities	319	319	306	306
Mortgage loans on real estate	19,266	17,658	18,963	17,407
Derivative investments	8,394	8,394	6,474	6,474
Other investments	5,256	5,256	5,015	5,015
Cash and invested cash	4,122	4,122	3,365	3,365
MRB assets	4,878	4,878	3,894	3,894
Other assets:				
Ceded MRBs	2	2	2	2
Indexed annuity ceded embedded derivatives	973	973	940	940
Separate account assets	166,225	166,225	158,257	158,257
<b>Liabilities</b>				
Policyholder account balances:				
Account balances of certain investment contracts	(44,386)	(33,752)	(44,640)	(34,041)
RILA, fixed annuity and IUL contracts	(10,896)	(10,896)	(9,077)	(9,077)
Funds withheld reinsurance liabilities – reinsurance-related				
embedded derivatives	(355)	(355)	(552)	(552)
MRB liabilities	(1,266)	(1,266)	(1,716)	(1,716)
Short-term debt	(503)	(493)	(250)	(249)
Long-term debt	(5,726)	(5,058)	(5,699)	(5,182)
Other liabilities:				
Ceded MRBs	(360)	(360)	(239)	(239)
Derivative liabilities	(186)	(186)	(356)	(356)
Remaining guaranteed interest and similar contracts	(397)	(397)	(411)	(411)

#### Valuation Methodologies and Associated Inputs for Financial Instruments Not Carried at Fair Value

The following discussion outlines the methodologies and assumptions used to determine the fair value of our financial instruments not carried at fair value on the Consolidated Balance Sheets. Considerable judgment is required to develop these assumptions used to measure fair value. Accordingly, the estimates shown are not necessarily indicative of the amounts that would be realized in a one-time, current market exchange of all of our financial instruments.

##### *Mortgage Loans on Real Estate*

The fair value of mortgage loans on real estate, excluding mortgage loans accounted for using the fair value option, is established using a discounted cash flow method based on credit rating, maturity and future income. The ratings for mortgages in good standing are based on property type, location, market conditions, occupancy, debt-service coverage, loan-to-value, quality of tenancy, borrower and payment record. The fair value for impaired mortgage loans is based on the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's market price or the fair value of the collateral if the loan is collateral dependent. The inputs used to measure the fair value of our mortgage loans on real estate, excluding mortgage loans accounted for using the fair value option, are classified as Level 2 within the fair value hierarchy.

*Other Investments*

The carrying value of our assets classified as other investments, excluding short-term investments, approximates fair value. Other investments includes primarily LPs and other privately held investments that are accounted for using the equity method of accounting and the carrying value is based on our proportional share of the net assets of the LPs. Other investments also includes FHLB stock carried at cost and periodically evaluated for impairment based on ultimate recovery of par value. The inputs used to measure the fair value of our LPs, other privately held investments and FHLB stock are classified as Level 3 within the fair value hierarchy. The remaining assets in other investments include cash collateral receivables and securities that are not LPs or other privately held investments. The inputs used to measure the fair value of these assets are classified as Level 2 within the fair value hierarchy.

*Separate Account Assets*

Separate account assets are primarily carried at fair value. A portion of our separate account assets includes LPs, which are accounted for using the equity method of accounting. The carrying value is based on our proportional share of the net assets of the LPs and approximates fair value. The inputs used to measure the fair value of the separate account asset LPs are classified as Level 3 within the fair value hierarchy.

*Policyholder Account Balances*

Policyholder account balances include account balances of certain investment contracts. The fair value of the account balances of certain investment contracts is based on their approximate surrender value as of the balance sheet date. The inputs used to measure the fair value of these policyholder account balances are classified as Level 3 within the fair value hierarchy.

*Other Liabilities*

Other liabilities include remaining guaranteed interest and similar contracts. The fair value for the remaining guaranteed interest and similar contracts is estimated using discounted cash flow calculations as of the balance sheet date. These calculations are based on interest rates currently offered on similar contracts with maturities that are consistent with those remaining for the contracts being valued. As of March 31, 2024, and December 31, 2023, the remaining guaranteed interest and similar contracts carrying value approximated fair value. The inputs used to measure the fair value of these other liabilities are classified as Level 3 within the fair value hierarchy.

*Short-Term and Long-Term Debt*

The fair value of short-term and long-term debt is based on quoted market prices. The inputs used to measure the fair value of our short-term and long-term debt are classified as Level 2 within the fair value hierarchy.

**Fair Value Option**

Mortgage loans on real estate, net of allowance for credit losses, as reported on the Consolidated Balance Sheets, includes mortgage loans on real estate for which the fair value option was elected. The fair value option allows us to elect fair value as an alternative measurement for mortgage loans not otherwise reported at fair value. We have made these elections for certain mortgage loans associated with modified coinsurance agreements to help mitigate the inconsistency in earnings that would otherwise result from the use of embedded derivatives included with these loans. Changes in fair value are reflected in realized gain (loss) on the Consolidated Statement of Comprehensive Income (Loss). Changes in fair value due to instrument-specific credit risk are estimated using changes in credit spreads and quality ratings for the period reported. Mortgage loans on real estate for which the fair value option was elected are valued using third-party pricing services. We have procedures in place to review the valuations each quarter to ensure they are reasonable, including utilizing a separate third party to reperform the valuation for a selection of mortgage loans on an annual basis. Due to lack of observable inputs, mortgage loans electing the fair value option are classified as Level 3 within the fair value hierarchy.

The fair value and aggregate contractual principal for mortgage loans on real estate where the fair value option was elected (in millions) were as follows:

	As of March 31, 2024	As of December 31, 2023
Fair value	\$ 289	\$ 288
Aggregate contractual principal	326	326

As of March 31, 2024, and December 31, 2023, no loans for which the fair value option was elected were in non-accrual status, and none were more than 90 days past due and still accruing interest.

## Financial Instruments Carried at Fair Value

We did not have any assets or liabilities measured at fair value on a nonrecurring basis as of March 31, 2024, or December 31, 2023.

The following summarizes our financial instruments carried at fair value (in millions) on a recurring basis by the fair value hierarchy levels:

	As of March 31, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
<b>Assets</b>				
Investments:				
Fixed maturity AFS securities:				
Corporate bonds	\$ –	\$ 66,044	\$ 2,489	\$ 68,533
U.S. government bonds	371	20	–	391
State and municipal bonds	–	2,743	–	2,743
Foreign government bonds	–	263	–	263
RMBS	–	1,747	12	1,759
CMBS	–	1,476	8	1,484
ABS	–	10,657	1,692	12,349
Hybrid and redeemable preferred securities	48	143	51	242
Trading securities	–	1,956	271	2,227
Equity securities	12	268	39	319
Mortgage loans on real estate	–	–	289	289
Derivative investments <sup>(1)</sup>	–	14,584	727	15,311
Other investments – short-term investments	–	217	–	217
Cash and invested cash	–	4,122	–	4,122
MRB assets	–	–	4,878	4,878
Other assets:				
Ceded MRBs	–	–	2	2
Indexed annuity ceded embedded derivatives	–	–	973	973
Separate account assets	406	165,819	–	166,225
Total assets	\$ 837	\$ 270,059	\$ 11,431	\$ 282,327
<b>Liabilities</b>				
Policyholder account balances – RILA, fixed annuity and IUL contracts				
	\$ –	\$ –	\$ (10,896)	\$ (10,896)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives				
	–	228	(583)	(355)
MRB liabilities	–	–	(1,266)	(1,266)
Other liabilities:				
Ceded MRBs	–	–	(360)	(360)
Derivative liabilities <sup>(1)</sup>	–	(6,377)	(726)	(7,103)
Total liabilities	\$ –	\$ (6,149)	\$ (13,831)	\$ (19,980)

	As of December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
<b>Assets</b>				
Investments:				
Fixed maturity AFS securities:				
Corporate bonds	\$ –	\$ 67,160	\$ 2,497	\$ 69,657
U.S. government bonds	374	19	–	393
State and municipal bonds	–	2,785	5	2,790
Foreign government bonds	–	283	–	283
RMBS	–	1,760	13	1,773
CMBS	–	1,416	8	1,424
ABS	–	10,687	1,484	12,171
Hybrid and redeemable preferred securities	46	153	48	247
Trading securities	–	2,075	284	2,359
Equity securities	1	263	42	306
Mortgage loans on real estate	–	–	288	288
Derivative investments <sup>(1)</sup>	–	10,874	622	11,496
Other investments – short-term investments	–	233	–	233
Cash and invested cash	–	3,365	–	3,365
MRB assets	–	–	3,894	3,894
Other assets:				
Ceded MRBs	–	–	2	2
Indexed annuity ceded embedded derivatives	–	–	940	940
Separate account assets	402	157,855	–	158,257
Total assets	<u>\$ 823</u>	<u>\$ 258,928</u>	<u>\$ 10,127</u>	<u>\$ 269,878</u>
<b>Liabilities</b>				
Policyholder account balances – RILA, fixed annuity and IUL contracts				
	\$ –	\$ –	\$ (9,077)	\$ (9,077)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives				
	–	237	(789)	(552)
MRB liabilities	–	–	(1,716)	(1,716)
Other liabilities:				
Ceded MRBs	–	–	(239)	(239)
Derivative liabilities <sup>(1)</sup>	–	(4,792)	(586)	(5,378)
Total liabilities	<u>\$ –</u>	<u>\$ (4,555)</u>	<u>\$ (12,407)</u>	<u>\$ (16,962)</u>

<sup>(1)</sup> Derivative investment assets and liabilities are presented within the fair value hierarchy on a gross basis by derivative type and not on a master netting basis by counterparty.

The following summarizes changes to our financial instruments carried at fair value (in millions) and classified within Level 3 of the fair value hierarchy. The gains and losses below may include changes in fair value due in part to observable inputs that are a component of the valuation methodology. The summary schedule excludes changes to MRB assets and MRB liabilities as these balances are rolled forward in Note 8.

For the Three Months Ended March 31, 2024						
	Beginning Fair Value	Items Included in Net Income	Gains (Losses) in OCI and Other <sup>(1)</sup>	Issuances, Sales, Maturities, Settlements, Calls, Net	Transfers Into or Out of Level 3, Net	Ending Fair Value
<b>Assets</b>						
Investments: <sup>(2)</sup>						
Fixed maturity AFS securities:						
Corporate bonds	\$ 2,497	\$ 2	\$ (10)	\$ 22	\$ (22)	\$ 2,489
State and municipal bonds	5	–	–	–	(5)	–
RMBS	13	–	(1)	–	–	12
CMBS	8	–	–	–	–	8
ABS	1,484	–	(1)	201	8	1,692
Hybrid and redeemable preferred securities	48	–	3	–	–	51
Trading securities	284	–	–	(13)	–	271
Equity securities	42	(3)	–	–	–	39
Mortgage loans on real estate	288	–	1	–	–	289
Derivative investments	36	12	–	4	(51)	1
Other assets:						
Ceded MRBs <sup>(3)</sup>	2	–	–	–	–	2
Indexed annuity ceded embedded derivatives <sup>(4)</sup>	940	33	–	–	–	973
<b>Liabilities</b>						
Policyholder account balances –						
RILA, fixed annuity and IUL contracts <sup>(4)</sup>	(9,077)	(1,677)	–	(142)	–	(10,896)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives <sup>(4)</sup>						
	(789)	206	–	–	–	(583)
Other liabilities – ceded MRBs <sup>(3)</sup>	(239)	(121)	–	–	–	(360)
<b>Total, net</b>	<b>\$ (4,458)</b>	<b>\$ (1,548)</b>	<b>\$ (8)</b>	<b>\$ 72</b>	<b>\$ (70)</b>	<b>\$ (6,012)</b>

For the Three Months Ended March 31, 2023

	Beginning Fair Value	Items Included in Net Income	Gains (Losses) in OCI and Other <sup>(1)</sup>	Issuances, Sales, Maturities, Settlements, Calls, Net	Transfers Into or Out of Level 3, Net	Ending Fair Value
<b>Assets</b>						
Investments: <sup>(2)</sup>						
Fixed maturity AFS securities:						
Corporate bonds	\$ 2,295	\$ 1	\$ 13	\$ 30	\$ 16	\$ 2,355
State and municipal bonds	35	–	1	–	–	36
RMBS	1	–	–	–	–	1
ABS	1,117	–	8	168	(193)	1,100
Hybrid and redeemable preferred securities	49	–	–	(2)	12	59
Trading securities	581	4	–	(127)	–	458
Equity securities	153	(16)	–	–	–	137
Mortgage loans on real estate	487	2	3	(2)	–	490
Derivative investments	2	(1)	–	–	–	1
Other assets:						
Ceded MRBs <sup>(3)</sup>	12	(6)	–	–	–	6
Indexed annuity ceded embedded derivatives <sup>(4)</sup>	525	6	–	(226)	–	305
<b>Liabilities</b>						
Policyholder account balances –						
RILA, fixed annuity and IUL contracts <sup>(4)</sup>	(4,783)	(719)	–	(294)	–	(5,796)
Other liabilities – ceded MRBs <sup>(3)</sup>	(205)	(47)	–	–	–	(252)
Total, net	\$ 269	\$ (776)	\$ 25	\$ (453)	\$ (165)	\$ (1,100)

<sup>(1)</sup> The changes in fair value of the interest rate swaps are offset by an adjustment to derivative investments (see Note 5).

<sup>(2)</sup> Amortization and accretion of premiums and discounts are included in net investment income on the Consolidated Statements of Comprehensive Income (Loss). Gains (losses) from sales, maturities, settlements and calls and credit loss expense are included in realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss).

<sup>(3)</sup> Gains (losses) from the changes in fair value are included in market risk benefit gain (loss) on the Consolidated Statements of Comprehensive Income (Loss).

<sup>(4)</sup> Gains (losses) from the changes in fair value are included in realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss).

The following provides the components of the items included in issuances, sales, maturities, settlements and calls, net, (in millions) as reported above:

	For the Three Months Ended March 31, 2024					
	Issuances	Sales	Maturities	Settlements	Calls	Total
Investments:						
Fixed maturity AFS securities:						
Corporate bonds	\$ 277	\$ (141)	\$ (2)	\$ (111)	\$ (1)	\$ 22
ABS	264	–	–	(63)	–	201
Trading securities	–	(2)	–	(11)	–	(13)
Mortgage loans on real estate	1	(1)	–	–	–	–
Derivative investments	7	–	(3)	–	–	4
Other assets – indexed annuity ceded embedded derivatives	26	–	–	(26)	–	–
Policyholder account balances –						
RILA, fixed annuity and IUL contracts	(249)	–	–	107	–	(142)
Total, net	<u>\$ 326</u>	<u>\$ (144)</u>	<u>\$ (5)</u>	<u>\$ (104)</u>	<u>\$ (1)</u>	<u>\$ 72</u>

	For the Three Months Ended March 31, 2023					
	Issuances	Sales	Maturities	Settlements	Calls	Total
Investments:						
Fixed maturity AFS securities:						
Corporate bonds	\$ 141	\$ (35)	\$ (8)	\$ (68)	\$ –	\$ 30
ABS	241	(2)	–	(71)	–	168
Hybrid and redeemable preferred securities	–	–	–	–	(2)	(2)
Trading securities	–	(53)	–	(74)	–	(127)
Mortgage loans on real estate	1	–	–	(3)	–	(2)
Other assets – indexed annuity ceded embedded derivatives	50	–	–	(276)	–	(226)
Policyholder account balances –						
RILA, fixed annuity and IUL contracts	(300)	–	–	6	–	(294)
Total, net	<u>\$ 133</u>	<u>\$ (90)</u>	<u>\$ (8)</u>	<u>\$ (486)</u>	<u>\$ (2)</u>	<u>\$ (453)</u>

The following summarizes changes in unrealized gains (losses) included in net income related to financial instruments carried at fair value classified within Level 3 that we still held (in millions):

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Trading securities <sup>(1)</sup>	\$ –	\$ 6
Equity securities <sup>(1)</sup>	(3)	(16)
Mortgage loans on real estate <sup>(1)</sup>	–	2
Derivative investments <sup>(1)</sup>	16	(2)
MRBs <sup>(2)</sup>	1,896	(638)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives	206	–
Embedded derivatives – indexed annuity and IUL contracts <sup>(1)</sup>	241	(153)
Total, net <sup>(1)</sup>	<u>\$ 2,356</u>	<u>\$ (801)</u>

<sup>(1)</sup> Included in realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss).

<sup>(2)</sup> Included in market risk benefit gain (loss) on the Consolidated Statements of Comprehensive Income (Loss).

The following summarizes changes in unrealized gains (losses) included in OCI, net of tax, related to financial instruments carried at fair value classified within Level 3 that we still held (in millions):

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Fixed maturity AFS securities:		
Corporate bonds	\$ (11)	\$ 13
State and municipal bonds	–	1
ABS	(1)	8
Hybrid and redeemable preferred securities	2	–
Mortgage loans on real estate	1	2
Total, net	<u>\$ (9)</u>	<u>\$ 24</u>

The following provides the components of the transfers into and out of Level 3 (in millions) as reported above:

	For the Three Months Ended March 31, 2024			For the Three Months Ended March 31, 2023		
	Transfers Into Level 3	Transfers Out of Level 3	Total	Transfers Into Level 3	Transfers Out of Level 3	Total
	Investments:					
Fixed maturity AFS securities:						
Corporate bonds	\$ 22	\$ (44)	\$ (22)	\$ 59	\$ (43)	\$ 16
State and municipal bonds	–	(5)	(5)	–	–	–
ABS	31	(23)	8	–	(193)	(193)
Hybrid and redeemable preferred securities	–	–	–	12	–	12
Derivative investments	–	(51)	(51)	–	–	–
Total, net	\$ 53	\$ (123)	\$ (70)	\$ 71	\$ (236)	\$ (165)

Transfers into and out of Level 3 are generally the result of observable market information on financial instruments no longer being available or becoming available to our pricing vendors. For the three months ended March 31, 2024 and 2023, transfers in and out of Level 3 were attributable primarily to the financial instruments' observable market information no longer being available or becoming available.

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The following summarizes the fair value (in millions), valuation techniques and significant unobservable inputs of the Level 3 fair value measurements as of March 31, 2024:

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Assumption or Input Ranges	Weighted Average Input Range <sup>(1)</sup>
<b>Assets</b>					
Investments:					
Fixed maturity AFS securities:					
Corporate bonds	\$ 202	Discounted cash flow	Liquidity/duration adjustment <sup>(2)</sup>	(0.1)% - 3.8 %	2.0 %
ABS	11	Discounted cash flow	Liquidity/duration adjustment <sup>(2)</sup>	1.6 % - 1.6 %	1.6 %
CMBS	8	Discounted cash flow	Liquidity/duration adjustment <sup>(2)</sup>	2.0 % - 2.0 %	2.0 %
Hybrid and redeemable preferred securities	7	Discounted cash flow	Liquidity/duration adjustment <sup>(2)</sup>	1.3 % - 1.5 %	1.4 %
Equity securities	5	Discounted cash flow	Liquidity/duration adjustment <sup>(2)</sup>	4.5 % - 4.5 %	4.5 %
MRB assets	4,878				
Other assets – ceded MRBs	2	Discounted cash flow	Lapse <sup>(3)</sup>	1 % - 30 %	<sup>(10)</sup>
			Utilization of GLB withdrawals <sup>(4)</sup>	85 % - 100 %	94 %
			Claims utilization factor <sup>(5)</sup>	60 % - 100 %	<sup>(10)</sup>
			Premiums utilization factor <sup>(5)</sup>	80 % - 115 %	<sup>(10)</sup>
			Non-performance risk <sup>(6)</sup>	0.31 % - 2.03 %	1.62 %
			Mortality <sup>(7)</sup>	<sup>(9)</sup>	<sup>(10)</sup>
			Volatility <sup>(8)</sup>	1 % - 29 %	14.14 %
Other assets – indexed annuity ceded embedded derivatives	973	Discounted cash flow	Lapse <sup>(3)</sup>	0% - 9 %	<sup>(10)</sup>
			Mortality <sup>(7)</sup>	<sup>(9)</sup>	<sup>(10)</sup>
<b>Liabilities</b>					
Policyholder account balances – indexed annuity contracts embedded derivatives					
	\$(10,803)	Discounted cash flow	Lapse <sup>(3)</sup>	0% - 9 %	<sup>(10)</sup>
			Mortality <sup>(7)</sup>	<sup>(9)</sup>	<sup>(10)</sup>
MRB liabilities	(1,266)				
Other liabilities – ceded					
MRBs	(360)	Discounted cash flow	Lapse <sup>(3)</sup>	1 % - 30 %	<sup>(10)</sup>
			Utilization of GLB withdrawals <sup>(4)</sup>	85 % - 100 %	94 %
			Claims utilization factor <sup>(5)</sup>	60 % - 100 %	<sup>(10)</sup>
			Premiums utilization factor <sup>(5)</sup>	80 % - 115 %	<sup>(10)</sup>
			Non-performance risk <sup>(6)</sup>	0.31 % - 2.03 %	1.62 %
			Mortality <sup>(7)</sup>	<sup>(9)</sup>	<sup>(10)</sup>
			Volatility <sup>(8)</sup>	1 % - 29 %	14.14 %

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The following summarizes the fair value (in millions), valuation techniques and significant unobservable inputs of the Level 3 fair value measurements as of December 31, 2023:

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Assumption or Input Ranges	Weighted Average Input Range <sup>(1)</sup>
<b>Assets</b>					
Investments:					
Fixed maturity AFS securities:					
Corporate bonds	\$ 186	Discounted cash flow	Liquidity/duration adjustment <sup>(2)</sup>	(0.2)% - 3.7 %	2.1 %
State and municipal bonds	5	Discounted cash flow	Liquidity/duration adjustment <sup>(2)</sup>	0.9 % - 2.2 %	2.1 %
CMBS	8	Discounted cash flow	Liquidity/duration adjustment <sup>(2)</sup>	2.3 % - 2.3 %	2.3 %
ABS	12	Discounted cash flow	Liquidity/duration adjustment <sup>(2)</sup>	1.8 % - 1.8 %	1.8 %
Hybrid and redeemable preferred securities	7	Discounted cash flow	Liquidity/duration adjustment <sup>(2)</sup>	1.4 % - 1.5 %	1.5 %
Equity securities	5	Discounted cash flow	Liquidity/duration adjustment <sup>(2)</sup>	4.5 % - 4.5 %	4.5 %
MRB assets	3,894				
Other assets – ceded MRBs	2	Discounted cash flow	Lapse <sup>(3)</sup>	1 % - 30 %	<sup>(10)</sup>
			Utilization of GLB withdrawals <sup>(4)</sup>	85 % - 100 %	94 %
			Claims utilization factor <sup>(5)</sup>	60 % - 100 %	<sup>(10)</sup>
			Premiums utilization factor <sup>(5)</sup>	80 % - 115 %	<sup>(10)</sup>
			Non-performance risk <sup>(6)</sup>	0.51 % - 2.13 %	1.78 %
			Mortality <sup>(7)</sup>	<sup>(9)</sup>	<sup>(10)</sup>
			Volatility <sup>(8)</sup>	1 % - 29 %	13.92 %
Other assets – indexed annuity ceded embedded derivatives	940	Discounted cash flow	Lapse <sup>(3)</sup>	0 % - 9 %	<sup>(10)</sup>
			Mortality <sup>(7)</sup>	<sup>(9)</sup>	<sup>(10)</sup>
<b>Liabilities</b>					
Policyholder account balances – indexed annuity contracts embedded derivatives					
	\$ (9,013)	Discounted cash flow	Lapse <sup>(3)</sup>	0 % - 9 %	<sup>(10)</sup>
			Mortality <sup>(7)</sup>	<sup>(9)</sup>	<sup>(10)</sup>
MRB liabilities	(1,716)				
Other liabilities – ceded MRBs					
	(239)	Discounted cash flow	Lapse <sup>(3)</sup>	1 % - 30 %	<sup>(10)</sup>
			Utilization of GLB withdrawals <sup>(4)</sup>	85 % - 100 %	94 %
			Claims utilization factor <sup>(5)</sup>	60 % - 100 %	<sup>(10)</sup>
			Premiums utilization factor <sup>(5)</sup>	80 % - 115 %	<sup>(10)</sup>
			Non-performance risk <sup>(6)</sup>	0.51 % - 2.13 %	1.78 %
			Mortality <sup>(7)</sup>	<sup>(9)</sup>	<sup>(10)</sup>
			Volatility <sup>(8)</sup>	1 % - 29 %	13.92 %

<sup>(1)</sup> Unobservable inputs were weighted by the relative fair value of the instruments, unless otherwise noted.

- (2) The liquidity/duration adjustment input represents an estimated market participant composite of adjustments attributable to liquidity premiums, expected durations, structures and credit quality that would be applied to the market observable information of an investment.
- (3) The lapse input represents the estimated probability of a contract surrendering during a year, and thereby forgoing any future benefits. The range for indexed annuity contracts represents the lapses during the surrender charge period.
- (4) The utilization of GLB withdrawals input represents the estimated percentage of policyholders that utilize the GLB withdrawal riders.
- (5) The utilization factors are applied to the present value of claims or premiums, as appropriate, in the MRB calculation to estimate the impact of inefficient GLB withdrawal behavior, including taking less than or more than the maximum GLB withdrawal.
- (6) The non-performance risk input represents the estimated additional credit spread that market participants would apply to the market observable discount rate when pricing a contract. The non-performance risk input was weighted by the absolute value of the sensitivity of the reserve to the non-performance risk assumption.
- (7) The mortality input represents the estimated probability of when an individual belonging to a particular group, categorized according to age or some other factor such as gender, will die.
- (8) The volatility input represents overall volatilities assumed for the underlying variable annuity funds, which include a mixture of equity and fixed-income assets. Volatility assumptions vary by fund due to the benchmarking of different indices. The volatility input was weighted by the relative account balance assigned to each index.
- (9) The mortality is based on a combination of company and industry experience, adjusted for improvement factors.
- (10) A weighted average input range is not a meaningful measurement for lapse, utilization factors or mortality.

From the table above, we have excluded Level 3 fair value measurements obtained from independent, third-party pricing sources. We do not develop the significant inputs used to measure the fair value of these assets and liabilities, and the information regarding the significant inputs is not readily available to us. Independent broker-quoted fair values are non-binding quotes developed by market makers or broker-dealers obtained from third-party sources recognized as market participants. The fair value of a broker-quoted asset or liability is based solely on the receipt of an updated quote from a single market maker or a broker-dealer recognized as a market participant as we do not adjust broker quotes when used as the fair value measurement for an asset or liability. Significant increases or decreases in any of the quotes received from a third-party broker-dealer may result in a significantly higher or lower fair value measurement.

The embedded derivative liability associated with Fortitude Re was excluded from the above table. As discussed in Note 7, this embedded derivative liability was created through a coinsurance with funds withheld reinsurance agreement where the investments supporting the reinsurance agreement were withheld by and continue to be reported on our Consolidated Balance Sheet. This reinsurance-related embedded derivative is valued as a total return swap with reference to the fair value of the investments held by us. Accordingly, the unobservable inputs utilized in the valuation of the reinsurance-related embedded derivative are a component of the investments supporting the reinsurance agreement that are reported on our Consolidated Balance Sheet.

Changes in any of the significant inputs presented in the table above would have resulted in a significant change in the fair value measurement of the asset or liability as follows:

- *Investments* – An increase in the liquidity/duration adjustment input would have resulted in a decrease in the fair value measurement.
- *Indexed annuity contracts embedded derivatives* – For direct embedded derivatives, an increase in the lapse or mortality inputs would have resulted in a decrease in the fair value measurement.
- *MRBs* – Assuming our MRBs are in a liability position: an increase in our lapse, non-performance risk or mortality inputs would have resulted in a decrease in the fair value measurement, except for policies with guaranteed death benefit (“GDB”) riders only, in which case an increase in mortality inputs would have resulted in an increase in the fair value measurement.

For each category discussed above, the unobservable inputs are not inter-related; therefore, a directional change in one input would not have affected the other inputs. As part of our ongoing valuation process, we assess the reasonableness of our valuation techniques or models and make adjustments as necessary.

## 14. Contingencies and Commitments

### Contingencies

#### *Reinsurance Disputes*

Certain reinsurers have sought rate increases on certain yearly renewable term agreements. We are disputing the requested rate increases under these agreements. We may initiate legal proceedings, as necessary, under these agreements in order to protect our contractual rights. Additionally, reinsurers have initiated, and may in the future initiate, legal proceedings against us. While this may impact the Life Insurance segment, we believe it is unlikely the outcome of these disputes would have a material impact on the consolidated financial statements.

#### *Regulatory and Litigation Matters*

Regulatory bodies, such as state insurance departments, the SEC, the Financial Industry Regulatory Authority and other regulatory bodies regularly make inquiries and conduct examinations or investigations concerning our compliance with, among other things, insurance laws, securities laws, laws governing the activities of broker-dealers, registered investment advisers and unclaimed property laws.

LNC is involved in various pending or threatened legal or regulatory proceedings, including purported class actions, arising from the conduct of business both in the ordinary course and otherwise. In some of the matters, very large and/or indeterminate amounts, including punitive and treble damages, are sought. Modern pleading practice in the U.S. permits considerable variation in the assertion of monetary damages or other relief. Jurisdictions may permit claimants not to specify the monetary damages sought or may permit claimants to state only that the amount sought is sufficient to invoke the jurisdiction of the trial court. In addition, jurisdictions may permit plaintiffs to allege monetary damages in amounts well exceeding verdicts obtained in the jurisdiction for similar matters. This variability in pleadings, together with the actual experiences of LNC in litigating or resolving through settlement numerous claims over an extended period of time, demonstrates to management that the monetary relief which may be specified in a lawsuit or claim bears little relevance to its merits or disposition value.

Due to the unpredictable nature of litigation, the outcome of a litigation matter and the amount or range of potential loss at particular points in time is normally difficult to ascertain. Uncertainties can include how fact finders will evaluate documentary evidence and the credibility and effectiveness of witness testimony, and how trial and appellate courts will apply the law in the context of the pleadings or evidence presented, whether by motion practice, or at trial or on appeal. Disposition valuations are also subject to the uncertainty of how opposing parties and their counsel will themselves view the relevant evidence and applicable law.

We establish liabilities for litigation and regulatory loss contingencies when information related to the loss contingencies shows both that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. It is possible that some matters could require us to pay damages or make other expenditures or establish accruals in amounts that could not be estimated as of March 31, 2024.

For some matters, the Company is able to estimate a reasonably possible range of loss. For such matters in which a loss is probable, an accrual has been made. For such matters where a loss is believed to be reasonably possible, but not probable, no accrual has been made. Accordingly, the estimate contained in this paragraph reflects two types of matters. For some matters included within this estimate, an accrual has been made, but there is a reasonable possibility that an exposure exists in excess of the amount accrued. In these cases, the estimate reflects the reasonably possible range of loss in excess of the accrued amount. For other matters included within this estimation, no accrual has been made because a loss, while potentially estimable, is believed to be reasonably possible but not probable. In these cases, the estimate reflects the reasonably possible loss or range of loss. As of March 31, 2024, we estimate the aggregate range of reasonably possible losses, including amounts in excess of amounts accrued for these matters as of such date, to be up to approximately \$150 million, after-tax. Any estimate is not an indication of expected loss, if any, or of the Company's maximum possible loss exposure on such matters.

For other matters, we are not currently able to estimate the reasonably possible loss or range of loss. We are often unable to estimate the possible loss or range of loss until developments in such matters have provided sufficient information to support an assessment of the range of possible loss, such as quantification of a damage demand from plaintiffs, discovery from other parties and investigation of factual allegations, rulings by the court on motions or appeals, analysis by experts and the progress of settlement negotiations. On a quarterly and annual basis, we review relevant information with respect to litigation contingencies and update our accruals, disclosures and estimates of reasonably possible losses or ranges of loss based on such reviews.

Among other matters, we are presently engaged in litigation, including relating to cost of insurance rates ("Cost of Insurance and Other Litigation"), as described below. No accrual has been made for some of these matters. Although a loss is believed to be reasonably possible for these matters, for some of these matters, we are not able to estimate a reasonably possible amount or range of potential

liability. An adverse outcome in one or more of these matters may have a material impact on the consolidated financial statements, but, based on information currently known, management does not believe those cases are likely to have such an impact.

### *Cost of Insurance and Other Litigation*

#### Cost of Insurance Litigation

*Glover v. Connecticut General Life Insurance Company and The Lincoln National Life Insurance Company*, filed in the U.S. District Court for the District of Connecticut, No. 3:16-cv-00827, is a putative class action that was served on The Lincoln National Life Insurance Company (“LNL”) on June 8, 2016. Plaintiff is the owner of a universal life insurance policy who alleges that LNL charged more for non-guaranteed cost of insurance than permitted by the policy. Plaintiff seeks to represent all universal life and variable universal life policyholders who owned policies containing non-guaranteed cost of insurance provisions that are similar to those of plaintiff’s policy and seeks damages on behalf of all such policyholders. On January 11, 2019, the court dismissed plaintiff’s complaint in its entirety. In response, plaintiff filed a motion for leave to amend the complaint, which, on September 25, 2023, the court granted in part and denied in part. Plaintiff filed an amended complaint on October 10, 2023. On March 7, 2024, the parties entered into a settlement agreement, which is subject to court approval. The provisional settlement encompasses policies that are at issue in the *Glover* case, which also includes all policies in the lawsuits captioned *Wanski v. First Penn-Pacific Life Insurance Company, TVPX ARS INC., as Securities Intermediary for Consolidated Wealth Management, LTD. v. The Lincoln National Life Insurance Company* and *Vida Longevity Fund, LP v. Lincoln Life & Annuity Company of New York*, each of which are described below. The *Glover* plaintiffs’ motion for preliminary approval of the provisional settlement was filed on March 8, 2024. The provisional settlement, which is subject to both preliminary and final approval of the court, consists of a \$147.5 million pre-tax cash payment for *Glover* class members (inclusive of all policyholders in *Wanski*, *TVPX ARS INC.* and *Vida*). We recorded a pre-tax legal accrual for the three months ended March 31, 2024, of approximately \$110 million within commissions and other expenses on the Consolidated Statements of Comprehensive Income (Loss) in respect of this provisional settlement. As of March 31, 2024, we had accrued the total provisional settlement amount of \$147.5 million, pre-tax.

*EFG Bank AG, Cayman Branch, et al. v. The Lincoln National Life Insurance Company*, pending in the U.S. District Court for the Eastern District of Pennsylvania, No. 2:17-cv-02592, is a civil action filed on February 1, 2017. Plaintiffs own universal life insurance policies originally issued by Jefferson-Pilot (now LNL). Among other things, plaintiffs allege that LNL breached the terms of policyholders’ contracts when it increased non-guaranteed cost of insurance rates beginning in 2016. We are vigorously defending this matter.

*In re: Lincoln National COI Litigation*, pending in the U.S. District Court for the Eastern District of Pennsylvania, Case No. 2:16-cv-06605-GJP, is a consolidated litigation matter related to multiple putative class action cases that were consolidated by an order dated March 20, 2017. Plaintiffs purport to own certain universal life insurance policies originally issued by Jefferson-Pilot (now LNL). Among other things, plaintiffs allege that LNL and LNC breached the terms of policyholders’ contracts by increasing non-guaranteed cost of insurance rates beginning in 2016. Plaintiffs sought to represent classes of policyowners and sought damages on their behalf. On August 9, 2022, the court denied plaintiffs’ motion for class certification. The parties participated in a mediation on December 13, 2022, and subsequently reached a settlement. On January 26, 2023, the parties informed the presiding judge of a class settlement in this action, subject to final documentation and court approval. On March 24, 2023, plaintiffs filed a motion for preliminary approval of the class settlement, which was granted by the court on June 14, 2023. The provisional settlement, which was subject to both preliminary and final approval of the court, consisted of \$117.75 million in pre-tax cash (in the aggregate for both this litigation and the *In re: Lincoln National 2017 COI Rate Litigation* matter discussed immediately below) and a five-year cost of insurance rate freeze, among other terms. After certain policyholders timely opted out or otherwise excluded themselves from the settlement class with respect to certain policies, the pre-tax cash settlement fund was reduced to \$109.96 million. The court granted final approval of the settlement on October 5, 2023. On December 27, 2023, the court ordered that supplemental notice of the class settlement be mailed to a small percentage of settlement class members who had not been sent the initial class notice. Those policyholders own policies representing less than 0.14% of the total of all Policy Claim Amounts (as defined in the parties’ settlement agreement). No additional opt-outs were received following the supplemental notice period. Settlement distribution payments to all class members were completed on April 8, 2024. Certain of the policyholders who did not participate in the settlement are plaintiffs in *Brighton Trustees, LLC, et al. v. The Lincoln National Life Insurance Company* and *Ryan K. Crayne, on behalf of and as trustee for Carlton Peak Trust v. The Lincoln National Life Insurance Company* discussed further below. The remaining policyholders who are not participants in the settlement may bring individual actions in the future to the extent they have not already done so.

*In re: Lincoln National 2017 COI Rate Litigation*, pending in the U.S. District Court for the Eastern District of Pennsylvania, Case No. 2:17-cv-04150, is a consolidated litigation matter related to multiple putative class action cases that were consolidated by an order dated March 28, 2018. Plaintiffs purport to own certain universal life insurance policies originally issued by Jefferson-Pilot (now LNL). Among other things, plaintiffs allege that LNL and LNC breached the terms of policyholders’ contracts by increasing non-guaranteed cost of insurance rates beginning in 2017. Plaintiffs sought to represent classes of policyholders and sought damages on their behalf. On August 9, 2022, the court denied plaintiffs’ motion for class certification. The parties participated in a mediation on December 13, 2022, and subsequently reached a settlement. On January 26, 2023, the parties informed the presiding judge of a class settlement in this action, subject to final documentation and court approval. On March 24, 2023, plaintiffs filed a motion for preliminary approval of the class settlement, which was granted by the court on June 14, 2023. The provisional settlement, which was subject to both preliminary and final approval of the

court, consists of \$117.75 million in pre-tax cash (in the aggregate for both this litigation and the *In re: Lincoln National COI Litigation* matter discussed immediately above) and a five-year cost of insurance rate freeze, among other terms. After certain policyholders timely opted out or otherwise excluded themselves from the settlement class with respect to certain policies, the pre-tax cash settlement fund was reduced to \$109.96 million. The court granted final approval of the settlement on October 5, 2023. On December 27, 2023, the court ordered that supplemental notice of the class settlement be mailed to a small percentage of settlement class members who had not been sent the initial class notice. Those policyholders own policies representing less than 0.14% of the total of all Policy Claim Amounts (as defined in the parties' settlement agreement). No additional opt-outs were received following the supplemental notice period. Settlement distribution payments to all class members were completed on April 8, 2024. Certain of the policyholders who did not participate in the settlement are plaintiffs in *Brighton Trustees, LLC, et al. v. The Lincoln National Life Insurance Company* and *Ryan K. Crayne, on behalf of and as trustee for Carlton Peak Trust v. The Lincoln National Life Insurance Company* discussed further below. The remaining policyholders who are not participants in the settlement may bring individual actions in the future to the extent they have not already done so.

*Iwanski v. First Penn-Pacific Life Insurance Company* ("FPP"), No. 2:18-cv-01573 filed in the U.S. District Court for the Eastern District of Pennsylvania is a putative class action that was filed on April 13, 2018. Plaintiff alleges that defendant FPP breached the terms of his life insurance policy by deducting non-guaranteed cost of insurance charges in excess of what is permitted by the policies. Plaintiff seeks to represent all owners of universal life insurance policies issued by FPP containing non-guaranteed cost of insurance provisions that are similar to those of Plaintiff's policy and seeks damages on their behalf. Breach of contract is the only cause of action asserted. On March 7, 2024, the parties in *Glover v. Connecticut General Life Insurance Company and The Lincoln National Life Insurance Company* (discussed above) entered into a settlement agreement, which is subject to court approval. The provisional settlement encompasses policies that are at issue in this case, as the *Glover* case is inclusive of all policies in this case, as well as in the lawsuits captioned *TVPX ARS INC., as Securities Intermediary for Consolidated Wealth Management, LTD. v. The Lincoln National Life Insurance Company* and *Vida Longevity Fund, LP v. Lincoln Life & Annuity Company of New York* (both discussed below). The *Glover* plaintiffs' motion for preliminary approval of the provisional settlement was filed on March 8, 2024. The provisional settlement, which is subject to both preliminary and final approval of the court, consists of a \$147.5 million pre-tax cash payment for *Glover* class members (inclusive of all policyholders in *Iwanski*, *TVPX ARS INC.* and *Vida*). A motion has been filed to stay the proceedings in this matter pending the completion of the settlement approval process in *Glover*.

*TVPX ARS INC., as Securities Intermediary for Consolidated Wealth Management, LTD. v. The Lincoln National Life Insurance Company*, filed in the U.S. District Court for the Eastern District of Pennsylvania, No. 2:18-cv-02989, is a putative class action that was filed on July 17, 2018. Plaintiff alleges that LNL charged more for non-guaranteed cost of insurance than permitted by the policy. Plaintiff seeks to represent all universal life and variable universal life policyholders who own policies issued by LNL or its predecessors containing non-guaranteed cost of insurance provisions that are similar to those of Plaintiff's policy and seeks damages on behalf of all such policyholders. On March 7, 2024, the parties in *Glover v. Connecticut General Life Insurance Company and The Lincoln National Life Insurance Company* (discussed above) entered into a settlement agreement, which is subject to court approval. The provisional settlement encompasses policies that are at issue in this case, as the *Glover* case is inclusive of all policies in this case, as well as in the lawsuits captioned *Iwanski v. First Penn-Pacific Life Insurance Company* (discussed above) and *Vida Longevity Fund, LP v. Lincoln Life & Annuity Company of New York* (discussed below). The *Glover* plaintiffs' motion for preliminary approval of the provisional settlement was filed on March 8, 2024. The provisional settlement, which is subject to both preliminary and final approval of the court, consists of a \$147.5 million pre-tax cash payment for *Glover* class members (inclusive of all policyholders in *Iwanski*, *TVPX ARS INC.* and *Vida*). A motion has been filed to stay the proceedings in this matter pending the completion of the settlement approval process in *Glover*.

*LSH Co. and Wells Fargo Bank, National Association, as securities intermediary for LSH Co. v. Lincoln National Corporation and The Lincoln National Life Insurance Company*, pending in the U.S. District Court for the Eastern District of Pennsylvania, No. 2:18-cv-05529, is a civil action filed on December 21, 2018. Plaintiffs own universal life insurance policies originally issued by Jefferson-Pilot (now LNL). Among other things, plaintiffs allege that LNL and LNC breached the terms of policyholders' contracts when LNL increased non-guaranteed cost of insurance rates in 2016 and 2017. We are vigorously defending this matter.

*Vida Longevity Fund, LP v. Lincoln Life & Annuity Company of New York*, pending in the U.S. District Court for the Southern District of New York, No. 1:19-cv-06004, is a putative class action that was filed on June 27, 2019. Plaintiff alleges that Lincoln Life & Annuity Company of New York (“LLANY”) charged more for non-guaranteed cost of insurance than was permitted by the policies. On March 31, 2022, the court issued an order granting plaintiff’s motion for class certification and certified a class of all current or former owners of six universal life insurance products issued by LLANY that were assessed a cost of insurance charge any time on or after June 27, 2013. Plaintiff seeks damages on behalf of the class. On April 19, 2023, LLANY filed a motion for summary judgment. On March 7, 2024, the parties in *Glover v. Connecticut General Life Insurance Company and The Lincoln National Life Insurance Company* (discussed above) entered into a settlement agreement, which is subject to court approval. The provisional settlement encompasses policies that are at issue in this case, as the *Glover* case is inclusive of all policies in this case, as well as in the lawsuits captioned *Iwanski v. First Penn-Pacific Life Insurance Company* and *TVPX ARS INC., as Securities Intermediary for Consolidated Wealth Management, LTD. v. The Lincoln National Life Insurance Company* (both discussed above). The *Glover* plaintiffs’ motion for preliminary approval of the provisional settlement was filed on March 8, 2024. The provisional settlement, which is subject to both preliminary and final approval of the court, consists of a \$147.5 million pre-tax cash payment for *Glover* class members (inclusive of all policyholders in *Iwanski*, *TVPX ARS INC.* and *Vida*). On March 29, 2024, the court issued its summary judgment decision, granting LLANY’s motion in part and denying it in part, and entering summary judgment against twenty-two policyholders that the court determined were not economically harmed. On April 12, 2024, LLANY filed a motion to stay proceedings in this matter pending the completion of the settlement approval process in *Glover*; oral argument has been scheduled for May 9, 2024.

*Angus v. The Lincoln National Life Insurance Company*, pending in the U.S. District Court for the Eastern District of Pennsylvania, No. 2:22-cv-01878, is a putative class action filed on May 13, 2022. Plaintiff alleges that defendant LNL breached the terms of her life insurance policy by deducting non-guaranteed cost of insurance charges in excess of what is permitted by the policies. Plaintiff seeks to represent all owners of universal life insurance policies issued or insured by LNL or its predecessors containing non-guaranteed cost of insurance provisions that are similar to those of plaintiff’s policy and seeks damages on their behalf. Breach of contract is the only cause of action asserted. On August 26, 2022, LNL filed a motion to dismiss. We are vigorously defending this matter.

*Brighton Trustees, LLC, et al. v. The Lincoln National Life Insurance Company*, pending in the U.S. District Court for the Eastern District of Pennsylvania, Case No. 2:23-cv-02251, is a civil action filed on April 20, 2023. On June 12, 2023, the U.S. District Court for the Northern District of Indiana granted a motion filed by LNL to transfer the case to the U.S. District Court for the Eastern District of Pennsylvania. Plaintiffs purport to own universal life insurance policies originally issued by Jefferson-Pilot (now LNL). Among other things, plaintiffs allege that LNL breached the terms of policyholders’ contracts and converted property when it increased non-guaranteed cost of insurance rates beginning in 2016. We are vigorously defending this matter.

*Ryan K. Crayne, on behalf of and as trustee for Carlton Peak Trust v. The Lincoln National Life Insurance Company*, pending in the U.S. District Court for the Eastern District of Pennsylvania, Case No. 2:24-cv-00053-GJP, is a civil action filed on November 17, 2023. On January 4, 2024, upon the parties’ stipulation, the U.S. District Court for the Northern District of Indiana transferred the case to the U.S. District Court for the Eastern District of Pennsylvania. Plaintiff purports to own claims regarding universal life policies originally issued by Jefferson-Pilot (now LNL). Among other things, plaintiff alleges that LNL breached the terms of policyholders’ contracts and converted property when it increased non-guaranteed cost of insurance rates beginning in 2016. We are vigorously defending this matter.

#### Other Litigation

*Andrew Nitkewicz v. Lincoln Life & Annuity Company of New York*, pending in the U.S. District Court for the Southern District of New York, No. 1:20-cv-06805, is a putative class action that was filed on August 24, 2020. Plaintiff Andrew Nitkewicz, as trustee of the Joan C. Lupe Trust, seeks to represent all current and former owners of universal life (including variable universal life) policies who own or owned policies issued by LLANY and its predecessors in interest that were in force at any time on or after June 27, 2013, and for which planned annual, semi-annual, or quarterly premiums were paid for any period beyond the end of the policy month of the insured’s death. Plaintiff alleges LLANY failed to refund unearned premium in violation of New York Insurance Law Section 3203(a)(2) in connection with the payment of death benefit claims for certain insurance policies. Plaintiff seeks compensatory damages and pre-judgment interest on behalf of the various classes and sub-class. On July 2, 2021, the court granted, with prejudice, LLANY’s November 2020 motion to dismiss this matter. Plaintiff filed a notice of appeal on July 28, 2021, and on September 26, 2022, the U.S. Court of Appeals for the Second Circuit reserved its decision and certified a question to the New York Court of Appeals. On October 20, 2022, the New York Court of Appeals accepted the question. On October 19, 2023, the New York Court of Appeals answered the question in LLANY’s favor and transmitted the decision to the U.S. Court of Appeals for the Second Circuit. Plaintiff sought, and was granted, supplemental briefing before the U.S. Court of Appeals for the Second Circuit with respect to certain aspects of the New York Court of Appeals’ decision. The supplemental briefing was completed January 23, 2024. We are vigorously defending this matter.

*Henry Morgan et al. v. Lincoln National Corporation d/b/a Lincoln Financial Group, et al*, filed in the District Court of the 14<sup>th</sup> Judicial District of Dallas County, Texas, No. DC-23-02492, is a putative class action that was filed on February 22, 2023. Plaintiffs Henry Morgan, Susan Smith, Charles Smith, Laura Seale, Terri Cogburn, Laura Baesel, Kathleen Walton, Terry Warner, and Toni Hale (“Plaintiffs”) allege on behalf of a putative class that Lincoln National Corporation d/b/a Lincoln Financial Group, LNL and LLANY (together, “Lincoln”), FMR, LLC, and Fidelity Product Services, LLC (“Fidelity”) created and marketed misleading and deceptive insurance products with

attributes of investment products. The putative class comprises all individuals and entities who purchased Lincoln OptiBlend products that allocated account monies to the 1-Year Fidelity AIM Dividend Participation Account, between January 1, 2020, to December 31, 2022. Plaintiffs assert the following claims individually and on behalf of the class, (1) violations of the Texas Deceptive Trade Practices Act against Lincoln; (2) common-law fraud against Lincoln; (3) negligent misrepresentation against Lincoln and Fidelity; and (4) aiding and abetting fraud against Fidelity. Plaintiffs allege they suffered damages from “a missed investment return of approximately 5-6%” and mitigation damages. They seek actual, consequential and punitive damages, as well as pre-judgment and post-judgment interest, attorney’s fees, and litigation costs. On March 31, 2023, the Lincoln defendants filed a notice of removal removing the action from the 14<sup>th</sup> Judicial District of Dallas County, Texas, to the United States District Court for the Northern District of Texas, Dallas Division. On May 8, 2023, the Lincoln defendants and the Fidelity defendants filed motions to dismiss, which remain pending. We are vigorously defending this matter.

*Donald C. Meade, et al v. Lincoln National Corporation, Ellen Cooper, Dennis Glass, Randal Freitag* (“Defendants”), No. 2:24-cv-01704, pending in the U.S. District Court for the Eastern District of Pennsylvania, is a putative class action that was filed on April 23, 2024. Plaintiff Donald C. Meade seeks to represent persons and entities that purchased or otherwise acquired Lincoln National securities between November 4, 2020, and November 2, 2022, inclusive. Plaintiff alleges claims under Section 10(b) and Section 20(a) of the Securities Exchange Act of 1934, and under SEC Rule 10b-5. Plaintiff alleges that, throughout the class period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations and prospects. Specifically, plaintiff alleges that Defendants failed to disclose to investors: (i) that the Company was experiencing a decline in its VUL business; (ii) that, as a result, the goodwill associated with the life insurance business was overstated; (iii) that, as a result, the Company’s policy lapse assumptions were outdated; (iv) that, as a result, the Company’s reserves were overstated; (v) that, as a result, the Company’s reported financial results and financial statements were misstated; and (vi) that, as a result, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis. Plaintiff alleges that he and other putative class members thereby suffered loss and damage. We are vigorously defending this matter.

## 15. Shares and Stockholders’ Equity

### *Preferred Shares*

Preferred stock authorized, issued and outstanding (number of shares) was as follows:

	As of March 31, 2024			As of December 31, 2023		
	Shares Authorized	Shares Issued	Shares Outstanding	Shares Authorized	Shares Issued	Shares Outstanding
9.250% Fixed Rate Reset Non-Cumulative Preferred Stock, Series C	20,000	20,000	20,000	20,000	20,000	20,000
9.000% Non-Cumulative Preferred Stock, Series D	20,000	20,000	20,000	20,000	20,000	20,000
Not designated	9,960,000	–	–	9,960,000	–	–
Total preferred shares	10,000,000	40,000	40,000	10,000,000	40,000	40,000

The per share and aggregate dividends declared for preferred stock by series (in millions except per share data) was as follows:

Series	For the Three Months Ended March 31,			
	2024		2023	
	Dividend Per Share	Aggregate Dividend	Dividend Per Share	Aggregate Dividend
Series C	\$ 1,156.25	\$ 23	\$ 635.94	\$ 13
Series D	562.50	11	618.75	12
Total	\$ 1,718.75	\$ 34	\$ 1,254.69	\$ 25

### *Common Shares*

The changes in our common stock (number of shares) were as follows:

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Common Stock</b>		
Balance as of beginning-of-year	169,666,137	169,220,511
Stock compensation/issued for benefit plans	350,750	317,248
Balance as of end-of-period	<u>170,016,887</u>	<u>169,537,759</u>

Our common stock is without par value.

*Earnings Per Share*

The calculation of earnings per share (“EPS”) was as follows (in millions except per share data):

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Net income (loss) available to common stockholders – basic	\$ 1,187	\$ (906)
Net income (loss) available to common stockholders – diluted	\$ 1,191	\$ (909)
Weighted-average shares, as used in basic calculation	170,049,994	169,357,846
Incremental common shares from assumed exercise or issuance of stock-based incentive compensation awards	1,096,272	573,348
Average deferred compensation shares	688,480	553,966
Weighted-average shares, as used in diluted calculation <sup>(1)</sup>	<u>171,834,746</u>	<u>170,485,160</u>
<b>Net income (loss) per share:</b>		
Basic	\$ 6.98	\$ (5.35)
Diluted	6.93	(5.37)

<sup>(1)</sup> Due to reporting a net loss for the three months ended March 31, 2023, basic shares were used in the diluted EPS calculation for this period as the use of diluted shares would have resulted in a lower loss per share.

In the event the average market price of LNC common stock exceeds the issue price of stock options and the options have a dilutive effect to our EPS, such options will be shown in the table above.

We have participants in our deferred compensation plans who selected LNC stock as the measure for the investment return attributable to all or a portion of their deferral amounts. This obligation is settled in either cash or LNC stock pursuant to the applicable plan document. We exclude deferred units of LNC stock that are antidilutive from our diluted EPS calculation. The mark-to-market adjustment of these deferred units excluded from our diluted EPS calculation was \$(3) million and \$3 million for the three months ended March 31, 2024 and 2023, respectively.

**AOCI**

The following summarizes the components and changes in AOCI (in millions):

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Unrealized Gain (Loss) on Fixed Maturity AFS Securities and Certain Other Investments</b>		
Balance as of beginning-of-year	\$ (5,188)	\$ (8,916)
Unrealized holding gains (losses) arising during the period	(1,140)	2,357
Change in foreign currency exchange rate adjustment	(103)	76
Change in future contract benefits and policyholder account balances, net of reinsurance	891	(260)
Income tax benefit (expense)	71	(465)
Less:		
Reclassification adjustment for gains (losses) included in net income (loss)	(55)	(39)
Income tax benefit (expense)	12	8
Balance as of end-of-period	<u>\$ (5,426)</u>	<u>\$ (7,177)</u>
<b>Unrealized Gain (Loss) on Derivative Instruments</b>		
Balance as of beginning-of-year	\$ 375	\$ 388
Unrealized holding gains (losses) arising during the period	64	134
Change in foreign currency exchange rate adjustment	101	(67)
Income tax benefit (expense)	(35)	(15)
Less:		
Reclassification adjustment for gains (losses) included in net income (loss)	24	22
Income tax benefit (expense)	(5)	(5)
Balance as of end-of-period	<u>\$ 486</u>	<u>\$ 423</u>
<b>Market Risk Benefit Non-Performance Risk Gain (Loss)</b>		
Balance as of beginning-of-year	\$ 1,070	\$ 1,741
Adjustment arising during the period	(590)	1,306
Income tax benefit (expense)	126	(281)
Balance as of end-of-period	<u>\$ 606</u>	<u>\$ 2,766</u>
<b>Policyholder Liability Discount Rate Remeasurement Gain (Loss)</b>		
Balance as of beginning-of-year	\$ 587	\$ 747
Adjustment arising during the period	147	(258)
Income tax benefit (expense)	(31)	56
Balance as of end-of-period	<u>\$ 703</u>	<u>\$ 545</u>
<b>Foreign Currency Translation Adjustment</b>		
Balance as of beginning-of-year	\$ (26)	\$ (34)
Foreign currency translation adjustment arising during the period	(1)	3
Balance as of end-of-period	<u>\$ (27)</u>	<u>\$ (31)</u>
<b>Funded Status of Employee Benefit Plans</b>		
Balance as of beginning-of-year	\$ (294)	\$ (278)
Adjustment arising during the period	1	(2)
Balance as of end-of-period	<u>\$ (293)</u>	<u>\$ (280)</u>

The following summarizes the reclassifications out of AOCI (in millions) and the associated line item in the Consolidated Statements of Comprehensive Income (Loss):

	<b>For the Three Months Ended March 31,</b>		
	<u>2024</u>	<u>2023</u>	
<b>Unrealized Gain (Loss) on Fixed Maturity AFS Securities and Certain Other Investments</b>			
Reclassification	\$ (54)	\$ (39)	Realized gain (loss)
Associated change in future contract benefits	(1)	–	Benefits
Reclassification before income tax benefit (expense)	(55)	(39)	Income (loss) before taxes
Income tax benefit (expense)	12	8	Federal income tax expense (benefit)
Reclassification, net of income tax	<u>\$ (43)</u>	<u>\$ (31)</u>	Net income (loss)
<b>Unrealized Gain (Loss) on Derivative Instruments</b>			
Interest rate contracts	9	6	Interest and debt expense
Foreign currency contracts	15	14	Net investment income
Foreign currency contracts	–	2	Realized gain (loss)
Reclassifications before income tax benefit (expense)	24	22	Income (loss) before taxes
Income tax benefit (expense)	(5)	(5)	Federal income tax expense (benefit)
Reclassifications, net of income tax	<u>\$ 19</u>	<u>\$ 17</u>	Net income (loss)

## 16. Segment Information

We provide products and services and report results through our Annuities, Life Insurance, Group Protection and Retirement Plan Services segments. We also have Other Operations, which includes the financial data for operations that are not directly related to the business segments. Our reporting segments reflect the manner by which our CODMs view and manage the business. A discussion of these segments and Other Operations is found in Note 16 to the Consolidated Financial Statements in our 2023 Form 10-K.

Segment operating revenues and income (loss) from operations are internal measures used by our management and Board of Directors to evaluate and assess the results of our segments. Income (loss) from operations is GAAP net income excluding the after-tax effects of the following items, as applicable:

- Items related to annuity product features, which include changes in MRBs, including gains and losses and benefit payments, changes in the fair value of the derivative instruments we hold to hedge GLB and GDB riders, net of fee income allocated to support the cost of hedging them, and changes in the fair value of the embedded derivative liabilities of our indexed annuity contracts and the associated index options we hold to hedge them, including collateral expense associated with the hedge program (collectively, “net annuity product features”);
- Items related to life insurance product features, which include changes in the fair value of derivatives we hold as part of VUL hedging, changes in reserves resulting from benefit ratio unlocking associated with the impact of capital markets, and changes in the fair value of the embedded derivative liabilities of our IUL contracts and the associated index options we hold to hedge them (collectively, “net life insurance product features”);
- Credit loss-related adjustments on fixed maturity AFS securities, mortgage loans on real estate and reinsurance-related assets (“credit loss-related adjustments”);
- Changes in the fair value of equity securities, certain derivatives, certain other investments and realized gains (losses) on sales, disposals and impairments of financial assets (collectively, “investment gains (losses)”);
- Changes in the fair value of reinsurance-related embedded derivatives, trading securities and mortgage loans on real estate electing the fair value option (“changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans”);
- Income (loss) from the initial adoption of new accounting standards, regulations and policy changes;
- Income (loss) from reserve changes, net of related amortization, on business sold through reinsurance;
- Transaction and integration costs related to mergers and acquisitions including the acquisition or divestiture, through reinsurance or other means, of businesses or blocks of business;
- Gains (losses) on modification or early extinguishment of debt;
- Losses from the impairment of intangible assets and gains (losses) on other non-financial assets; and
- Income (loss) from discontinued operations.

Operating revenues represent GAAP revenues excluding the pre-tax effects of the following items, as applicable:

- Changes in the fair value of the derivative instruments we hold to hedge GLB and GDB riders, net of fee income allocated to support the cost of hedging them, and changes in the fair value of the embedded derivative liabilities of our indexed annuity and IUL contracts and the associated index options we hold to hedge them (collectively, “revenue adjustments from annuity and life insurance product features”);
- Credit loss-related adjustments;
- Investment gains (losses);
- Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans;
- Revenue adjustments from the initial adoption of new accounting standards; and
- Amortization of deferred gains arising from reserve changes on business sold through reinsurance.

We use our prevailing corporate federal income tax rate of 21%, where applicable, net of the impacts related to dividends received deduction and foreign tax credits and any other permanent differences for events recognized differently in our financial statements and federal income tax returns.

The tables below reconcile our segment measures of performance to the GAAP measures presented in the Consolidated Statements of Comprehensive Income (Loss) (in millions):

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
Operating revenues:		
Annuities	\$ 1,269	\$ 1,141
Life Insurance	1,541	1,757
Group Protection	1,425	1,388
Retirement Plan Services	322	328
Other Operations	27	43
Revenue adjustments from annuity and life insurance product features	(580)	(773)
Credit loss-related adjustments	(1)	(22)
Investment gains (losses)	(81)	(57)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans <sup>(1)</sup>	194	9
Total revenues	<u>\$ 4,116</u>	<u>\$ 3,814</u>

**For the Three  
Months Ended  
March 31,**

	<b>2024</b>	<b>2023</b>
<b>Net Income (Loss)</b>		
Income (loss) from operations:		
Annuities	\$ 259	\$ 274
Life Insurance	(35)	(13)
Group Protection	80	71
Retirement Plan Services	36	43
Other Operations	(235)	(87)
Net annuity product features, after-tax	1,141	(1,018)
Net life insurance product features, after-tax	(103)	(95)
Credit loss-related adjustments, after-tax	(1)	(18)
Investment gains (losses), after-tax	(65)	(45)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, after-tax <sup>(1)</sup>	153	7
Transaction and integration costs related to mergers, acquisitions and divestitures, after-tax <sup>(2)</sup>	(8)	—
Net income (loss)	<u>\$ 1,222</u>	<u>\$ (881)</u>

<sup>(1)</sup> Includes primarily changes in the fair value of the embedded derivative related to the fourth quarter 2023 reinsurance transaction. For more information, see Note 7.

<sup>(2)</sup> Includes costs pertaining to the planned sale of our wealth management business and the fourth quarter 2023 reinsurance transaction. For more information, see Note 1 and 7, respectively.

Other segment information (in millions) was as follows:

	<b>As of March 31, 2024</b>	<b>As of December 31, 2023</b>
<b>Assets</b>		
Annuities	\$ 194,359	\$ 185,599
Life Insurance	111,102	108,932
Group Protection	9,759	9,714
Retirement Plan Services	47,728	46,793
Other Operations	20,433	21,375
Total assets	<u>\$ 383,381</u>	<u>\$ 372,413</u>

## 17. Realized Gain (Loss)

Realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss) includes realized gains and losses from the sale of investments, write-downs for impairments of investments and changes in the allowance for credit losses for financial assets, changes in fair value for mortgage loans on real estate accounted for under the fair value option, changes in fair value of equity securities, VUL derivative and embedded derivative gains and losses, gains and losses on the sale of subsidiaries and businesses and net gains and losses on reinsurance-related embedded derivatives and trading securities. Realized gains and losses on the sale of investments are determined using the specific identification method. Realized gain (loss) is also net of allocations of investment gains and losses to certain policyholders, certain funds withheld on reinsurance arrangements and certain modified coinsurance arrangements for which we have a contractual obligation. Details underlying realized gain (loss) (in millions) were as follows:

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Fixed maturity AFS securities:		
Gross gains	\$ 7	\$ 26
Gross losses	(61)	(65)
Credit loss benefit (expense) <sup>(1)</sup>	(2)	(17)
Realized gain (loss) on equity securities <sup>(2)</sup>	11	(14)
Credit loss benefit (expense) on mortgage loans on real estate	–	(4)
Credit loss benefit (expense) on reinsurance-related assets	1	(1)
Realized gain (loss) on the mark-to-market on certain instruments <sup>(3)(4)</sup>	12	(111)
Indexed product derivative results <sup>(5)</sup>	145	(153)
Derivative results <sup>(6)</sup>	(548)	(477)
Other realized gain (loss)	1	(12)
Total realized gain (loss)	<u>\$ (434)</u>	<u>\$ (828)</u>

- <sup>(1)</sup> Includes changes in the allowance for credit losses as well as direct write-downs to amortized cost as a result of negative credit events.
- <sup>(2)</sup> Includes mark-to-market adjustments on equity securities still held of \$11 million and \$(14) million for the three months ended March 31, 2024 and 2023, respectively.
- <sup>(3)</sup> Represents changes in the fair values of derivatives we hold as part of VUL hedging, reinsurance-related embedded derivatives and trading securities.
- <sup>(4)</sup> Includes gains and losses from fair value changes on mortgage loans on real estate accounted for under the fair value option of less than \$1 million and \$2 million for the three months ended March 31, 2024 and 2023, respectively.
- <sup>(5)</sup> Represents the change in fair value of the index options that we hold and the change in the fair value of the embedded derivative liabilities of our indexed annuity and IUL contracts, and the associated index options to hedge policyholder index allocations applicable to future reset periods for our indexed annuity products.
- <sup>(6)</sup> Includes the change in the fair value of the derivative instruments we own to support capital needs associated with our GLB and GDB riders net of fee income allocated to support the cost of purchasing the hedging instruments.

## 18. Federal Income Taxes

The effective tax rate is the ratio of tax expense (benefit) over pre-tax income (loss). The effective tax rate was 20% and 25% for the three months ended March 31, 2024 and 2023, respectively. The effective tax rate on pre-tax income is typically lower than the prevailing corporate federal income tax rate of 21% due to benefits from preferential tax items including the separate account dividends-received deduction and tax credits.

For the three months ended March 31, 2024, the effective tax rate differed from the prevailing corporate federal income tax rate due primarily to the effects of preferential tax items.

For the three months ended March 31, 2023, the effective tax rate differed from the prevailing corporate federal income tax rate due primarily to a tax benefit at 21% from pre-tax losses in addition to the effects of preferential tax items.

**Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations**

**Index to Management’s Discussion and Analysis of Financial Condition and Results of Operations**

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The following Management’s Discussion and Analysis (“MD&A”) is intended to help the reader understand the financial condition as of March 31, 2024, compared with December 31, 2023, and the results of operations for the three months ended March 31, 2024, compared with the corresponding period in 2023 of Lincoln National Corporation and its consolidated subsidiaries. Unless otherwise stated or the context otherwise requires, “LNC,” “Company,” “we,” “our” or “us” refers to Lincoln National Corporation and its consolidated subsidiaries.

The MD&A is provided as a supplement to, and should be read in conjunction with, the consolidated financial statements and the accompanying notes to the consolidated financial statements (“Notes”) presented in “Part I – Item 1. Financial Statements”; our Annual Report on Form 10-K for the year ended December 31, 2023 (“2023 Form 10-K”); and other reports filed with the Securities and Exchange Commission (“SEC”). For more detailed information on the risks and uncertainties associated with the Company’s business activities, see the risks described in “Part I – Item 1A. Risk Factors” in our 2023 Form 10-K.

## **FORWARD-LOOKING STATEMENTS – CAUTIONARY LANGUAGE**

Certain statements made in this report and in other written or oral statements made by us or on our behalf are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (“PSLRA”). A forward-looking statement is a statement that is not a historical fact and, without limitation, includes any statement that may predict, forecast, indicate or imply future results, performance or achievements. Forward-looking statements may contain words like: “anticipate,” “believe,” “estimate,” “expect,” “project,” “shall,” “will” and other words or phrases with similar meaning in connection with a discussion of future operating or financial performance. In particular, these include statements relating to future actions, trends in our businesses, prospective services or products, future performance or financial results and the outcome of contingencies, such as legal proceedings. We claim the protection afforded by the safe harbor for forward-looking statements provided by the PSLRA.

Forward-looking statements are subject to risks and uncertainties. Actual results could differ materially from those expressed in or implied by such forward-looking statements due to a variety of factors, including:

- Weak general economic and business conditions that may affect demand for our products, account balances, investment results, guaranteed benefit liabilities, premium levels and claims experience;
- Adverse global capital and credit market conditions that may affect our ability to raise capital, if necessary, and may cause us to realize impairments on investments and certain intangible assets, including goodwill and the valuation allowance against deferred tax assets, which may reduce future earnings and/or affect our financial condition and ability to raise additional capital or refinance existing debt as it matures;
- The inability of our subsidiaries to pay dividends to the holding company in sufficient amounts, which could harm the holding company’s ability to meet its obligations;
- Legislative, regulatory or tax changes, both domestic and foreign, that affect: the cost of, or demand for, our subsidiaries’ products; the required amount of reserves and/or surplus; our ability to conduct business and our captive reinsurance arrangements as well as restrictions on the payment of revenue sharing and 12b-1 distribution fees;
- The impact of U.S. federal tax reform legislation on our business, earnings and capital;
- The impact of regulations adopted by the SEC, the Department of Labor or other federal or state regulators or self-regulatory organizations that could adversely affect our distribution model and sales of our products and result in additional disclosure and other requirements related to the sale and delivery of our products;
- The impact of new and emerging rules, laws and regulations relating to privacy, cybersecurity and artificial intelligence that may lead to increased compliance costs, reputation risk and/or changes in business practices;
- Increasing scrutiny and evolving expectations and regulations regarding environmental, social and governance (“ESG”) matters that may adversely affect our reputation and our investment portfolio;
- Actions taken by reinsurers to raise rates on in-force business;
- Declines in or sustained low interest rates causing a reduction in investment income, the interest margins of our businesses and demand for our products;
- Rapidly increasing or sustained high interest rates that may negatively affect our profitability, value of our investment portfolio and capital position and may cause policyholders to surrender annuity and life insurance policies, thereby causing realized investment losses;
- The impact of the implementation of the provisions of the European Market Infrastructure Regulation relating to the regulation of derivatives transactions;
- The initiation of legal or regulatory proceedings against us, and the outcome of any legal or regulatory proceedings, such as: adverse actions related to present or past business practices common in businesses in which we compete; adverse decisions in significant actions including, but not limited to, actions brought by federal and state authorities and class action cases; new decisions that result in changes in law; and unexpected trial court rulings;
- A decline or continued volatility in the equity markets causing a reduction in the sales of our subsidiaries’ products; a reduction of asset-based fees that our subsidiaries charge on various investment and insurance products; and an increase in liabilities related to guaranteed benefit riders, which are accounted for as market risk benefits (“MRBs”), of our subsidiaries’ variable annuity products;
- Ineffectiveness of our risk management policies and procedures, including our various hedging strategies;

- A deviation in actual experience regarding future policyholder behavior, mortality, morbidity, interest rates or equity market returns from the assumptions used in pricing our subsidiaries' products and in establishing related insurance reserves, which may reduce future earnings;
- Changes in accounting principles that may affect our consolidated financial statements;
- Lowering of one or more of our debt ratings issued by nationally recognized statistical rating organizations and the adverse effect such action may have on our ability to raise capital and on our liquidity and financial condition;
- Lowering of one or more of the insurer financial strength ratings of our insurance subsidiaries and the adverse effect such action may have on the premium writings, policy retention, profitability of our insurance subsidiaries and liquidity;
- Significant credit, accounting, fraud, corporate governance or other issues that may adversely affect the value of certain financial assets, as well as counterparties to which we are exposed to credit risk, requiring that we realize losses on financial assets;
- Interruption in telecommunication, information technology or other operational systems or failure to safeguard the confidentiality or privacy of sensitive data on such systems, including from cyberattacks or other breaches of our data security systems;
- The effect of acquisitions and divestitures, including the inability to realize the anticipated benefits of acquisitions and dispositions of businesses and potential operating difficulties and unforeseen liabilities relating thereto, as well as the effect of restructurings, product withdrawals and other unusual items;
- The inability to realize or sustain the benefits we expect from, greater than expected investments in, and the potential impact of efforts related to, our strategic initiatives;
- The adequacy and collectability of reinsurance that we have obtained;
- Pandemics, acts of terrorism, war or other man-made and natural catastrophes that may adversely impact liabilities for policyholder claims, affect our businesses and increase the cost and availability of reinsurance;
- Competitive conditions, including pricing pressures, new product offerings and the emergence of new competitors, that may affect the level of premiums and fees that our subsidiaries can charge for their products;
- The unknown effect on our subsidiaries' businesses resulting from evolving market preferences and the changing demographics of our client base; and
- The unanticipated loss of key management, financial planners or wholesalers.

The risks and uncertainties included here are not exhaustive. Other sections of this report and other reports that we file with the SEC include additional factors that could affect our businesses and financial performance, including "Part I – Item 1A. Risk Factors" and "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our 2023 Form 10-K. Moreover, we operate in a rapidly changing and competitive environment. New risk factors emerge from time to time, and it is not possible for management to predict all such risk factors.

Further, it is not possible to assess the effect of all risk factors on our businesses or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. In addition, we disclaim any obligation to correct or update any forward-looking statements to reflect events or circumstances that occur after the date of this report.

## INTRODUCTION

### *Executive Summary*

We are a holding company that operates multiple insurance and retirement businesses through subsidiary companies. We sell a wide range of wealth accumulation, wealth protection, group protection and retirement income products and solutions through our four business segments:

- Annuities;
- Life Insurance;
- Group Protection; and
- Retirement Plan Services

We also have Other Operations, which includes the financial data for operations that are not directly related to the business segments. See "Part I – Item 1. Business" in our 2023 Form 10-K for a discussion of our business segments and products.

In this report, in addition to providing consolidated revenues and net income (loss), we also provide segment operating revenues and income (loss) from operations because we believe they are meaningful measures of revenues and the profitability of our operating segments. Operating revenues and income (loss) from operations are the financial performance measures we use to evaluate and assess the results of our segments. Accordingly, we define and report operating revenues and income (loss) from operations by segment in Note 16. Our management believes that operating revenues and income (loss) from operations explain the results of our ongoing businesses in a manner that allows for a better understanding of the underlying trends in our current businesses. Certain items are excluded from operating revenue and income (loss) from operations because they are unpredictable and not necessarily indicative of current operating

fundamentals or future performance of the business segments, and, in many instances, decisions regarding these items do not necessarily relate to the operations of the individual segments. In addition, we believe that our definitions of operating revenues and income (loss) from operations will provide investors with a more valuable measure of our performance because it better reveals trends in our businesses.

We provide information about our segments' and Other Operations' operating revenue and expense line items, key drivers of changes and historical details underlying the line items below. For factors that could cause actual results to differ materially from those set forth, see "Forward-Looking Statements – Cautionary Language" above and "Part I – Item 1A. Risk Factors" in our 2023 Form 10-K.

On December 14, 2023, we announced that we had entered into an agreement to sell our wealth management business operated through Lincoln Financial Network ("LFN"). The transaction is expected to close in the first half of 2024, subject to customary closing conditions. For more information, see Note 1.

Industry trends and significant operational matters are described in "Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Introduction – Executive Summary" of our 2023 Form 10-K.

### *Summary of Critical Accounting Estimates*

The MD&A included in our 2023 Form 10-K contains a detailed discussion of our critical accounting estimates. The following information updates the "Summary of Critical Accounting Estimates" provided in our 2023 Form 10-K, and therefore, should be read in conjunction with that disclosure.

## **Investments**

### *Investment Valuation*

The following summarizes investments on the Consolidated Balance Sheets carried at fair value by pricing source and fair value hierarchy level (in millions) as of March 31, 2024:

	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total Fair Value</b>
Priced by third-party pricing services	\$ 431	\$ 76,765	\$ 140	\$ 77,336
Priced by independent broker quotations	–	–	4,479	4,479
Priced by matrices	–	16,976	–	16,976
Priced by other methods <sup>(1)</sup>	–	–	233	233
<b>Total</b>	<b>431</b>	<b>93,741</b>	<b>4,852</b>	<b>99,024</b>
<b>Percent of total</b>	<b>0%</b>	<b>95%</b>	<b>5%</b>	<b>100%</b>

<sup>(1)</sup> Represents primarily securities for which pricing models were used to compute fair value.

For more information about the valuation of our financial instruments carried at fair value, see "Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Introduction – Summary of Critical Accounting Estimates – Investments – Investment Valuation" in our 2023 Form 10-K and Note 14 herein.

## **Derivatives**

Derivatives are primarily used for hedging purposes. We hedge certain portions of our exposure to interest rate risk, foreign currency exchange risk, equity market risk, basis risk, commodity risk and credit risk by entering into derivative transactions. We also purchase and issue financial instruments that contain embedded derivative instruments. See "Policyholder Account Balances" below for information on

embedded derivatives. Assessing the effectiveness of hedging and evaluating the carrying values of the related derivatives often involve a variety of assumptions and estimates

We carry our derivative instruments at fair value, which we determine through valuation techniques or models that use market data inputs or independent broker quotations. The fair values fluctuate from period to period due to the volatility of the valuation inputs, including but not limited to swap interest rates, interest and equity volatility and equity index levels, foreign currency forward and spot rates, credit spreads and correlations, some of which are significantly affected by economic conditions. The effect to revenue is reported in realized gain (loss) and such amount along with the associated federal income taxes is excluded from income (loss) from operations of our segments.

For more information on derivatives, see Note 1 in our 2023 Form 10-K and Note 6 herein. For more information on market exposures associated with our derivatives, including sensitivities, see “Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk” in our 2023 Form 10-K.

## **Future Contract Benefits**

Future contract benefits represent liability reserves that we have established and carry based on estimates of how much we will need to pay for future benefits and claims.

### *Liability for Future Policy Benefits*

Liability for future policy benefits (“LFPB”) represents the reserve amounts associated with non-participating traditional life insurance contracts and limited payment life-contingent annuity contracts that are calculated to meet the various policy and contract obligations as they mature. Establishing adequate reserves for our obligations to policyholders requires assumptions to be made that are intended to represent an estimation of experience for the period that policy benefits are payable. If actual experience is better than or equal to the assumptions, then reserves should be adequate to provide for future benefits and expenses. If experience is worse than the assumptions, additional reserves may be required. Significant assumptions include mortality rates, morbidity and policyholder behavior (e.g., persistency) and withdrawals. During the third quarter of each year, we conduct our comprehensive review of the actuarial assumptions to best estimate future premium and benefit cash flows (“cash flow assumptions”) and projection models used in estimating these liabilities and update these assumptions as needed (excluding the claims settlement expense assumption that is locked-in at inception) in the calculation of the net premium ratio. We may also update these assumptions in other quarters as we become aware of information that is indicative of the need for such an update. In measuring our LFPB, we establish cohorts, which are groupings of long-duration contracts. On a quarterly basis, we retrospectively update the net premium ratio at the cohort level for actual experience. For all contract cohorts issued after January 1, 2021, interest is accrued on LFPB at the single-A interest rate on the contract cohort inception date. For contract cohorts issued prior to January 1, 2021, interest remains accruing at the original discount rate in effect on the contract cohort inception date due to the modified retrospective transition method. We also remeasure the LFPB using the single-A interest rate as of the end of each reporting period.

### *Liability for Future Claims*

Future contract benefits include reserves for long-term life and disability claims associated with our Group Protection segment. These reserves use actuarial assumptions primarily based on claim termination rates, offsets for other insurance including social security and long-term disability incidence and severity assumptions. Such cash flow assumptions are subject to the comprehensive review process discussed above. We remeasure the liability for future claims using a single-A interest rate as of the end of each reporting period.

### *Universal Life Insurance Products with Secondary Guarantees*

We issue UL-type contracts where we provide a secondary guarantee to the policyholder. The policy can remain in force, even if the base policy account balance is zero, as long as contractual secondary guarantee requirements have been met. These guaranteed benefits require an additional liability that is calculated based on the application of a benefit ratio (calculated as the present value of total expected benefit payments over the life of the contract from inception divided by the present value of total expected assessments over the life of the contract). These secondary guarantees are reported within future contract benefits on the Consolidated Balance Sheets. The level and direction of the change in reserves will vary over time based on the emergence of the benefit ratio and the level of assessments associated with the contracts. Cash flow assumptions incorporated in a benefit ratio in measuring these additional liabilities for other insurance benefits include mortality rates, morbidity, policyholder behavior (e.g., persistency) and withdrawals based principally on generally accepted actuarial methods and assumptions. During the third quarter of each year, we conduct our comprehensive review of the cash flow assumptions and projection models used in estimating these liabilities and update these assumptions in the calculation of the benefit ratio. We may also update these assumptions in other quarters as we become aware of information that is indicative of the need for such an update.

For additional information on future contract benefits, see Note 11.

**Market Risk Benefits**

MRBs are contracts or contract features that provide protection to the policyholder from other-than-nominal capital market risk and expose us to other-than-nominal capital market risk upon the occurrence of a specific event or circumstance, such as death, annuitization or periodic withdrawal. An MRB can be in either an asset or a liability position. Our MRB assets and MRB liabilities are reported at fair value separately on the Consolidated Balance Sheet.

We issue variable and fixed annuity contracts that may include various types of guaranteed living benefit (“GLB”) and guaranteed death benefit (“GDB”) riders that we have accounted for as MRBs. For contracts that contain multiple riders that qualify as MRBs, the MRBs are valued on a combined basis using an integrated model. We have entered into reinsurance agreements to cede certain GLB and GDB riders where the reinsurance agreements themselves are accounted for as MRBs or contain MRBs. We therefore record ceded MRB assets and ceded MRB liabilities associated with these reinsurance agreements. We report ceded MRBs associated with these reinsurance agreements in other assets or other liabilities on the Consolidated Balance Sheets.

Net amount at risk (“NAR”) represents the amount of GLB or GDB in excess of a policyholder’s account balance at the balance sheet date. Underperforming markets increase our exposure to potential benefits with the GLB and GDB riders. A contract with a GDB rider is “in the money” if the policyholder’s account balance falls below the GDB. As of March 31, 2024 and 2023, 9% and 22%, respectively, of all in-force contracts with a GDB rider were “in the money.” A contract with a GLB rider is “in the money” if the policyholder’s account balance falls below the present value of GLB payments, assuming no full surrenders. As of March 31, 2024 and 2023, 16% and 32%, respectively, of all in-force contracts with a GLB rider were “in the money.” However, the only way the policyholder can realize the excess of the present value of benefits over the account balance of the contract is through a series of withdrawals or income payments that do not exceed a maximum amount. If, after the series of withdrawals or income payments, the account balance is exhausted, the policyholder will continue to receive a series of annuity payments. The account balance can also fluctuate with market returns on a daily basis resulting in increases or decreases in the excess of the present value of benefits over account balance.

Many policyholders have both a GLB and GDB present on the same policy. The total NAR represents the greater of GLB NAR and GDB NAR for each policy as only one benefit can be exercised in practice. Details underlying the NAR, net of reinsurance, (in millions) were as follows:

	Annuities		Retirement Plan Services	
	As of March 31,		As of March 31,	
	2024	2023	2024	2023
GLB NAR	\$ 1,454	\$ 2,775	\$ 1	\$ 2
GDB NAR	842	3,791	2	7
Total NAR	2,197	6,308	3	9

Change in the fair value of MRB assets and liabilities is reported in market risk benefit gain (loss) in the Consolidated Statements of Comprehensive Income (Loss), except for the portion attributable to the change in non-performance risk, which is recognized in other comprehensive income (loss) (“OCI”). Change in the fair value of ceded MRB assets and liabilities, including the changes in our counterparties’ non-performance risks, is reported in market risk benefit gain (loss) in the Consolidated Statements of Comprehensive Income (Loss).

MRBs are valued based on a stochastic projection of risk-neutral scenarios that incorporate a spread reflecting our non-performance risk. Ceded MRBs are valued based on a stochastic projection of risk-neutral scenarios that incorporate a spread reflecting our counterparties’ non-performance risk. The scenario assumptions, at each valuation date, are those we view to be appropriate for a hypothetical market participant and include assumptions for capital markets, lapse, benefit utilization, mortality, risk margin and administrative expenses. These assumptions are based on a combination of historical data and actuarial judgments. The assumption for our own non-performance risk and our counterparties’ non-performance risk for MRBs and ceded MRBs, respectively, are determined at each valuation date and reflect our risk and our counterparties’ risks of not fulfilling the obligations of the underlying liability. The spread for the non-performance risk is added to the discount rates used in determining the fair value from the net cash flows. We believe these assumptions are consistent with those that would be used by a market participant; however, as the related markets develop, we will continue to reassess our assumptions. During the third quarter of each year, we conduct our comprehensive review of the assumptions used in calculating the fair value of these MRBs and update these assumptions on a prospective basis as needed. We may also update these assumptions in other quarters as we become aware of information that is indicative of the need for such an update. For information on fair value inputs, see Note 15.

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For illustrative purposes, the following presents hypothetical effects to MRBs attributable to changes to key assumptions / inputs, assuming all other factors remain constant:

<b>Assumption / Input</b>	<b>Actual Experience</b>	<b>Hypothetical Effect to MRB Liability</b>	<b>Hypothetical Effect to Net Income</b>	<b>Description of Assumption / Input</b>
Equity market return	Increase / (Decrease)	(Decrease) / Increase	Increase / (Decrease)	Equity market return input represents impact based on movements in equity markets.
Interest rate	Higher / Lower	(Decrease) / Increase	Increase / (Decrease)	Interest rate input represents impact based on movements in interest rates and impact to fixed-income assets.
Volatility	Increase / (Decrease)	Increase / (Decrease)	(Decrease) / Increase	Volatility assumption represents overall volatilities assumed for the underlying variable annuity funds, which include a mixture of equity and fixed-income assets. Volatility assumptions vary by fund due to the benchmarking of difference indices.
Mortality	Increase / (Decrease)	(Decrease) / Increase	Increase / (Decrease)	Mortality represents the estimated probability of when an individual belonging to a particular group, categorized according to age or some other factor such as gender, will die.
Mortality contracts with only GDB rider	Increase / (Decrease)	Increase / (Decrease)	(Decrease) / Increase	Mortality represents the estimated probability of when an individual belonging to a particular group, categorized according to age or some other factor such as gender, will die.
Lapse	Higher / Lower	(Decrease) / Increase	Increase / (Decrease)	Lapse assumption represents the estimated probability of a contract surrendering during a year, thereby forgoing any future benefits.
Benefit utilization	Higher / Lower	Increase / (Decrease)	(Decrease) / Increase	Benefit utilization assumption of guaranteed withdrawals represents the estimated percentage of policyholders that utilize the guaranteed withdrawal feature.

We use derivative instruments to hedge our exposure to selected risk caused by changes in equity markets and interest rates associated with GLB and GDB riders that are available in our variable annuity products and accounted for as MRBs. Our hedge program focuses on generating sufficient income to fund future claims with a goal of maximizing distributable earnings and explicitly protecting capital. We utilize options and total return swaps on U.S.-based equity indices, and futures on U.S.-based and international equity indices, as well as interest rate futures, interest rate swaps and currency futures. For additional information on our derivatives, see Note 5.

As part of our hedge program, equity market and interest rate conditions are monitored on a daily basis. We rebalance our hedge positions based upon changes in these factors as needed. While we actively manage our hedge positions, these positions may not completely offset changes in the fair value of our GLB and GDB riders caused by movements in these factors due to, among other things, differences in timing between when a market exposure changes and corresponding changes to the hedge positions, extreme swings in the equity markets, interest rates and market-implied volatilities, realized market volatility, policyholder behavior, divergence between the performance of the underlying funds and the hedging indices, divergence between the actual and expected performance of the hedge instruments or our ability to purchase hedging instruments at prices consistent with our desired risk and return trade-off.

The following table presents our after-tax estimates of the potential instantaneous effect to net income (loss) that could result from sudden changes that may occur in equity markets and interest rates (in millions) and excludes the net cost of operating the hedge program. The amounts represent the difference between the change in GLB and GDB riders and the change in the fair value of the underlying hedge instruments. These estimates are based upon the balance as of March 31, 2024, net of reinsurance, and the related hedge instruments in place as of that date.

The effects presented in the table below are not representative of the aggregate impacts that could result if a combination of such changes to equity market returns and interest rates occurred.

Equity Market Return	In-Force Sensitivities	
	-10%	+10%
Hypothetical effect to net income	\$ (775)	\$ 675
Interest Rates	-25 bps	+25 bps
	Hypothetical effect to net income	(425)

The actual effects of the results illustrated in the table above could vary significantly depending on a variety of factors, many of which are out of our control, and consideration should be given to the following:

- The analysis is only valid as of March 31, 2024, due to changing market conditions, policyholder activity, hedge positions and other factors;
- The analysis assumes instantaneous shifts in the capital market factors and no ability to rebalance hedge positions prior to the market changes;
- The analysis assumes constant exchange rates and implied dividend yields;
- Assumptions regarding shifts in the market factors, such as assuming parallel shifts in interest rates, may be overly simplistic and not indicative of actual market behavior in stress scenarios;
- It is very unlikely that one capital market sector (e.g., equity markets) will sustain such a large instantaneous movement without affecting other capital market sectors; and
- The analysis assumes that there is no tracking or basis risk between the funds and/or indices affecting the GLB and GDB riders and the instruments utilized to hedge these exposures.

For additional information on MRBs, see Note 8.

### Policyholder Account Balances

Policyholder account balances include the contract value that has accrued to the benefit of the policyholder as of the balance sheet date. This liability includes UL and VUL and investment-type annuity products where account balances are equal to deposits plus interest credited less withdrawals, surrender charges, asset-based fees and policyholder administration charges (collectively known as “policyholder assessments”), as well as amounts representing the fair value of embedded derivative instruments associated with our indexed universal life insurance (“IUL”) and indexed annuity products. During the third quarter of each year, we conduct our comprehensive review of the assumptions and projection models underlying our reserves and embedded derivatives and update assumptions as needed. We may also update these assumptions in other quarters as we become aware of information that is indicative of the need for such an update.

Our indexed annuity and IUL contracts permit the holder to elect a fixed interest rate return or a return where interest credited to the contracts is linked to the performance of the S&P 500<sup>®</sup> Index or other indices. The value of the variable portion of the policyholder’s account balance varies with the performance of the underlying variable funds chosen by the policyholder. Policyholders may elect to rebalance among the various accounts within the product at renewal dates. At the end of each indexed term, which can be up to six years, we have the opportunity to re-price the indexed component by establishing different participation rates, caps, spreads or specified rates, subject to contractual guarantees. We purchase and sell index options that are highly correlated to the portfolio allocation decisions of our policyholders, such that we are economically hedged with respect to equity returns for the current reset period. The mark-to-market of the options held generally offsets the change in value of the embedded derivative within the contract, both of which are recorded as a component of realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss). The Derivatives and Hedging and the Fair Value Measurements and Disclosures Topics of the Financial Accounting Standards Board *Accounting Standards Codification*<sup>™</sup> require that we calculate fair values of index options we may purchase or sell in the future to hedge policyholder index allocations in future reset periods. These fair values represent an estimate of the cost of the options we will purchase or sell in the future, discounted back to the date of the balance sheet, using current market indicators of volatility and interest rates. Changes in the fair values of these liabilities are included as a component of realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss). For more information on indexed product net derivative results, see Note 17.

For additional information on the liability for policyholder account balances, see Note 10.

### Reinsurance Recoverables

Reinsurance recoverables are generally measured and recognized consistent with the assumptions and methodologies used to project the future performance of the underlying direct business as discussed in the “Future Contract Benefits” and “Policyholder Account Balances” sections above. During the third quarter of each year, we conduct our comprehensive review of the assumptions and projection models

and update assumptions as needed. In addition, we consider the potential impact of counterparty credit risks related to the reinsurance recoverable by estimating an allowance for credit losses using a probability of loss model approach to estimate expected credit losses for reinsurance recoverables. For additional information on our allowance for credit losses on reinsurance-related assets, see Note 8 in our 2023 Form 10-K.

## **Income Taxes**

Management uses certain assumptions and estimates in determining the income taxes payable or refundable for the current year, the deferred income tax assets and liabilities for items recognized differently in its financial statements from amounts shown on its income tax returns and the federal income tax expense. Determining these amounts requires analysis and interpretation of current tax laws and regulations. Management exercises judgment in evaluating the amount and timing of recognition of the resulting income tax assets and liabilities. These judgments and estimates are re-evaluated on a continual basis as regulatory and business factors change. Legislative changes to the Internal Revenue Code of 1986, as amended, modifications or new regulations, administrative rulings, or court decisions could increase or decrease our effective tax rate.

The application of GAAP requires us to evaluate the recoverability of our deferred tax assets and establish a valuation allowance, if necessary, to reduce our deferred tax asset to an amount that is more likely than not to be realizable. Judgment and the use of estimates are required in determining whether a valuation allowance is necessary, and if so, the amount of such valuation allowance. In evaluating the need for a valuation allowance, we consider many factors, including: the nature and character of the deferred tax assets and liabilities; taxable income in prior carryback years; future reversals of existing temporary differences; the length of time carryovers can be utilized; and any future prudent and feasible tax planning strategies.

As of March 31, 2024, we had an approximate \$5 billion deferred tax asset related to net unrealized losses on fixed maturity available-for-sale (“AFS”) securities. In the assessment of the future realizability of this deferred tax asset, management concluded that its tax planning strategy to hold these securities to recovery was prudent and feasible as these unrealized losses were caused by factors other than credit loss, and we have the intent and ability to hold these securities to recovery and collect all of the contractual cash flows.

Although realization is not assured, management believes it is more likely than not that the deferred tax assets, will be realized.

For risks related to establishing a valuation allowance against our deferred tax assets, see “Part I – Item 1A. Risk Factors – Assumptions and Estimates – We may be required to recognize an impairment of our goodwill or to establish a valuation allowance against our deferred tax assets” in our 2023 Form 10-K.

For additional information on income taxes, see “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Introduction – Summary of Critical Accounting Estimates – Income Taxes” in our 2023 Form 10-K and Note 18 herein.

## RESULTS OF CONSOLIDATED OPERATIONS

Details underlying the consolidated results (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Net Income (Loss)</b>		
Income (loss) from operations:		
Annuities	\$ 259	\$ 274
Life Insurance	(35)	(13)
Group Protection	80	71
Retirement Plan Services	36	43
Other Operations	(235)	(87)
Net annuity product features, after-tax	1,141	(1,018)
Net life insurance product features, after-tax	(103)	(95)
Credit loss-related adjustments, after-tax	(1)	(18)
Investment gains (losses), after-tax	(65)	(45)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, after-tax <sup>(1)</sup>	153	7
Transaction and integration costs related to mergers, acquisitions and divestitures, after-tax	(8)	—
Net income (loss)	<u>\$ 1,222</u>	<u>\$ (881)</u>

<sup>(1)</sup> The coinsurance with funds withheld investment portfolio includes fixed maturity securities classified as AFS with changes in fair value recorded in OCI. Since the corresponding and offsetting changes in fair value of the embedded derivative related to the coinsurance with funds withheld investment portfolio are recorded in realized gain (loss), volatility can occur within net income (loss). See Note 7 for more information.

### *Comparison of the Three Months Ended March 31, 2024 to 2023*

Net income increased due primarily to the following:

- Gain in net annuity product features in 2024 compared to loss in 2023 driven by MRB-related impacts due to the effect of capital markets.
- More favorable changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans in 2024 driven by the fair value of the embedded derivative related to the fourth quarter 2023 reinsurance transaction.

The increase in net income was partially offset by a legal accrual in the first quarter of 2024 and higher compensation-related expenses and other costs pertaining to business operations.

## RESULTS OF ANNUITIES

### Income (Loss) from Operations

Details underlying the results for Annuities (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Operating Revenues</b>		
Insurance premiums <sup>(1)</sup>	\$ 26	\$ 38
Fee income	580	540
Net investment income	420	421
Amortization of deferred gain (loss) on business sold through reinsurance	5	5
Other revenues <sup>(2)</sup>	238	137
Total operating revenues	1,269	1,141
<b>Operating Expenses</b>		
Benefits <sup>(1)</sup>	27	63
Interest credited	354	278
Policyholder liability remeasurement (gain) loss	–	(1)
Commissions and other expenses	571	501
Total operating expenses	952	841
Income (loss) from operations before taxes	317	300
Federal income tax expense (benefit)	58	26
Income (loss) from operations	\$ 259	\$ 274

<sup>(1)</sup> Insurance premiums include primarily our income annuities that have a corresponding offset in benefits. Benefits include primarily changes in income annuity reserves driven by insurance premiums.

<sup>(2)</sup> Consists primarily of revenues attributable to broker-dealer services, which are subject to market volatility, and the net settlement related to certain reinsurance transactions, which has a corresponding offset in net investment income and interest credited.

#### *Comparison of the Three Months Ended March 31, 2024 to 2023*

Income from operations for this segment decreased due primarily to the following:

- Lower net investment income, net of interest credited, which more than offset impacts from higher average fixed account balances and improving portfolio yields from the current interest rate environment. The lower net investment income, net of interest credited, was experienced in certain reinsured portfolios that have a corresponding increase in other revenues and decrease in benefits.
- Higher commissions and other expenses driven by higher costs pertaining to business operations, including a balance sheet true-up in preparation for the close of the sale of the wealth management business.
- Higher federal income tax expense due to the separate account dividends-received deduction.

The decrease in income from operations was partially offset by higher fee income driven by higher average daily variable account balances.

#### *Additional Information*

On December 14, 2023, we announced that we had entered into a Stock Purchase Agreement with Osaic Holdings, Inc., a Delaware corporation (“Osaic”), pursuant to which Osaic agreed to acquire all of the ownership interests in the subsidiaries of the Company that comprise the Company’s wealth management business operated through LFN. The transaction is expected to close in the first half of 2024, subject to customary closing conditions.

New deposits are an important component of net flows and key to our efforts to grow our business. Although deposits do not significantly affect current period income from operations, they can significantly impact future income from operations.

The other component of net flows relates to the retention of new business and account balances. An important measure of retention is the reduction in account balances caused by full surrenders, deaths and other contract benefits. These outflows as a percentage of average gross account balances were 11% and 9% for the three months ended March 31, 2024 and 2023, respectively.

Our fixed annuities and registered index-linked annuities have discretionary fixed and indexed crediting rates that reset on an annual or periodic basis and may be subject to surrender charges. Our ability to retain these annuities will be subject to current competitive conditions at the time crediting rates for these products reset. We expect to manage the effects of spreads on near-term income from operations through portfolio management and, to a lesser extent, crediting rate actions, which assumes no significant changes in net flows or other changes that may cause interest rate spreads to differ from our expectations. For information on interest rate spreads and interest rate risk, see “Part I – Item 1A. Risk Factors – Market Conditions – Changes in interest rates and sustained low interest rates may cause interest rate spreads to decrease, impacting our profitability, and make it more challenging to meet certain statutory requirements,” “Part I – Item 1A. Risk Factors – Market Conditions – Increases in interest rates may negatively affect our profitability, capital position and the value of our investment portfolio and may also result in increased contract withdrawals” and “Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk” in our 2023 Form 10-K. For information on the interest rate environment, see “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Introduction – Executive Summary – Industry Trends – Interest Rate Environment” in our 2023 Form 10-K.

## Fee Income

Details underlying fee income (in millions) were as follows:

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Fee Income</b>		
Mortality, expense and other assessments <sup>(1)</sup>	\$ 564	\$ 528
Surrender charges	15	10
DFEL:		
Deferrals	(5)	(5)
Amortization	6	7
<b>Total fee income</b>	<b>\$ 580</b>	<b>\$ 540</b>

<sup>(1)</sup> Presented net of GLB and GDB hedge allowance.

We charge policyholders mortality and expense assessments on variable annuity accounts to cover insurance and administrative expenses. These assessments are a function of the rates priced into the product and the average daily variable account balances. Average daily variable account balances are driven by net flows and variable fund returns. Charges on GLB riders are assessed based on a contractual rate that is applied either to the account balance or the guaranteed amount. We allocate a portion of these fees to support the cost of hedging GLB and GDB riders. For more information, see Note 16. We may collect surrender charges when our fixed and variable annuity policyholders surrender their contracts during the surrender charge period to protect us from premature withdrawals.

**Net Investment Income and Interest Credited**

Details underlying net investment income and interest credited (in millions) were as follows:

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Net Investment Income</b>		
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	\$ 383	\$ 389
Commercial mortgage loan prepayment and bond make-whole premiums <sup>(1)</sup>	1	1
Surplus investments <sup>(2)</sup>	31	30
Net investment income pertaining to broker-dealer services	5	–
Total net investment income	<u>\$ 420</u>	<u>\$ 421</u>
<b>Interest Credited</b>		
Amount provided to policyholders	\$ 351	\$ 275
DSI deferrals	(1)	(1)
Interest credited before DSI amortization	350	274
DSI amortization	4	4
Total interest credited	<u>\$ 354</u>	<u>\$ 278</u>

<sup>(1)</sup> See “Consolidated Investments – Commercial Mortgage Loan Prepayment and Bond Make-Whole Premiums” below for additional information.

<sup>(2)</sup> Represents net investment income on the required statutory surplus for this segment and includes the effect of investment income on alternative investments for such assets that are held in the portfolios supporting statutory surplus versus the portfolios supporting product liabilities. See “Consolidated Investments – Alternative Investments” below for more information on alternative investments.

A portion of our investment income earned is credited to the policyholders of our deferred fixed annuity products, including the fixed portion of variable annuity contracts. We expect to earn a spread between what we earn on the underlying general account investments supporting the fixed annuity product line, including the fixed portion of variable annuity contracts, and what we credit to our fixed annuity policyholders’ accounts, including the fixed portion of variable annuity contracts. Changes in commercial mortgage loan prepayments and bond make-whole premiums, investment income on alternative investments and surplus investment income can vary significantly from period to period due to a number of factors and, therefore, may contribute to investment income results that are not indicative of the underlying trends.

**Account Balances**

Details underlying account balances (dollars in millions) were as follows:

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Variable Annuity Account Balance Information <sup>(1)</sup></b>		
Variable annuity deposits	\$ 904	\$ 624
Variable annuity net flows	(2,304)	(1,812)
Variable annuity account balances	118,176	108,334
Average daily variable annuity account balances	114,943	108,128
Average daily S&P 500 <sup>®</sup> Index <sup>(2)</sup>	4,996	3,998
<b>Fixed Annuity Account Balance Information <sup>(3)</sup></b>		
Fixed annuity deposits	\$ 1,945	\$ 2,540
Fixed annuity net flows	311	1,481
Fixed annuity account balances <sup>(4)</sup>	41,617	38,818
Average fixed annuity account balances <sup>(4)</sup>	40,348	38,203

<sup>(1)</sup> Excludes the fixed portion of variable annuities.

<sup>(2)</sup> We generally use the S&P 500 Index as a benchmark for the performance of our variable account balances. The account balances of our variable annuity contracts are invested by our policyholders in a variety of investment options including, but not limited to, domestic and international equity securities and fixed income, which do not necessarily align with S&P 500 Index performance.

<sup>(3)</sup> Includes the fixed portion of variable annuities.

<sup>(4)</sup> Net of reinsurance.

For more information on account balances, see Notes 9 and 10.

**Commissions and Other Expenses**

Details underlying commissions and other expenses (in millions) were as follows:

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Commissions and Other Expenses</b>		
Commissions:		
Deferrable	\$ 84	\$ 85
Non-deferrable	170	155
General and administrative expenses	120	109
Expenses associated with reserve financing and LOC expenses	6	4
Taxes, licenses and fees	14	12
Total expenses incurred, excluding broker-dealer	394	365
DAC deferrals	(98)	(98)
Total pre-broker-dealer expenses incurred, excluding amortization	296	267
DAC and VOBA amortization	106	108
Broker-dealer expenses incurred	169	126
Total commissions and other expenses	<u>\$ 571</u>	<u>\$ 501</u>

**DAC Deferrals**

As a percentage of sales/deposits	3.4 %	3.1 %
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Commissions and other expenses that result directly from and are essential to the successful acquisition of new or renewal business are deferred to the extent recoverable and are amortized on a constant level basis over the expected term of the related contracts using the groupings and actuarial assumptions consistent with those used for calculating the related policyholder liability balances. Certain types of commissions, such as trail commissions that are based on account balances, are expensed as incurred rather than deferred and amortized. Broker-dealer expenses that vary with and are related to sales are expensed as incurred and not deferred and amortized. Fluctuations in these expenses correspond with fluctuations in other revenues.

## RESULTS OF LIFE INSURANCE

### Income (Loss) from Operations

Details underlying the results for Life Insurance (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Operating Revenues</b>		
Insurance premiums <sup>(1)</sup>	\$ 288	\$ 285
Fee income	672	776
Net investment income	581	687
Operating realized gain (loss)	(2)	(2)
Amortization of deferred gain (loss) on business sold through reinsurance	(19)	4
Other revenues	21	7
Total operating revenues	1,541	1,757
<b>Operating Expenses</b>		
Benefits	928	1,152
Interest credited	294	328
Policyholder liability remeasurement (gain) loss	59	(13)
Commissions and other expenses	310	313
Total operating expenses	1,591	1,780
Income (loss) from operations before taxes	(50)	(23)
Federal income tax expense (benefit)	(15)	(10)
Income (loss) from operations	\$ (35)	\$ (13)

<sup>(1)</sup> Includes term insurance premiums, which have a corresponding partial offset in benefits for changes in reserves.

#### *Comparison of the Three Months Ended March 31, 2024 to 2023*

Loss from operations for this segment increased due primarily to the following:

- Lower fee income driven by the run-rate impact of the fourth quarter 2023 reinsurance transaction.
- Lower net investment income, net of interest credited, driven by the run-rate impact of the fourth quarter 2023 reinsurance transaction, partially offset by higher investment income on alternative investments.
- Amortization of deferred loss on business sold through reinsurance driven by the impact of the deferred loss recognized as part of the fourth quarter 2023 reinsurance transaction.

The increase in loss from operations was partially offset by lower benefits and policyholder liability remeasurement (gain) loss driven by the run-rate impact of the fourth quarter 2023 reinsurance transaction.

For more information on the fourth quarter 2023 reinsurance transaction, see “Additional Information” below.

#### *Additional Information*

Effective October 1, 2023, we entered into reinsurance agreements with Fortitude Reinsurance Company Ltd. to reinsure liabilities under certain blocks of in-force UL with secondary guarantees (“ULSG”) and *MoneyGuard*®. We expect an ongoing unfavorable impact to operating results in future quarters of approximately \$25 million to \$30 million per quarter as a result of this reinsurance transaction. See Note 7 for more information on the transaction, which improved our capital position and is expected to be accretive to ongoing free cash flow.

For information on interest rate spreads and interest rate risk, see “Part I – Item 1A. Risk Factors – Market Conditions – Changes in interest rates and sustained low interest rates may cause interest rate spreads to decrease, impacting our profitability, and make it more challenging to meet certain statutory requirements,” “Part I – Item 1A. Risk Factors – Market Conditions – Increases in interest rates may

negatively affect our profitability, capital position and the value of our investment portfolio and may also result in increased contract withdrawals” and “Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk” in our 2023 Form 10-K. For information on the interest rate environment, see “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Introduction – Executive Summary – Industry Trends – Interest Rate Environment” in our 2023 Form 10-K.

**Insurance Premiums**

Insurance premiums relate to traditional products and are a function of the rates priced into the product and insurance in force. Insurance in force, in turn, is driven by sales, persistency and mortality claims.

**Fee Income**

Details underlying fee income, sales, net flows, account balances and in-force face amount (in millions) were as follows:

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Fee Income</b>		
Cost of insurance assessments	\$ 523	\$ 600
Expense assessments	338	369
Surrender charges	10	8
<b>DFEL:</b>		
Deferrals	(267)	(262)
Amortization	68	61
Total fee income	<u>\$ 672</u>	<u>\$ 776</u>

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Sales by Product</b>		
IUL/UL	\$ 18	\$ 34
<i>MoneyGuard</i> ®	24	21
VUL	23	30
Term	19	30
Executive Benefits	7	15
Total sales	<u>\$ 91</u>	<u>\$ 130</u>

<b>Net Flows</b>		
Deposits	\$ 1,208	\$ 1,320
Withdrawals and deaths	(467)	(468)
Net flows	<u>\$ 741</u>	<u>\$ 852</u>
<b>Policyholder Assessments</b>	<u>\$ 1,370</u>	<u>\$ 1,366</u>

	As of March 31,	
	2024	2023
<b>Account Balances <sup>(1)</sup></b>		
General account	\$ 21,399	\$ 32,008
Separate account	21,669	17,556
Total account balances	<u>\$ 43,068</u>	<u>\$ 49,564</u>
<b>In-Force Face Amount</b>		
UL and other	\$ 365,507	\$ 364,101
Term insurance	720,745	715,495
Total in-force face amount	<u>\$ 1,086,252</u>	<u>\$ 1,079,596</u>
	For the Three Months Ended March 31,	
	2024	2023
<b>Average General Account Balances <sup>(1)</sup></b>	<u>\$ 21,401</u>	<u>\$ 32,072</u>

<sup>(1)</sup> Net of reinsurance ceded.

Fee income relates only to interest-sensitive products and includes cost of insurance assessments, expense assessments and surrender charges. Both cost of insurance and expense assessments can have deferrals and amortization related to deferred front-end loads (“DFEL”). Cost of insurance and expense assessments are deducted from our policyholders’ account balances. These amounts are a function of the rates priced into the product and premiums received, face amount in force and account balances.

Sales are not recorded as a component of revenues (other than for traditional products) and do not have a significant effect on current quarter income from operations but are indicators of future profitability. Generally, we have higher sales during the second half of the year with the fourth quarter being our strongest.

Sales in the table above and as discussed above were reported as follows:

- UL, IUL and VUL – first-year commissionable premiums plus 5% of excess premiums received;
- *MoneyGuard*® linked-benefit products – *MoneyGuard* (UL), 15% of total expected premium deposits, and *MoneyGuard Market Advantage*<sup>SM</sup> (VUL), 150% of commissionable premiums;
- Executive Benefits – insurance and corporate-owned UL and VUL, first-year commissionable premiums plus 5% of excess premium received, and single premium bank-owned UL and VUL, 15% of single premium deposits; and
- Term – 100% of annualized first-year premiums.

We monitor the business environment, including but not limited to the regulatory and interest rate environments, and make changes to our product offerings and in-force products as needed, and as permitted under the terms of the policies, to sustain the future profitability of our segment.

**Net Investment Income and Interest Credited**

Details underlying net investment income and interest credited (in millions) were as follows:

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Net Investment Income</b>		
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	\$ 476	\$ 598
Commercial mortgage loan prepayment and bond make-whole premiums <sup>(1)</sup>	–	2
Alternative investments <sup>(2)</sup>	74	46
Surplus investments <sup>(3)</sup>	31	41
Total net investment income	<u>\$ 581</u>	<u>\$ 687</u>
<b>Interest Credited</b>	<u>\$ 294</u>	<u>\$ 328</u>

<sup>(1)</sup> See “Consolidated Investments – Commercial Mortgage Loan Prepayment and Bond Make-Whole Premiums” below for additional information.

<sup>(2)</sup> See “Consolidated Investments – Alternative Investments” below for additional information.

<sup>(3)</sup> Represents net investment income on the required statutory surplus for this segment and includes the effect of investment income on alternative investments for such assets that are held in the portfolios supporting statutory surplus versus the portfolios supporting product liabilities.

A portion of the investment income earned for this segment is credited to policyholder accounts. Statutory reserves will typically grow at a faster rate than account balances because of reserve requirements. Investments allocated to this segment are based upon the statutory reserve liabilities and are affected by various reserve adjustments, including financing transactions providing relief from reserve requirements. These financing transactions lead to a transfer of investments from this segment to Other Operations. We expect to earn a spread between what we earn on the underlying general account investments and what we credit to our policyholders’ accounts. Investment income partially offsets the earnings effect of the associated growth of our policy reserves. Commercial mortgage loan prepayments and bond make-whole premiums and investment income on alternative investments can vary significantly from period to period due to a number of factors, and, therefore, may contribute to investment income results that are not indicative of the underlying trends.

## Benefits and Policyholder Remeasurement (Gain) Loss

Details underlying benefits and policyholder remeasurement (gain) loss (dollars in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Benefits and Policyholder Remeasurement (Gain) Loss</b>		
Death claims direct and assumed	\$ 1,568	\$ 1,468
Death claims ceded	(758)	(583)
Reserves released on death	(146)	(172)
Net death benefits	664	713
Change in secondary guarantee life insurance product reserves	97	204
Change in <i>MoneyGuard</i> ® reserves	142	121
Change in traditional product reserves	37	44
Other benefits <sup>(1)</sup>	47	57
Total benefits and policyholder remeasurement (gain) loss	\$ 987	\$ 1,139
Death claims per \$1,000 of in-force	2.44	2.65

<sup>(1)</sup> Includes primarily long-term care claims and life surrender benefits.

Benefits for this segment include claims incurred during the period in excess of the associated reserves for its interest-sensitive and traditional products. In addition, benefits include the change in secondary guarantee, linked-benefit and term life insurance product reserves. These reserves are affected by changes in expected future trends of assessments and benefits causing remeasurements. Generally, we experience higher mortality in the first quarter of the year due to the seasonality of claims.

## Commissions and Other Expenses

Details underlying commissions and other expenses (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Commissions and Other Expenses</b>		
Commissions	\$ 113	\$ 148
General and administrative expenses	143	150
Expenses associated with reserve financing	23	26
Taxes, licenses and fees	38	40
Total expenses incurred	317	364
DAC and VOBA deferrals	(133)	(174)
Total expenses recognized before amortization	184	190
DAC and VOBA amortization	125	122
Other intangible amortization	1	1
Total commissions and other expenses	\$ 310	\$ 313

## DAC and VOBA Deferrals

As a percentage of sales	146.2 %	133.8 %
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Commissions and other expenses that result directly from and are essential to the successful acquisition of new or renewal business are deferred to the extent recoverable. For our interest-sensitive and traditional products, deferred acquisition costs (“DAC”) and value of business acquired (“VOBA”) are amortized on a constant level basis over the expected term of the related contracts using the groupings and actuarial assumptions consistent with those used for calculating the related policyholder liability balances.

## RESULTS OF GROUP PROTECTION

### Income (Loss) from Operations

Details underlying the results for Group Protection (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Operating Revenues</b>		
Insurance premiums	\$ 1,285	\$ 1,251
Net investment income	85	85
Other revenues <sup>(1)</sup>	55	52
Total operating revenues	1,425	1,388
<b>Operating Expenses</b>		
Benefits	1,030	1,037
Interest credited	1	1
Policyholder liability remeasurement (gain) loss	(67)	(100)
Commissions and other expenses	360	361
Total operating expenses	1,324	1,299
Income (loss) from operations before taxes	101	89
Federal income tax expense (benefit)	21	18
Income (loss) from operations	\$ 80	\$ 71

<sup>(1)</sup> Consists of revenue from third parties for administrative services performed, which has a corresponding partial offset in commissions and other expenses.

	For the Three Months Ended March 31,	
	2024	2023
<b>Income (Loss) from Operations by Product Line</b>		
Life	\$ 9	\$ (3)
Disability	73	77
Dental	(2)	(3)
Income (loss) from operations	\$ 80	\$ 71

#### *Comparison of the Three Months Ended March 31, 2024 to 2023*

Income from operations for this segment increased due primarily to higher insurance premiums due to growth in business in force.

The increase in income from operations was partially offset by higher total benefits and policyholder liability remeasurement (gain) loss driven by higher claim experience in our disability business.

#### *Additional Information*

For information about the effect of the loss ratio sensitivity on our income (loss) from operations, see “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Results of Group Protection – Additional Information” in our 2023 Form 10-K.

For information on the effects of current interest rates on our long-term disability claim reserves, see “Item 3. Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk – Effect of Interest Rate Sensitivity” in our 2023 Form 10-K. For information on the interest rate environment, see “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Introduction – Executive Summary” in our 2023 Form 10-K.

### Insurance Premiums

Details underlying insurance premiums (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Insurance Premiums by Product Line</b>		
Life	\$ 499	\$ 480
Disability	740	725
Dental	46	46
Total insurance premiums	<u>\$ 1,285</u>	<u>\$ 1,251</u>

<b>Sales by Product Line</b>		
Life	\$ 85	\$ 82
Disability	51	40
Dental	8	6
Total sales	<u>\$ 144</u>	<u>\$ 128</u>

Premiums are a function of the rates priced into the product and our business in force. Business in force, in turn, is driven by sales and persistency experience.

Sales relate to new policyholders and new coverages sold to existing policyholders. We believe that the trend in sales is an important indicator of development of business in force over time. Sales in the table above are the combined annualized premiums for our products.

### Net Investment Income

We use our investment income to offset the earnings effect of the associated build of our reserves, which are a function of our insurance premiums and the yields on our investments. Details underlying net investment income (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Net Investment Income</b>		
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	\$ 68	\$ 67
Surplus investments <sup>(2)</sup>	17	18
Total net investment income	<u>\$ 85</u>	<u>\$ 85</u>

<sup>(1)</sup> See “Consolidated Investments – Commercial Mortgage Loan Prepayment and Bond Make-Whole Premiums” below for additional information.

<sup>(2)</sup> Represents net investment income on the required statutory surplus for this segment and includes the effect of investment income on alternative investments for such assets that are held in the portfolios supporting statutory surplus versus the portfolios supporting product liabilities. See “Consolidated Investments – Alternative Investments” below for more information on alternative investments.

## Benefits, Interest Credited and Policyholder Liability Remeasurement (Gain) Loss

Details underlying benefits, interest credited, policyholder liability remeasurement (gain) loss (in millions) and loss ratios by product line were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Benefits, Interest Credited and Policyholder Liability Remeasurement (Gain) Loss by Product Line</b>		
Life	\$ 380	\$ 386
Disability	549	517
Dental	35	35
Total benefits, interest credited and policyholder liability remeasurement (gain) loss	<u>\$ 964</u>	<u>\$ 938</u>

<b>Loss Ratios by Product Line</b>		
Life	76.1 %	80.4 %
Disability	74.2 %	71.4 %
Dental	76.5 %	76.4 %
Total	75.0 %	75.0 %

Generally, we experience higher mortality in the first quarter of the year and higher disability claims in the fourth quarter of the year due to the seasonality of claims. For additional information on our loss ratios, see “Additional Information” above.

## Commissions and Other Expenses

Details underlying commissions and other expenses (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Commissions and Other Expenses</b>		
Commissions	\$ 109	\$ 106
General and administrative expenses	209	212
Taxes, licenses and fees	37	36
Total expenses incurred	355	354
DAC deferrals	(29)	(25)
Total expenses recognized before amortization	326	329
DAC amortization	26	23
Other intangible amortization	8	9
Total commissions and other expenses	<u>\$ 360</u>	<u>\$ 361</u>

## DAC Deferrals

As a percentage of insurance premiums	2.3 %	2.0 %
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Commissions and other expenses that result directly from and are essential to the successful acquisition of new or renewal business are deferred to the extent recoverable and are amortized on a constant level basis over the expected term of the related contracts using the groupings and actuarial assumptions consistent with those used for calculating the related policyholder liability balances. Certain broker commissions that vary with and are related to paid premiums are expensed as incurred rather than deferred and amortized.

## RESULTS OF RETIREMENT PLAN SERVICES

### Income (Loss) from Operations

Details underlying the results for Retirement Plan Services (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Operating Revenues</b>		
Fee income	\$ 70	\$ 64
Net investment income	244	255
Other revenues <sup>(1)</sup>	8	9
Total operating revenues	322	328
<b>Operating Expenses</b>		
Interest credited	166	167
Commissions and other expenses	115	110
Total operating expenses	281	277
Income (loss) from operations before taxes	41	51
Federal income tax expense (benefit)	5	8
Income (loss) from operations	\$ 36	\$ 43

<sup>(1)</sup> Consists primarily of mutual fund account program revenues from mid to large employers.

#### *Comparison of the Three Months Ended March 31, 2024 to 2023*

Income from operations for this segment decreased due primarily to the following:

- Lower net investment income driven by lower average fixed account balances.
- Higher commissions and other expenses driven by higher variable account balances and growth in business.

The decrease in income from operations was partially offset by higher fee income driven by higher variable account balances and growth in business.

#### *Additional Information*

Net flows in this business fluctuate based on the timing of larger plans being implemented and terminating over the course of the year. New deposits are an important component of net flows and key to our efforts to grow our business. Although deposits do not significantly affect current period income from operations, they can significantly impact future income from operations. The other component of net flows relates to the retention of the business. An important measure of retention is the reduction in account balances caused by plan sponsor terminations and participant withdrawals. These outflows as a percentage of average account balances were 13% and 12% for the three months ended March 31, 2024 and 2023, respectively.

Our net flows are negatively affected by the continued net outflows from our oldest blocks of annuities business (as presented on our Net Flows By Market table below as “*Multi-Fund*<sup>®</sup> and other”), which are among our higher margin product lines in this segment, due to the fact that they are mature blocks with low distribution and servicing costs. The proportion of these products to our total account balances was 14% and 16% as of March 31, 2024 and 2023, respectively. Due to this overall shift in business mix toward products with lower returns, new deposit production continues to be necessary to maintain earnings at current levels.

Our fixed annuity business includes products with discretionary and index-based crediting rates that are reset on either a quarterly or semi-annual basis. Our ability to retain quarterly or semi-annual reset annuities will be subject to current competitive conditions at the time crediting rates for these products reset. We expect to manage the effects of spreads on near-term income from operations through portfolio management and, to a lesser extent, crediting rate actions, which assumes no significant changes in net flows into or out of our fixed accounts or other changes that may cause interest rate spreads to differ from our expectations. For information on interest rate spreads and interest rate risk, see “Part I – Item 1A. Risk Factors – Market Conditions – Changes in interest rates and sustained low interest rates may cause interest rate spreads to decrease, impacting our profitability, and make it more challenging to meet certain

statutory requirements,” “Part I – Item 1A. Risk Factors – Market Conditions – Increases in interest rates may negatively affect our profitability, capital position and the value of our investment portfolio and may also result in increased contract withdrawals” and “Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk” in our 2023 Form 10-K. For information on the interest rate environment, see “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Introduction – Executive Summary – Industry Trends – Interest Rate Environment” in our 2023 Form 10-K.

## Fee Income

Details underlying fee income (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Fee Income</b>		
Annuity expense assessments	\$ 51	\$ 47
Mutual fund fees	18	17
Total expense assessments	69	64
Surrender charges	1	–
Total fee income	<u>\$ 70</u>	<u>\$ 64</u>

Our fee income is primarily composed of expense assessments that we charge to cover insurance and administrative expenses, and mutual fund fees earned for services we provide to our mutual fund programs. Fee income is primarily based on average account balances, both fixed and variable, which are driven by net flows and the equity markets. Fee income is also driven by non-account balance-related items such as participant counts. We may collect surrender charges when our fixed and variable annuity policyholders surrender their contracts during the surrender charge period to protect us from premature withdrawals.

## Net Investment Income and Interest Credited

Details underlying net investment income and interest credited (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Net Investment Income</b>		
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	\$ 226	\$ 237
Commercial mortgage loan prepayment and bond make-whole premiums <sup>(1)</sup>	1	–
Surplus investments <sup>(2)</sup>	17	18
Total net investment income	<u>\$ 244</u>	<u>\$ 255</u>
<b>Interest Credited</b>	<u>\$ 166</u>	<u>\$ 167</u>

<sup>(1)</sup> See “Consolidated Investments – Commercial Mortgage Loan Prepayment and Bond Make-Whole Premiums” below for additional information.

<sup>(2)</sup> Represents net investment income on the required statutory surplus for this segment and includes the effect of investment income on alternative investments for such assets that are held in the portfolios supporting statutory surplus versus the portfolios supporting product liabilities. See “Consolidated Investments – Alternative Investments” below for more information on alternative investments.

A portion of our investment income earned is credited to the policyholders of our fixed annuity products, including the fixed portion of variable annuity contracts. We expect to earn a spread between what we earn on the underlying general account investments supporting the fixed annuity product line, including the fixed portion of variable annuity contracts, and what we credit to our fixed annuity policyholders’ accounts, including the fixed portion of variable annuity contracts. Commercial mortgage loan prepayments and bond make-whole premiums, investment income on alternative investments and surplus investment income can vary significantly from period

to period due to a number of factors and, therefore, may contribute to investment income results that are not indicative of the underlying trends.

## Account Balances

Details underlying account balances (dollars in millions) were as follows:

	<b>As of or For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Variable Account Balance Information <sup>(1)</sup></b>		
Variable annuity deposits	\$ 551	\$ 535
Variable annuity net flows	(177)	(44)
Variable annuity account balances	20,958	17,754
Average daily variable annuity account balances	20,132	17,525
Average daily S&P 500® Index <sup>(2)</sup>	4,996	3,998
<b>Fixed Account Balance Information <sup>(3)</sup></b>		
Fixed annuity deposits	\$ 790	\$ 701
Fixed annuity net flows	(413)	(412)
Fixed annuity account balances	23,586	24,994
Average fixed account balances	23,655	25,057
<b>Mutual Fund Account Balance Information</b>		
Mutual fund deposits	\$ 2,461	\$ 1,973
Mutual fund net flows	981	991
Mutual fund account balances <sup>(4)</sup>	62,268	50,231

<sup>(1)</sup> Excludes the fixed portion of variable annuities.

<sup>(2)</sup> We generally use the S&P 500 Index as a benchmark for the performance of our variable account balances. The account balances of our variable annuity contracts are invested by our policyholders in a variety of investment options including, but not limited to, domestic and international equity securities and fixed income, which do not necessarily align with the S&P 500 Index performance.

<sup>(3)</sup> Includes the fixed portion of variable annuities.

<sup>(4)</sup> Mutual funds are not included in the separate accounts reported on the Consolidated Balance Sheets as we do not have any ownership interest in them.

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Net Flows By Market</b>		
Small market	\$ (32)	\$ 148
Mid – large market	847	711
Multi-Fund® and other	(424)	(324)
Total net flows	<u>\$ 391</u>	<u>\$ 535</u>

For more information on account balances, see Notes 9 and 10.

**Commissions and Other Expenses**

Details underlying commissions and other expenses (in millions) were as follows:

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Commissions and Other Expenses</b>		
Commissions:		
Deferrable	\$ 1	\$ 1
Non-deferrable	22	20
General and administrative expenses	86	83
Taxes, licenses and fees	6	6
Total expenses incurred	115	110
DAC deferrals	(5)	(5)
Total expenses recognized before amortization	110	105
DAC amortization	5	5
Total commissions and other expenses	<u>\$ 115</u>	<u>\$ 110</u>

**DAC Deferrals**

As a percentage of annuity sales/deposits	0.4%	0.4%
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Commissions and other expenses that result directly from and are essential to the successful acquisition of new or renewal business are deferred to the extent recoverable and are amortized on a constant level basis over the expected term of the related contracts using the groupings and actuarial assumptions consistent with those used for calculating the related policyholder liability balances. Certain types of commissions, such as trail commissions that are based on account balances, are expensed as incurred rather than deferred and amortized. Distribution expenses associated with the sale of mutual fund products are expensed as incurred.

## RESULTS OF OTHER OPERATIONS

### Income (Loss) from Operations

Details underlying the results for Other Operations (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Operating Revenues</b>		
Insurance premiums <sup>(1)</sup>	\$ 2	\$ 5
Net investment income <sup>(2)</sup>	16	35
Amortization of deferred gain (loss) on business sold through reinsurance	2	—
Other revenues	7	3
Total operating revenues	27	43
<b>Operating Expenses</b>		
Benefits	6	20
Interest credited	9	10
Policyholder liability remeasurement (gain) loss	(1)	—
Other expenses	226	37
Interest and debt expense	81	83
Total operating expenses	321	150
Income (loss) from operations before taxes	(294)	(107)
Federal income tax expense (benefit)	(59)	(20)
Income (loss) from operations	\$ (235)	\$ (87)

<sup>(1)</sup> Includes our disability income business, which has a corresponding offset in benefits for changes in reserves.

<sup>(2)</sup> Includes our institutional pension business, which has a corresponding offset in premiums and benefits for changes in reserves.

#### *Comparison of the Three Months Ended March 31, 2024 to 2023*

Loss from operations for Other Operations increased due primarily to higher other expenses driven by a legal accrual in the first quarter of 2024 and severance expense associated with workforce reduction in the first quarter of 2024.

### Net Investment Income and Interest Credited

We utilize an internal formula to determine the amount of capital that is allocated to our business segments. Investment income on capital in excess of the calculated amounts is reported in Other Operations. If our business segments require increases in statutory reserves, surplus or investments, the amount of excess capital that is retained by Other Operations would decrease and net investment income would be negatively affected.

Write-downs for impairments decrease the recorded value of investments owned by the business segments. These write-downs are not included in the income from operations of our business segments. When impairment occurs, assets are transferred to the business segments' portfolios and will reduce the future net investment income for Other Operations. Statutory reserve adjustments for our business segments can also cause allocations of investments between the business segments and Other Operations.

The majority of our interest credited relates to our reinsurance operations sold to Swiss Re Life & Health America, Inc. ("Swiss Re") in 2001. A substantial amount of the business was sold through indemnity reinsurance transactions, which is still recorded in the consolidated financial statements. The interest credited corresponds to investment income earnings on the assets we continue to hold for this business. There is no effect to income or loss in Other Operations or on a consolidated basis for these amounts because interest earned on the blocks that continue to be reinsured is passed through to Swiss Re in the form of interest credited.

### Benefits

Benefits are recognized when incurred for institutional pension products and disability income business.

## Other Expenses

Details underlying other expenses (in millions) were as follows:

	For the Three Months Ended March 31,	
	2024	2023
General and administrative expenses:		
Legal	\$ 114	\$ (5)
Branding	12	13
Other <sup>(1)</sup>	103	31
Total general and administrative expenses	229	39
Taxes, licenses and fees <sup>(2)</sup>	(2)	(1)
Other <sup>(3)</sup>	(1)	(1)
Total other expenses	<u>\$ 226</u>	<u>\$ 37</u>

<sup>(1)</sup> Includes the portion of our deferred compensation plan expense attributable to participants' selection of LNC stock as the measure for their investment return, expenses that are corporate in nature including charitable contributions and other expenses not allocated to our business segments.

<sup>(2)</sup> Includes state guaranty funds assessments to cover losses to policyholders of insolvent or rehabilitated insurance companies. Mandatory assessments may be partially recovered through a reduction in future premium taxes in some states.

<sup>(3)</sup> Consists primarily of reimbursements to Other Operations from the Life Insurance segment for the use of proceeds from certain issuances of senior notes that were used as long-term structured solutions, net of expenses incurred by Other Operations for its access to a financing facility and issuance of letters of credit.

## Interest and Debt Expense

Our current level of interest expense may not be indicative of the future due to, among other things, the timing of the use of cash, the availability of funds from our inter-company cash management program and the future cost of capital. For additional information on our financing activities, see "Liquidity and Capital Resources – Holding Company Sources and Uses of Liquidity and Capital – Debt" below.

## CONSOLIDATED INVESTMENTS

Details underlying our consolidated investment balances (in millions) were as follows:

			Percentage of Total Investments	
	As of March 31, 2024	As of December 31, 2023	As of March 31, 2024	As of December 31, 2023
<b>Investments</b>				
Fixed maturity AFS securities	\$ 87,764	\$ 88,738	69.8 %	71.4 %
Trading securities	2,227	2,359	1.8 %	1.9 %
Equity securities	319	306	0.2 %	0.2 %
Mortgage loans on real estate	19,266	18,963	15.3 %	15.3 %
Policy loans	2,476	2,476	2.0 %	2.0 %
Derivative investments	8,394	6,474	6.7 %	5.2 %
Alternative investments	3,480	3,377	2.8 %	2.7 %
Other investments	1,776	1,638	1.4 %	1.3 %
Total investments	\$ 125,702	\$ 124,331	100.0 %	100.0 %

### Investment Objective

Investments are an integral part of our operations. We follow a balanced approach to investing for both current income and prudent risk management, with an emphasis on generating sufficient current income, net of income tax, to meet our obligations to customers, as well as other general liabilities. This balanced approach requires the evaluation of expected return and risk of each asset class utilized, while still meeting our income objectives. This approach is important to our asset-liability management because decisions can be made based upon both the economic and current investment income considerations affecting assets and liabilities. For a discussion of our risk management process, see “Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk” in our 2023 Form 10-K.

### Investment Portfolio Composition and Diversification

Fundamental to our investment policy is diversification across asset classes. Our investment portfolio, excluding cash and invested cash, is composed of fixed maturity securities, mortgage loans on real estate, real estate (either wholly-owned or in joint ventures) and other long-term investments. We purchase investments for our segmented portfolios that have yield, duration and other characteristics that take into account the liabilities of the products being supported.

We have the ability to maintain our investment holdings throughout credit cycles because of our capital position, the long-term nature of our liabilities and the matching of our portfolios of investment assets with the liabilities of our various products.

### Fixed Maturity and Equity Securities Portfolios

Fixed maturity securities consist of portfolios classified as AFS and trading. Details underlying our fixed maturity AFS securities by industry classification (in millions) are presented in the tables below. These tables agree in total with the presentation of fixed maturity AFS securities in Note 3; however, the categories below represent a more detailed breakout of the fixed maturity AFS portfolio. Therefore, the investment classifications listed below do not agree to the investment categories provided in Note 3.

	As of March 31, 2024				
	Net	Gross Unrealized		Fair	%
	Amortized			Fair	Fair
	Cost <sup>(1)</sup>	Gains	Losses	Value	Value
<b>Fixed Maturity AFS Securities</b>					
Industry corporate bonds:					
Financial services	\$ 14,449	\$ 107	\$ 1,467	\$ 13,089	14.9 %
Basic industry	3,494	45	360	3,179	3.6 %
Capital goods	6,197	60	698	5,559	6.3 %
Communications	3,400	52	414	3,038	3.5 %
Consumer cyclical	5,799	47	542	5,304	6.0 %
Consumer non-cyclical	15,478	141	2,097	13,522	15.5 %
Energy	3,313	27	335	3,005	3.4 %
Technology	5,009	22	572	4,459	5.1 %
Transportation	3,443	25	350	3,118	3.6 %
Industrial other	2,362	6	392	1,976	2.3 %
Utilities	12,602	90	1,638	11,054	12.6 %
Government-related entities	1,412	18	200	1,230	1.4 %
Collateralized mortgage and other obligations (“CMOs”):					
Agency backed	1,235	2	163	1,074	1.2 %
Non-agency backed	329	18	10	337	0.4 %
Mortgage pass through securities (“MPTS”):					
Agency backed	392	–	44	348	0.4 %
Commercial mortgage-backed securities (“CMBS”):					
Agency backed	2	–	–	2	— %
Non-agency backed	1,656	4	178	1,482	1.7 %
Asset-backed securities (“ABS”):					
Collateralized loan obligations (“CLOs”)	8,385	17	412	7,990	9.1 %
Credit card	112	6	1	117	0.1 %
Home equity	171	27	2	196	0.2 %
Other	4,231	21	206	4,046	4.6 %
Municipals:					
Taxable	3,064	46	398	2,712	3.1 %
Tax-exempt	33	–	2	31	0.0 %
Government:					
United States	422	4	35	391	0.4 %
Foreign	304	12	53	263	0.3 %
Hybrid and redeemable preferred securities	231	23	12	242	0.3 %
Total fixed maturity AFS securities	97,525	820	10,581	87,764	100.0 %
<b>Trading Securities <sup>(2)</sup></b>	2,379	43	195	2,227	
<b>Equity Securities</b>	343	7	31	319	
Total fixed maturity AFS, trading and equity securities	\$ 100,247	\$ 870	\$ 10,807	\$ 90,310	

As of December 31, 2023

	Net Amortized Cost <sup>(1)</sup>	Gross Unrealized		Fair Value	% Fair Value
		Gains	Losses		
<b>Fixed Maturity AFS Securities</b>					
Industry corporate bonds:					
Financial services	\$ 14,767	\$ 133	\$ 1,412	\$ 13,488	15.2 %
Basic industry	3,426	58	325	3,159	3.6 %
Capital goods	6,143	83	591	5,635	6.4 %
Communications	3,509	63	375	3,197	3.6 %
Consumer cyclical	5,660	60	495	5,225	5.9 %
Consumer non-cyclical	15,356	196	1,908	13,644	15.4 %
Energy	3,331	38	309	3,060	3.4 %
Technology	4,994	32	500	4,526	5.1 %
Transportation	3,487	35	317	3,205	3.6 %
Industrial other	2,296	7	370	1,933	2.2 %
Utilities	12,683	121	1,484	11,320	12.8 %
Government-related entities	1,425	26	186	1,265	1.4 %
CMOs:					
Agency backed	1,245	8	149	1,104	1.2 %
Non-agency backed	332	19	10	341	0.4 %
MPTS:					
Agency backed	365	1	38	328	0.4 %
CMBS:					
Agency backed	2	–	–	2	0.0 %
Non-agency backed	1,620	5	203	1,422	1.6 %
ABS:					
CLOs	8,452	9	389	8,072	9.1 %
Credit card	113	7	1	119	0.1 %
Home equity	175	28	2	201	0.2 %
Other	3,954	18	193	3,779	4.3 %
Municipals:					
Taxable	3,072	100	415	2,757	3.1 %
Tax-exempt	34	1	2	33	0.0 %
Government:					
United States	416	6	29	393	0.4 %
Foreign	314	16	47	283	0.3 %
Hybrid and redeemable preferred securities	243	21	17	247	0.3 %
Total fixed maturity AFS securities	97,414	1,091	9,767	88,738	100.0 %
<b>Trading Securities <sup>(2)</sup></b>	2,515	55	211	2,359	
<b>Equity Securities</b>	340	8	42	306	
Total fixed maturity AFS, trading and equity securities	\$ 100,269	\$ 1,154	\$ 10,020	\$ 91,403	

<sup>(1)</sup> Represents amortized cost, net of the allowance for credit losses.

<sup>(2)</sup> Certain of our trading securities support our reinsurance funds withheld and modified coinsurance agreements and the investment results are passed directly to the reinsurers. See “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Consolidated Investments – Fixed Maturity and Equity Securities Portfolios – Trading Securities” in our 2023 Form 10-K for more information.

*Fixed Maturity AFS Securities*

In accordance with the fixed maturity AFS accounting guidance, we reflect stockholders' equity as if unrealized gains and losses were actually recognized and consider all related accounting adjustments that would occur upon such a hypothetical recognition of unrealized gains and losses. Such related balance sheet effects include adjustments to future contract benefits, policyholder account balances and deferred income taxes. Adjustments to each of these balances are charged or credited to accumulated other comprehensive income (loss) ("AOCI"). For instance, deferred income tax balances are adjusted because unrealized gains or losses do not affect actual taxes currently paid.

The quality of our fixed maturity AFS securities portfolio, as measured at estimated fair value and by the percentage of fixed maturity AFS securities invested in various ratings categories, relative to the entire fixed maturity AFS security portfolio (in millions) was as follows:

NAIC Designation <sup>(1)</sup>	Rating Agency Equivalent Designation <sup>(1)</sup>	As of March 31, 2024			As of December 31, 2023		
		Net Amortized Cost	Fair Value	% of Total	Net Amortized Cost	Fair Value	% of Total
<b>Investment Grade Securities</b>							
1	AAA / AA / A	\$ 57,128	\$ 51,032	58.1 %	\$ 56,557	\$ 51,234	57.7 %
2	BBB	37,515	33,975	38.7 %	37,832	34,614	39.0 %
Total investment grade securities		94,643	85,007	96.8 %	94,389	85,848	96.7 %
<b>Below Investment Grade Securities</b>							
3	BB	1,134	1,055	1.2 %	1,176	1,090	1.2 %
4	B	1,679	1,635	1.9 %	1,760	1,719	2.0 %
5	CCC and lower	66	63	0.1 %	86	78	0.1 %
6	In or near default	3	4	0.0 %	3	3	0.0 %
Total below investment grade securities		2,882	2,757	3.2 %	3,205	2,890	3.3 %
Total fixed maturity AFS securities		\$ 97,525	\$ 87,764	100.0 %	\$ 97,414	\$ 88,738	100.0 %
<b>Total securities below investment grade as a percentage of total fixed maturity AFS securities</b>							
		<u>3.0 %</u>	<u>3.2 %</u>		<u>3.1 %</u>	<u>3.3 %</u>	

<sup>(1)</sup> Based upon the rating designations determined and provided by the National Association of Insurance Commissioners ("NAIC") or the major credit rating agencies (Fitch Ratings ("Fitch"), Moody's Investors Service ("Moody's") and S&P Global Ratings ("S&P")). For securities where the ratings assigned by the major credit rating agencies are not equivalent, the second lowest rating assigned is used. For those securities where ratings by the major credit rating agencies are not available, which does not represent a significant amount of our total fixed maturity AFS securities, we base the ratings disclosed upon internal ratings. The average credit quality was A- as of March 31, 2024.

Comparisons between the NAIC designations and rating agency designations are published by the NAIC. The NAIC assigns securities quality designations and uniform valuations, which are used by insurers when preparing their annual statements. The NAIC designations are similar to the rating agency designations of the Nationally Recognized Statistical Rating Organizations for marketable bonds. NAIC designations 1 and 2 include bonds generally considered investment grade (rated Baa3 or higher by Moody's, or rated BBB- or higher by S&P and Fitch) by such ratings organizations. However, securities designated NAIC 1 and 2 could be deemed below investment grade by the rating agencies as a result of the current risk-based capital ("RBC") rules for residential mortgage-backed securities ("RMBS") and CMBS for statutory reporting. NAIC designations 3 through 6 include bonds generally considered below investment grade (rated Ba1 or lower by Moody's, or rated BB+ or lower by S&P and Fitch).

As of March 31, 2024, and December 31, 2023, 97% of the total fixed maturity AFS securities in an unrealized loss position were investment grade. Our gross unrealized losses recognized in OCI on fixed maturity AFS securities as of March 31, 2024, increased by \$814 million since December 31, 2023. For the three months ended March 31, 2024, and the corresponding period in 2023, we recognized \$61 million and \$65 million of gross losses, respectively, on fixed maturity AFS securities, which were primarily related to portfolio rebalancing and sales driven by the regional banking crisis, respectively. For further information on our unrealized losses on

fixed maturity AFS securities, see “Composition by Industry Categories of our Unrealized Losses on Fixed Maturity AFS Securities” below.

We regularly review our fixed maturity AFS securities for declines in fair value that we determine to be impairment-related, including those attributable to credit risk factors that may require a credit allowance. We do not believe the unrealized loss position as of March 31, 2024, required an impairment recognized in earnings as: (i) we did not intend to sell these fixed maturity AFS securities; (ii) it is not more likely than not that we will be required to sell the fixed maturity AFS securities before recovery of their amortized cost basis; and (iii) the difference in the fair value compared to the amortized cost was due to factors other than credit loss. This conclusion is consistent with our asset-liability management process. Management considered the following as part of the evaluation:

- The current economic environment and market conditions;
- Our business strategy and current business plans;
- The nature and type of security, including expected maturities and exposure to general credit, liquidity, market and interest rate risk;
- Our analysis of data from financial models and other internal and industry sources to evaluate the current effectiveness of our hedging and overall risk management strategies;
- The current and expected timing of contractual maturities of our assets and liabilities, expectations of prepayments on investments and expectations for surrenders and withdrawals of annuity contracts and life insurance policies;
- The capital risk limits approved by management; and
- Our current financial condition and liquidity demands.

We recognized \$(2) million of credit loss benefit (expense) on our fixed maturity AFS securities for the three months ended March 31, 2024, and \$(17) million for the corresponding period in 2023. In order to determine the amount of credit loss, we calculated the recovery value by performing a discounted cash flow analysis based on the current cash flows and future cash flows we expect to recover. To determine the recoverability, we considered the facts and circumstances surrounding the underlying issuer including, but not limited to, the following:

- Historical and implied volatility of the security;
- The extent to which the fair value has been less than amortized cost;
- Adverse conditions specifically related to the security or to specific conditions in an industry or geographic area;
- Failure, if any, of the issuer of the security to make scheduled payments; and
- Recoveries or additional declines in fair value subsequent to the balance sheet date.

For information on credit loss impairment on fixed maturity AFS securities, see Notes 1, 3 and 17 herein.

As reported on the Consolidated Balance Sheets, we had \$134.2 billion of liabilities for future obligations under insurance policies and contracts, net of amounts recoverable from reinsurers, which exceeded investments and cash and invested cash, which totaled \$129.8 billion as of March 31, 2024. If it were necessary to liquidate fixed maturity AFS securities prior to maturity or call to meet cash flow needs, we would first look to those fixed maturity AFS securities that are in an unrealized gain position, which had a fair value of \$16.9 billion as of March 31, 2024, rather than selling fixed maturity AFS securities in an unrealized loss position. The amount of cash that we have on hand at any point in time takes into account our liquidity needs in the future, other sources of cash, such as the maturities of investments, interest and dividends we earn on our investments and the ongoing cash flows from new and existing business. For additional information, see “Liquidity and Capital Resources” below.

As of March 31, 2024, and December 31, 2023, the estimated fair value for all private placement securities was \$20.3 billion and \$20.6 billion, respectively, representing 16% and 17% of total investments, respectively.

*Mortgage-Backed Securities (Included in Fixed Maturity AFS and Trading Securities)*

See “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Consolidated Investments – Mortgage-Backed Securities” in our 2023 Form 10-K for a discussion of our mortgage-backed securities.

The market value of fixed maturity AFS and trading securities backed by subprime loans was \$172 million and represented less than 1% of our total investment portfolio as of March 31, 2024. Fixed maturity AFS securities represented \$165 million, or 96%, and trading securities represented \$7 million, or 4%, of the subprime exposure as of March 31, 2024. The table below summarizes our investments in fixed maturity AFS securities backed by pools of residential mortgages (in millions) as of March 31, 2024:

Type	Agency		Prime		Alt-A		Subprime/ Option ARM <sup>(1)</sup>		Total	
	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value
RMBS	\$ 1,627	\$1,422	\$ 183	\$ 178	\$ 54	\$ 59	\$ 93	\$ 100	\$ 1,957	\$1,759
ABS home equity	–	–	16	16	12	19	142	161	170	196
Total by type <sup>(2)(3)</sup>	<u>\$ 1,627</u>	<u>\$1,422</u>	<u>\$ 199</u>	<u>\$ 194</u>	<u>\$ 66</u>	<u>\$ 78</u>	<u>\$ 235</u>	<u>\$ 261</u>	<u>\$ 2,127</u>	<u>\$1,955</u>
<b>Rating</b>										
AAA	\$ –	\$ –	\$ 97	\$ 94	\$ 2	\$ 1	\$ 6	\$ 6	\$ 105	\$ 101
AA	1,627	1,422	8	8	1	1	–	–	1,636	1,431
A	–	–	5	5	1	1	5	5	11	11
BBB	–	–	32	28	13	20	6	6	51	54
BB and below	–	–	57	59	49	55	218	244	324	358
Total by rating <sup>(2)(3)(4)</sup>	<u>\$ 1,627</u>	<u>\$1,422</u>	<u>\$ 199</u>	<u>\$ 194</u>	<u>\$ 66</u>	<u>\$ 78</u>	<u>\$ 235</u>	<u>\$ 261</u>	<u>\$ 2,127</u>	<u>\$1,955</u>
<b>Origination Year</b>										
2014 and prior	\$ 377	\$ 358	\$ 73	\$ 74	\$ 66	\$ 78	\$ 235	\$ 261	\$ 751	\$ 771
2015	130	114	15	14	–	–	–	–	145	128
2016	382	314	–	–	–	–	–	–	382	314
2017	157	133	–	–	–	–	–	–	157	133
2018	146	134	–	–	–	–	–	–	146	134
2019	153	122	–	–	–	–	–	–	153	122
2020	72	60	3	3	–	–	–	–	75	63
2021	125	105	26	23	–	–	–	–	151	128
2022	58	56	60	58	–	–	–	–	118	114
2023	27	26	17	17	–	–	–	–	44	43
2024	–	–	5	5	–	–	–	–	5	5
Total by origination year <sup>(2)(3)</sup>	<u>\$ 1,627</u>	<u>\$1,422</u>	<u>\$ 199</u>	<u>\$ 194</u>	<u>\$ 66</u>	<u>\$ 78</u>	<u>\$ 235</u>	<u>\$ 261</u>	<u>\$ 2,127</u>	<u>\$1,955</u>

**Total fixed maturity AFS securities backed by pools of**

residential mortgages as a percentage of total fixed maturity AFS securities 2.2 % 2.2 %

Total prime, Alt-A and subprime/option ARM as a percentage of total fixed maturity AFS securities 0.5 % 0.6 %

<sup>(1)</sup> Includes the net amortized cost and fair value of option adjustable rate mortgages (“ARM”) within RMBS, totaling \$89 million and \$96 million, respectively.

<sup>(2)</sup> Does not include the amortized cost of trading securities totaling \$61 million that primarily support our reinsurance funds withheld and modified coinsurance agreements because investment results for these agreements are passed directly to the reinsurers. The \$61 million in trading securities consisted of \$53 million prime and \$8 million subprime.

<sup>(3)</sup> Does not include the fair value of trading securities totaling \$50 million that primarily support our reinsurance funds withheld and modified coinsurance agreements because investment results for these agreements are passed directly to the reinsurers. The \$50 million in trading securities consisted of \$43 million prime and \$7 million subprime.

<sup>(4)</sup> Based upon the rating designations determined and provided by the major credit rating agencies (Fitch, Moody's and S&P). For securities where the ratings assigned by the major credit rating agencies are not equivalent, the second lowest rating assigned is used. For those securities where ratings by the major credit rating agencies are not available, which does not represent a significant amount of our total fixed maturity AFS securities, we base the ratings disclosed upon internal ratings.

None of these investments included any direct investments in subprime lenders or mortgages. We are not aware of material exposure to subprime loans in our alternative investment portfolio.

The following summarizes our investments in fixed maturity AFS securities backed by pools of commercial mortgages (in millions) as of March 31, 2024:

Type	Multiple Property		Single Property		Total	
	Net Amortized		Net Amortized		Net Amortized	
	Cost	Fair Value	Cost	Fair Value	Cost	Fair Value
CMBS <sup>(1)(2)</sup>	\$ 1,591	\$ 1,427	\$ 67	\$ 57	\$ 1,658	\$ 1,484
<b>Rating</b>						
AAA	\$ 1,097	\$ 1,006	\$ 16	\$ 15	\$ 1,113	\$ 1,021
AA	490	417	48	39	538	456
A	4	4	3	3	7	7
Total by rating <sup>(1)(2)(3)</sup>	\$ 1,591	\$ 1,427	\$ 67	\$ 57	\$ 1,658	\$ 1,484
<b>Origination Year</b>						
2014 and prior	\$ 26	\$ 25	\$ 7	\$ 6	\$ 33	\$ 31
2015	26	25	–	–	26	25
2016	72	66	–	–	72	66
2017	198	186	1	1	199	187
2018	141	134	–	–	141	134
2019	323	291	–	–	323	291
2020	254	210	–	–	254	210
2021	247	199	3	3	250	202
2022	158	144	39	31	197	175
2023	118	119	13	12	131	131
2024	28	28	4	4	32	32
Total by origination year <sup>(1)(2)</sup>	\$ 1,591	\$ 1,427	\$ 67	\$ 57	\$ 1,658	\$ 1,484

Total fixed maturity AFS securities backed by pools of commercial mortgages as a percentage of total fixed maturity AFS securities 1.7 % 1.7 %

<sup>(1)</sup> Does not include the amortized cost of trading securities totaling \$125 million that primarily support our reinsurance funds withheld and modified coinsurance agreements because investment results for these agreements are passed directly to the reinsurers. The \$125 million in trading securities consisted of \$85 million of multiple property CMBS and \$40 million of single property CMBS.

<sup>(2)</sup> Does not include the fair value of trading securities totaling \$108 million that primarily support our reinsurance funds withheld and modified coinsurance agreements because investment results for these agreements are passed directly to the reinsurers. The \$108 million in trading securities consisted of \$74 million of multiple property CMBS and \$34 million of single property CMBS.

<sup>(3)</sup> Based upon the rating designations determined and provided by the major credit rating agencies (Fitch, Moody's and S&P). For securities where the ratings assigned by the major credit rating agencies are not equivalent, the second lowest rating assigned is used. For those securities where ratings by the major credit rating agencies are not available, which does not represent a significant amount of our total fixed maturity AFS securities, we base the ratings disclosed upon internal ratings.

*Composition by Industry Categories of our Unrealized Losses on Fixed Maturity AFS Securities*

When considering unrealized gain and loss information, it is important to recognize that the information relates to the position of securities at a particular point in time and may not be indicative of the position of our investment portfolios subsequent to the balance sheet date. Further, because the timing of the recognition of realized investment gains and losses through the selection of which securities are sold is largely at management's discretion, it is important to consider the information provided below within the context of the overall unrealized gain or loss position of our investment portfolios. These are important considerations that should be included in any evaluation of the potential effect of securities in an unrealized loss position on our future earnings.

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The composition by industry categories of all fixed maturity AFS securities in an unrealized loss position (in millions) as of March 31, 2024, was as follows:

	Net Amortized Cost	% Net Amortized Cost	Gross Unrealized Losses	% Gross Unrealized Losses	Fair Value	% Fair Value
Electric	\$ 7,433	9.1 %	\$ 1,119	10.6 %	\$ 6,314	8.9 %
Healthcare	6,008	7.4 %	1,104	10.4 %	4,904	6.9 %
ABS	8,309	10.2 %	592	5.6 %	7,717	10.9 %
Technology	4,353	5.3 %	572	5.4 %	3,781	5.4 %
Food and beverage	3,682	4.5 %	516	4.9 %	3,166	4.5 %
Banking	5,374	6.6 %	483	4.6 %	4,891	6.9 %
Local authorities	2,223	2.7 %	405	3.8 %	1,818	2.6 %
Industrial – other	2,106	2.6 %	398	3.8 %	1,708	2.4 %
Diversified manufacturing	2,290	2.8 %	296	2.8 %	1,994	2.8 %
Pharmaceuticals	2,285	2.8 %	284	2.7 %	2,001	2.8 %
Natural gas	1,669	2.0 %	261	2.5 %	1,408	2.0 %
Brokerage asset management	1,709	2.1 %	247	2.3 %	1,462	2.1 %
Chemicals	1,958	2.4 %	236	2.2 %	1,722	2.4 %
Transportation services	2,061	2.5 %	230	2.2 %	1,831	2.6 %
Retail	1,647	2.0 %	230	2.2 %	1,417	2.0 %
Life insurance	1,275	1.6 %	202	1.9 %	1,073	1.5 %
Property and casualty	1,388	1.7 %	200	1.9 %	1,188	1.7 %
Aerospace and defense	1,319	1.6 %	191	1.8 %	1,128	1.6 %
Non-agency CMBS	1,464	1.8 %	177	1.7 %	1,287	1.8 %
Utility – other	1,125	1.4 %	170	1.6 %	955	1.3 %
Consumer products	1,100	1.4 %	157	1.5 %	943	1.3 %
Midstream	1,515	1.9 %	153	1.4 %	1,362	1.9 %
Government sponsored	483	0.6 %	129	1.2 %	354	0.5 %
Wirelines	876	1.1 %	128	1.2 %	748	1.1 %
Railroads	859	1.1 %	127	1.2 %	732	1.0 %
Automotive	1,504	1.8 %	123	1.2 %	1,381	1.9 %
Wireless	740	0.9 %	110	1.0 %	630	0.9 %
Integrated	680	0.9 %	107	1.0 %	573	0.8 %
Industries with unrealized losses						
less than \$100 million	13,990	17.2 %	1,634	15.4 %	12,356	17.5 %
Total by industry	<u>\$ 81,425</u>	<u>100.0 %</u>	<u>\$ 10,581</u>	<u>100.0 %</u>	<u>\$ 70,844</u>	<u>100.0 %</u>
Total by industry as a percentage of total fixed maturity AFS securities	<u>83.5 %</u>		<u>100.0 %</u>		<u>80.7 %</u>	

## Mortgage Loans on Real Estate

The following tables summarize key information on mortgage loans on real estate (in millions):

	As of March 31, 2024			
	Commercial	Residential	Total	%
<b>Credit Quality Indicator</b>				
Current	\$ 17,348	\$ 1,927	\$ 19,275	99.5 %
Delinquent <sup>(1)</sup>	45	23	68	0.3 %
Foreclosure <sup>(2)</sup>	–	38	38	0.2 %
Total mortgage loans on real estate before allowance	17,393	1,988	19,381	100.0 %
Allowance for credit losses	(84)	(31)	(115)	
Total mortgage loans on real estate	\$ 17,309	\$ 1,957	\$ 19,266	

	As of December 31, 2023			
	Commercial	Residential	Total	%
<b>Credit Quality Indicator</b>				
Current	\$ 17,273	\$ 1,742	\$ 19,015	99.7 %
Delinquent <sup>(1)</sup>	–	21	21	0.1 %
Foreclosure <sup>(2)</sup>	–	41	41	0.2 %
Total mortgage loans on real estate before allowance	17,273	1,804	19,077	100.0 %
Allowance for credit losses	(86)	(28)	(114)	
Total mortgage loans on real estate	\$ 17,187	\$ 1,776	\$ 18,963	

<sup>(1)</sup> As of March 31, 2024, and December 31, 2023, 2 and no commercial mortgage loans and 36 and 34 residential mortgage loans, respectively, were delinquent.

<sup>(2)</sup> As of March 31, 2024, and December 31, 2023, no commercial mortgage loans and 82 residential mortgage loans, respectively, were in foreclosure.

As of March 31, 2024, there were 3 specifically identified impaired commercial mortgage loans on real estate with an aggregate carrying value of \$2 million and 101 specifically identified impaired residential mortgage loans on real estate with an aggregate carrying value of \$50 million. As of December 31, 2023, there were 3 specifically identified impaired commercial mortgage loans on real estate with an aggregate carrying value of \$2 million and 99 specifically identified impaired residential mortgage loans on real estate with an aggregate carrying value of \$47 million.

The total outstanding principal and interest on commercial mortgage loans on real estate that were two or more payments delinquent, excluding foreclosures, as of March 31, 2024, and December 31, 2023, was \$62 million and less than \$1 million, respectively. The total outstanding principal and interest on residential mortgage loans on real estate that were three or more payments delinquent, excluding foreclosures, as of March 31, 2024, and December 31, 2023, was \$23 million and \$20 million, respectively.

The carrying value of mortgage loans on real estate by business segment (in millions) was as follows:

	As of March 31, 2024	As of December 31, 2023
<b>Segment</b>		
Annuities	\$ 7,637	\$ 7,362
Life Insurance	3,681	3,675
Group Protection	1,552	1,550
Retirement Plan Services	4,778	4,813
Other Operations	1,618	1,563
Total mortgage loans on real estate	\$ 19,266	\$ 18,963

The composition of commercial mortgage loans (in millions) by property type, geographic region and state is shown below:

	As of March 31, 2024		State	As of March 31, 2024	
	Carrying Value	%		Carrying Value	%
<b>Property Type</b>					
Apartment	\$ 5,538	32.1 %	CA	\$ 4,592	26.5 %
Industrial	4,672	27.0 %	TX	1,645	9.5 %
Office building	3,337	19.3 %	FL	1,015	5.9 %
Retail	2,691	15.5 %	NY	903	5.2 %
Other commercial	770	4.4 %	AZ	868	5.0 %
Mixed use	162	0.9 %	PA	784	4.5 %
Hotel/motel	139	0.8 %	WA	690	4.0 %
Total	<u>\$ 17,309</u>	<u>100.0 %</u>	MD	682	4.0 %
<b>Geographic Region</b>			GA	624	3.6 %
Pacific	5,608	32.4 %	TN	550	3.2 %
South Atlantic	3,677	21.2 %	NC	473	2.7 %
Middle Atlantic	2,066	11.9 %	NJ	379	2.2 %
West South Central	1,785	10.3 %	VA	379	2.2 %
Mountain	1,486	8.6 %	OH	372	2.1 %
East North Central	1,172	6.8 %	WI	352	2.0 %
East South Central	677	3.9 %	OR	325	1.9 %
West North Central	454	2.6 %	SC	300	1.7 %
New England	356	2.1 %	Non U.S.	28	0.2 %
Non U.S.	28	0.2 %	All other states	2,348	13.6 %
Total	<u>\$ 17,309</u>	<u>100.0 %</u>	Total	<u>\$ 17,309</u>	<u>100.0 %</u>

The following table shows the principal amount (in millions) of our commercial and residential mortgage loans by year in which the principal is contractually obligated to be repaid:

Principal Repayment Year	As of March 31, 2024			
	Commercial	Residential	Total	%
2024	\$ 751	\$ 22	\$ 773	4.0 %
2025	1,018	27	1,045	5.4 %
2026	1,395	27	1,422	7.4 %
2027	1,776	29	1,805	9.3 %
2028	2,146	30	2,176	11.2 %
2029 and thereafter	10,352	1,804	12,156	62.7 %
Total	<u>\$ 17,438</u>	<u>\$ 1,939</u>	<u>\$ 19,377</u>	<u>100.0 %</u>

See Note 3 for information regarding our loan-to-value and debt-service coverage ratios and our allowance for credit losses

## Alternative Investments

Investment income (loss) on alternative investments by business segment (in millions) was as follows:

	For the Three Months Ended March 31,	
	2024	2023
Annuities	\$ 2	\$ 3
Life Insurance	74	46
Group Protection	1	2
Retirement Plan Services	1	2
Total <sup>(1)</sup>	<u>\$ 78</u>	<u>\$ 53</u>

<sup>(1)</sup> Includes net investment income on the alternative investments supporting the required statutory surplus of our insurance businesses.

As of March 31, 2024, and December 31, 2023, alternative investments included investments in 358 and 352 different partnerships, respectively, and the portfolio represented approximately 3% of total investments. The partnerships do not represent off-balance sheet financing and generally involve several third-party partners. Some of our partnerships contain capital calls, which require us to contribute capital upon notification by the general partner. These capital calls are contemplated during the initial investment decision and are planned for well in advance of the call date. The capital calls are not material in size and are not material to our liquidity. Alternative investments are accounted for using the equity method of accounting and are included in other investments on the Consolidated Balance Sheets.

## Non-Income Producing Investments

As of March 31, 2024, and December 31, 2023, the carrying amount of fixed maturity securities, mortgage loans on real estate and real estate that were non-income producing was \$113 million and \$79 million, respectively.

## Net Investment Income

Details underlying net investment income (in millions) and our investment yield were as follows:

	For the Three Months Ended March 31,	
	2024	2023
<b>Net Investment Income</b>		
Fixed maturity AFS securities	\$ 1,051	\$ 1,205
Trading securities	32	44
Equity securities	4	3
Mortgage loans on real estate	196	180
Policy loans	25	27
Cash and invested cash	37	26
Commercial mortgage loan prepayment and bond make-whole premiums <sup>(1)</sup>	2	3
Alternative investments <sup>(2)</sup>	78	53
Consent fees	–	1
Other investments	15	(1)
Investment income	<u>1,440</u>	<u>1,541</u>
Investment expense	<u>(94)</u>	<u>(75)</u>
Net investment income	<u>\$ 1,346</u>	<u>\$ 1,466</u>

<sup>(1)</sup> See “Commercial Mortgage Loan Prepayment and Bond Make-Whole Premiums” below for additional information.

<sup>(2)</sup> See “Alternative Investments” above for additional information.

	For the Three Months Ended March 31,	
	2024	2023
<b>Interest Rate Yield</b>		
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	4.00 %	4.03 %
Commercial mortgage loan prepayment and bond make-whole premiums	0.00 %	0.01 %
Alternative investments	0.26 %	0.15 %
Net investment income yield on invested assets	<u>4.26 %</u>	<u>4.19 %</u>

We earn investment income on our general account assets supporting fixed annuity, term life, whole life, UL, interest-sensitive whole life and the fixed portion of retirement plan and VUL products. The profitability of our fixed annuity and life insurance products is affected by our ability to achieve target spreads, or margins, between the interest income earned on the general account assets and the interest credited to the contract holder on our average fixed account balances, including the fixed portion of variable. Net investment income and the interest rate yield table each include commercial mortgage loan prepayments and bond make-whole premiums, alternative investments and contingent interest and standby real estate equity commitments. These items can vary significantly from period to period due to a number of factors and, therefore, can provide results that are not indicative of the underlying trends.

#### **Commercial Mortgage Loan Prepayment and Bond Make-Whole Premiums**

Prepayment and make-whole premiums are collected when borrowers elect to call or prepay their debt prior to the stated maturity. A prepayment or make-whole premium allows investors to attain the same yield as if the borrower made all scheduled interest payments until maturity. These premiums are designed to make investors indifferent to prepayment.

## LIQUIDITY AND CAPITAL RESOURCES

### Overview

#### *Liquidity*

Liquidity refers to our ability to generate adequate amounts of cash from our normal operations to meet cash requirements with a prudent margin of safety. Our ability to generate and maintain sufficient liquidity depends on the profitability of our businesses, general economic conditions and access to the capital markets and other sources of liquidity and capital as described below.

When considering our liquidity, it is important to distinguish between the needs of our insurance subsidiaries and the needs of the holding company, LNC. As a holding company with no operations of its own, LNC is largely dependent upon the dividend capacity of its insurance subsidiaries as well as their ability to advance or repay funds to it through inter-company borrowing arrangements, which may be affected by factors influencing the insurance subsidiaries' RBC and statutory earnings performance. Based on the sources of liquidity available to us as discussed below, we currently expect to be able to meet the holding company's ongoing cash needs.

#### *Capital*

Capital refers to our long-term financial resources to support the operations of our businesses, to fund long-term growth strategies and to support our operations during adverse conditions. Our ability to generate and maintain sufficient capital depends on the profitability of our businesses, general economic conditions and access to the capital markets and other sources of liquidity and capital as described below. Disruptions, uncertainty or volatility in the capital and credit markets may materially affect our business operations and results of operations and may adversely affect our insurance subsidiaries' statutory surplus and RBC ratio.

Reductions to our subsidiaries' statutory surplus and/or RBC ratio may cause them to retain more capital, which may pressure their ability to pay dividends to LNC, which may lead us to take steps to preserve or raise additional capital. We believe we have appropriate capital to operate our business in accordance with our strategy. For more information, see "Subsidiaries' Capital" below.

For factors that could cause actual results to differ materially from those set forth in this section and that could affect our expectations for liquidity and capital, see "Part I – Item 1A. Risk Factors" in our 2023 Form 10-K and "Forward-Looking Statements – Cautionary Language" above.

### Consolidated Sources and Uses of Liquidity and Capital

Our primary sources of liquidity and capital are insurance premiums and fees, investment income, maturities and sales of investments, issuance of debt or other types of securities and policyholder deposits. We also have access to alternative sources of liquidity as discussed below. Our primary uses are to pay policy claims and benefits, to fund commissions and other general operating expenses, to purchase investments, to fund policy surrenders and withdrawals, to pay dividends to our common and preferred stockholders, to repurchase our common stock and to repay debt. Our operating activities provided (used) cash of \$(1.3) billion and \$(774) million for the three months ended March 31, 2024 and 2023, respectively.

### Holding Company Sources and Uses of Liquidity and Capital

The primary sources of liquidity and capital at the holding company level are dividends and interest payments from subsidiaries, augmented by holding company short-term investments, bank lines of credit and the ongoing availability of long-term public financing under an effective shelf registration statement, which allows us to issue, in unlimited amounts, securities, including debt securities, preferred stock, common stock, warrants, stock purchase contracts, stock purchase units and depository shares. These sources support the general corporate needs of the holding company, including its common and preferred stock dividends, common stock repurchases, interest and debt service, funding of callable securities, acquisitions and investment in core businesses.

Details underlying the primary sources of the holding company's liquidity (in millions) were as follows:

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
<b>Dividends from Subsidiaries</b>		
LNL	\$ 180	\$ 105
Lincoln National Reinsurance Company (Barbados) Limited	–	100
Total dividends from subsidiaries	<u>\$ 180</u>	<u>\$ 205</u>
<b>Interest from Subsidiaries</b>		
Interest on inter-company notes	<u>\$ 40</u>	<u>\$ 36</u>

The table above focuses on significant and recurring cash flow items and excludes the effects of certain financing activities, including the periodic issuance and retirement of debt, issuance of preferred stock, cash flows related to our inter-company cash management program and certain investing activities, including capital contributions to subsidiaries. These activities are discussed below. Taxes have been eliminated from the analysis due to a tax sharing agreement among our primary subsidiaries resulting in a modest effect on net cash flows at the holding company. Also excluded from this analysis is the modest amount of investment income on short-term investments of the holding company and employee stock exercise activity related to our stock-based incentive compensation plans. See “Part IV – Item 15(a)(2) Financial Statement Schedules – Schedule II – Condensed Financial Information of Registrant” in our 2023 Form 10-K for the holding company cash flow statement. For information regarding limits on the dividends that our insurance subsidiaries may pay without prior approval, see “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Holding Company Sources and Uses of Liquidity and Capital – Restrictions on Subsidiaries’ Dividends” in our 2023 Form 10-K.

#### *Subsidiaries’ Capital*

Our insurance subsidiaries must maintain certain regulatory capital levels. We utilize the RBC ratio as a primary measure of the capital adequacy of our insurance subsidiaries. The RBC ratio is an important factor in the determination of the credit and financial strength ratings of LNC and its subsidiaries, as a reduction in our insurance subsidiaries’ surplus will affect their RBC ratios and dividend-paying capacity. For additional information on RBC ratios, see “Part I – Item 1. Business – Regulatory – Insurance Regulation – Risk-Based Capital” in our 2023 Form 10-K.

Our insurance subsidiaries’ regulatory capital levels are affected by statutory accounting rules, which are subject to change by each applicable insurance regulator. For instance, our term products and UL products containing secondary guarantees require reserves calculated pursuant to the Valuation of Life Insurance Policies Model Regulation (“XXX”) and Actuarial Guideline XXXVIII (“AG38”), respectively. Our insurance subsidiaries employ strategies to reduce the strain caused by XXX and AG38 by reinsuring the business to reinsurance captives or reinsurance subsidiaries. Our captive reinsurance and reinsurance subsidiaries provide a mechanism for financing a portion of the excess reserve amounts in a more efficient manner and free up capital the insurance subsidiaries can use for any number of purposes, including paying dividends to the holding company. We use long-dated LOCs and debt financing as well as other financing strategies to finance those reserves. Included in the LOCs issued as of March 31, 2024, was \$1.8 billion of long-dated LOCs issued to support inter-company reinsurance agreements for UL products containing secondary guarantees. For information on the LOCs, see the credit facilities table in Note 14 in our 2023 Form 10-K. Our captive reinsurance and reinsurance subsidiaries have also issued long-term notes of \$3.8 billion to finance a portion of the excess reserves associated with our term and UL products with secondary guarantees as of March 31, 2024; of this amount, \$3.1 billion involve exposure to variable interest entities. For information on these long-term notes issued by our captive reinsurance and reinsurance subsidiaries, see Note 5 in our 2023 Form 10-K. We have also used the proceeds from senior note issuances of \$875 million to execute long-term structured solutions primarily supporting reinsurance of UL products containing secondary guarantees. LOCs and related capital market solutions lower the capital effect of term products and UL products containing secondary guarantees.

Statutory reserves established for variable annuity guaranteed benefit riders are sensitive to changes in the equity markets and interest rates and are affected by the level of account balances relative to the level of any guarantees, product design and reinsurance arrangements. As a result, the relationship between reserve changes and equity market performance is non-linear during any given reporting period. Our insurance subsidiaries’ cede a portion of the guaranteed benefit riders to Lincoln National Reinsurance Company (Barbados) Limited (“LNBAR”) through a modified coinsurance agreement. Our variable annuity hedge program mitigates the risk to LNBAR from guaranteed benefit riders and continues to focus on generating sufficient income to fund future claims with a goal of maximizing distributable earnings and explicitly protecting capital. Market conditions greatly influence the ultimate capital required due to its effect on the valuation of reserves and supporting derivatives. In December 2022, LNC issued a long-term note to a non-affiliated variable interest

entity in exchange for notes of like principal and duration classified as AFS securities. LNC contributed the securities to LNBAR to address asset value volatility based on market conditions. Under the current terms of the note facility, the maximum permissible principal amount of the note is \$1.5 billion, the full amount of which was outstanding as of March 31, 2024. There are no impacts to the LNC Consolidated Balance Sheets based on the set-off right provided in the note facility. For more information, see Note 5 in our 2023 Form 10-K.

Changes in equity markets may also affect the capital position of our insurance subsidiaries. We may decide to reallocate available capital among our insurance subsidiaries, including our captive reinsurance subsidiaries, which would result in different RBC ratios for our insurance subsidiaries. In addition, changes in the equity markets can affect the value of our variable annuity and variable universal life insurance separate accounts. When the market value of our separate account assets increases, the statutory surplus within our insurance subsidiaries also increases. Contrarily, when the market value of our separate account assets decreases, the statutory surplus within our insurance subsidiaries may also decrease, which will affect RBC ratios, and in the case of our separate account assets becoming less than the related product liabilities, we must allocate additional capital to fund the difference.

We continue to analyze the use of our existing captive reinsurance structures, as well as additional third-party reinsurance arrangements, and our hedging strategies relative to managing the effects of equity markets and interest rates on the statutory reserves, statutory capital and the dividend capacity of our life insurance subsidiaries.

*Debt*

Although our subsidiaries currently generate adequate cash flow to meet the needs of our normal operations, periodically LNC may issue debt to maintain ratings and increase liquidity, as well as to fund internal growth, acquisitions and the retirement of its debt.

Details underlying our debt activities (in millions) for the three months ended March 31, 2024, were as follows:

	Beginning Balance	Issuance	Maturities, Repayments and Refinancing	Change in Fair Value Hedges	Other Changes <sup>(1)</sup>	Ending Balance
<b>Short-Term Debt</b>						
Current maturities of long-term debt <sup>(2)</sup>	\$ 250	\$ –	\$ (47)	\$ –	\$ 300	\$ 503
<b>Long-Term Debt</b>						
Senior notes	4,491	350	–	(17)	(306)	4,518
Subordinated notes <sup>(3)</sup>	995	–	–	–	–	995
Capital securities <sup>(3)</sup>	213	–	–	–	–	213
Total long-term debt	\$ 5,699	\$ 350	\$ –	\$ (17)	\$ (306)	\$ 5,726

<sup>(1)</sup> Includes the non-cash reclassification of long-term debt to current maturities of long-term debt, accretion (amortization) of discounts and premiums, amortization of debt issuance costs and amortization of adjustments from discontinued hedges, as applicable.

<sup>(2)</sup> As of March 31, 2024, consisted of \$203 million principal amount of our term loan due December 3, 2024 and \$300 million principal amount of our 3.35% Senior Notes due March 9, 2025.

<sup>(3)</sup> To hedge the variability in rates, we purchased interest rate swaps to lock in a fixed rate of approximately 5% over the remaining terms of the subordinated notes and capital securities.

On March 14, 2024, we completed the issuance and sale of \$350 million aggregate principal amount of our 5.852% Senior Notes due 2034. We used a portion of the net proceeds to fund the repayment of \$47 million of our term loan due December 3, 2024. We intend to use the remaining net proceeds from the offering to fund the repayment of the Company's 3.35% Senior Notes due 2025 on or prior to their maturity, and possible repurchases of other of our outstanding debt securities, as well as to pay fees and expenses in respect of the foregoing.

LNC made interest payments to service debt of \$62 million and \$72 million for the three months ended March 31, 2024 and 2023.

For additional information about our short-term and long-term debt and our credit facilities, see Note 14 in our 2023 Form 10-K.

*Preferred Stock*

Details underlying preferred stock dividends paid (in millions) were as follows:

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Series C preferred stock dividends	\$ 23	\$ 13
Series D preferred stock dividends	11	12
Total preferred stock dividends	<u>\$ 34</u>	<u>\$ 25</u>

For additional information, see Note 15.

*Capital Contributions to Subsidiaries*

LNC made capital contributions to subsidiaries of zero and \$5 million for the three months ended March 31, 2024 and 2023.

*Return of Capital to Common Stockholders*

One of our primary goals is to provide a return to our common stockholders through share price accretion, dividends and stock repurchases. In determining dividends, the Board of Directors takes into consideration items such as current and expected earnings, capital needs, rating agency considerations and requirements for financial flexibility. The amount and timing of share repurchases depends on key capital ratios, rating agency expectations, the generation of dividends from our subsidiaries and an evaluation of the costs and benefits associated with alternative uses of capital. For additional information regarding share repurchases, see “Part II – Item 2(c)” below.

Details underlying return of capital to common stockholders (in millions) were as follows:

	<b>For the Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
Dividends to common stockholders	\$ 76	\$ 76
Total cash returned to common stockholders	<u>\$ 76</u>	<u>\$ 76</u>

Number of shares repurchased	–	–
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**Alternative Sources of Liquidity**

*Inter-Company Cash Management Program*

To promote effective short-term cash management strategies, we utilize an inter-company cash management program between LNC and participating subsidiaries under which each entity can lend to or borrow from the holding company to meet short-term borrowing needs. As of March 31, 2024, the holding company had a net receivable of \$648 million due from certain subsidiaries in the inter-company cash management program. Loans under the cash management program are permitted under applicable insurance laws subject to certain restrictions. For our Indiana-domiciled insurance subsidiary, the borrowing and lending limit is currently 3% of the insurance company’s admitted assets as of its most recent year end. For our New York-domiciled insurance subsidiary, it may borrow from LNC less than 2% of its admitted assets as of its most recent year end but may not lend any amounts to LNC.

*Facility Agreement for Senior Notes Issuance*

LNC entered into a facility agreement in 2020 with a Delaware trust that gives LNC the right over a 10-year period to issue, from time to time, up to \$500 million of 2.330% Senior Notes to the trust in exchange for a corresponding amount of U.S. Treasury securities held by the trust. By agreeing to purchase the 2.330% Senior Notes in exchange for U.S. Treasury securities upon exercise of the issuance right, the trust will provide a source of liquid assets for the Company. The issuance right will be exercised automatically in full upon our failure to make certain payments to the trust, if the failure to pay is not cured within 30 days, or upon certain bankruptcy events involving LNC. We are also required to exercise the issuance right in full if our consolidated stockholders’ equity (excluding AOCI) falls below a

minimum threshold (which was \$2.75 billion as of March 31, 2024, and is subject to adjustment from time to time in certain cases) and upon certain other events described in the facility agreement. For additional information, see Note 14 in our 2023 Form 10-K.

#### *Federal Home Loan Bank*

Our primary insurance subsidiary, The Lincoln National Life Insurance Company (“LNL”), is a member of the Federal Home Loan Bank (“FHLB”) of Indianapolis (“FHLBI”). Membership allows LNL access to the FHLBI’s financial services, including the ability to obtain loans and to issue funding agreements as an alternative source of liquidity that are collateralized by qualifying mortgage-related assets, agency securities or U.S. Treasury securities. Borrowings under this facility are subject to the FHLBI’s discretion and require the availability of qualifying assets at LNL. As of March 31, 2024, LNL had an estimated maximum borrowing capacity of \$7.0 billion under the FHLBI facility and maximum available borrowing based on qualifying assets of \$5.1 billion. As of March 31, 2024, LNL had outstanding borrowings of \$2.9 billion under this facility reported within payables for collateral on investments on the Consolidated Balance Sheets. Lincoln Life & Annuity Company of New York (“LLANY”) is a member of the Federal Home Loan Bank of New York (“FHLBNY”) with an estimated maximum borrowing capacity of \$750 million. Borrowings under this facility are subject to the FHLBNY’s discretion and require the availability of qualifying assets at LLANY. As of March 31, 2024, LLANY had no outstanding borrowings under this facility. For additional information, see “Payables for Collateral on Investments” in Note 3.

#### *Securities Lending Programs and Repurchase Agreements*

Our insurance subsidiaries, by virtue of their general account fixed-income investment holdings, can access liquidity through securities lending programs and repurchase agreements. As of March 31, 2024, our insurance subsidiaries had securities pledged under securities lending agreements with a carrying value of \$283 million. In addition, our insurance and reinsurance subsidiaries had access to \$2.25 billion through committed repurchase agreements, of which \$25 million was utilized as of March 31, 2024. The cash received in our securities lending programs and repurchase agreements is typically invested in cash and invested cash or fixed maturity AFS securities. For additional information, see “Payables for Collateral on Investments” in Note 3.

#### *Collateral on Derivative Contracts*

Our cash flows associated with collateral received from counterparties (when we are in a net collateral payable position) and posted with counterparties (when we are in a net collateral receivable position) change as the market value of the underlying derivative contract changes. The net collateral position depends on changes in interest rates and equity markets related to the amount of the exposures hedged. As of March 31, 2024, we were in a net collateral payable position of \$6.8 billion compared to \$5.0 billion as of December 31, 2023. In the event of adverse changes in fair value of our derivative instruments, we may need to post collateral with a counterparty. If we do not have sufficient high-quality securities or cash and invested cash to provide as collateral, we have committed liquidity sources through facilities that can provide up to \$1.25 billion of additional liquidity to help meet collateral needs. Access to such facilities is contingent upon interest rates having achieved certain threshold levels. In addition to these facilities, we have the facility agreement for senior notes issuance, the FHLB facilities and the repurchase agreements discussed above as well as the five-year revolving credit facility discussed in Note 14 in our 2023 Form 10-K to leverage that would be eligible for collateral posting. For additional information, see “Credit Risk” in Note 5.

## **Ratings**

#### *Financial Strength Ratings*

See “Part I – Item 1. Business – Financial Strength Ratings” in our 2023 Form 10-K for information on our financial strength ratings.

#### *Credit Ratings*

See “Part II – Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Ratings” in our 2023 Form 10-K for information on our credit ratings.

If our current financial strength ratings or credit ratings were downgraded in the future, terms in our derivative agreements may be triggered, which could negatively affect overall liquidity. For the majority of our derivative counterparties, there is a termination event with respect to LNC if its long-term senior debt ratings drop below BBB-/Baa3 (S&P/Moody’s); or with respect to LNL if its financial strength ratings drop below BBB-/Baa3 (S&P/Moody’s). Our long-term senior debt held a rating of BBB+/Baa2 (S&P/Moody’s) as of March 31, 2024. In addition, contractual selling agreements with intermediaries could be negatively affected, which could have an adverse effect on overall sales of annuities, life insurance and investment products. See “Part I – Item 1A. Risk Factors – Covenants and Ratings – A downgrade in our financial strength or credit ratings could limit our ability to market products, increase the number or value of policies being surrendered and/or hurt our relationships with creditors” in our 2023 Form 10-K for more information.

### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

We analyze and manage the risks arising from market exposures of financial instruments, as well as other risks, in an integrated asset-liability management process that considers diversification. We have exposures to several market risks including interest rate risk, equity market risk, credit risk and, to a lesser extent, foreign currency exchange risk. For information on these market risks, see “Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk” in our 2023 Form 10-K.

### **Item 4. Controls and Procedures**

#### **Conclusions Regarding Disclosure Controls and Procedures**

We maintain disclosure controls and procedures, which are designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms, and that such information is accumulated and communicated to the Company’s management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. As of the end of the period required by this report, we, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act).

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective in timely alerting them to material information relating to us and our consolidated subsidiaries required to be disclosed in our periodic reports under the Exchange Act.

#### **Changes in Internal Control Over Financial Reporting**

There was no change in the Company’s internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the quarter ended March 31, 2024, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

A control system, no matter how well designed and operated, can provide only reasonable assurance that the control system’s objectives will be met. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

## **PART II – OTHER INFORMATION**

### **Item 1. Legal Proceedings**

Reference is made to the lawsuits captioned *Glover v. Connecticut General Life Insurance Company and The Lincoln National Life Insurance Company*, *Iwanski v. First Penn-Pacific Life Insurance Company, TVPX ARS INC., as Securities Intermediary for Consolidated Wealth Management, LTD. v. The Lincoln National Life Insurance Company* and *Vida Longevity Fund, LP v. Lincoln Life & Annuity Company of New York*, each of which was previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023 (“2023 Form 10-K”). On March 7, 2024, the parties in *Glover* entered into a settlement agreement, which is subject to court approval. The provisional settlement encompasses policies that are at issue in the *Glover* case, which also includes all policies that are at issue in *Iwanski*, *TVPX ARS INC.* and *Vida*. On March 8, 2024, the *Glover* plaintiffs filed a motion for preliminary approval of the provisional settlement by the court in respect of policies included in *Glover* and the related cases. The provisional settlement, which is subject to both preliminary and final approval of the court, consists of a \$147.5 million pre-tax cash payment for *Glover* class members (inclusive of all policyholders in *Iwanski*, *TVPX ARS INC.* and *Vida*). A motion has been filed to stay the proceedings in the *Iwanski* and *TVPX ARS INC.* matters pending the completion of the settlement approval process in *Glover*. With respect to *Vida*, on March 29, 2024, the court issued its summary judgment decision in that matter, granting LLANY’s motion in part and denying it in part, and entering summary judgment against twenty-two policyholders that the court determined were not economically harmed. In addition, on April 12, 2024, LLANY filed a motion to stay proceedings in *Vida* pending the completion of the settlement approval process in *Glover*; oral argument has been scheduled for May 9, 2024.

Reference is made to *In re: Lincoln National COI Litigation* and *In re: Lincoln National 2017 COI Rate Litigation*, both previously disclosed in the 2023 Form 10-K. No additional opt-outs were received following the supplemental notice period, and settlement distribution payments to all class members were completed on April 8, 2024.

*Donald C. Meade, et al v. Lincoln National Corporation, Ellen Cooper, Dennis Glass, Randal Freitag* (“Defendants”), No. 2:24-cv-01704, pending in the U.S. District Court for the Eastern District of Pennsylvania, is a putative class action that was filed on April 23, 2024. Plaintiff Donald

C. Meade seeks to represent persons and entities that purchased or otherwise acquired Lincoln National securities between November 4, 2020, and November 2, 2022, inclusive. Plaintiff alleges claims under Section 10(b) and Section 20(a) of the Securities Exchange Act of 1934, and under SEC Rule 10b-5. Plaintiff alleges that, throughout the class period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company’s business, operations and prospects. Specifically, plaintiff alleges that Defendants failed to disclose to investors: (i) that the Company was experiencing a decline in its VUL business; (ii) that, as a result, the goodwill associated with the life insurance business was overstated; (iii) that, as a result, the Company’s policy lapse assumptions were outdated; (iv) that, as a result, the Company’s reserves were overstated; (v) that, as a result, the Company’s reported financial results and financial statements were misstated; and (vi) that, as a result, Defendants’ positive statements about the Company’s business, operations, and prospects were materially misleading and/or lacked a reasonable basis. Plaintiff alleges that he and other putative class members thereby suffered loss and damage. We are vigorously defending this matter.

See Note 14 in “Part I – Item 1. Financial Statements” for further discussion regarding these matters and other contingencies.

**Item 1A. Risk Factors**

In addition to the factors set forth in “Part I – Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Forward-Looking Statements – Cautionary Language,” you should carefully consider the risks described under “Part I – Item 1A. Risk Factors” in our 2023 Form 10-K. Such risks and uncertainties are not the only ones facing our Company. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of these risks actually occur, our business, financial condition and results of operations could be materially affected. In that case, the value of our securities could decline substantially.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

(c) The following summarizes purchases of equity securities by the Company during the quarter ended March 31, 2024 (dollars in millions, except per share data):

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs <sup>(1)</sup>	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup>
1/1/24 – 1/31/24	-	\$ -	-	\$ 714
2/1/24 – 2/29/24	-	-	-	714
3/1/24 – 3/31/24	-	-	-	714

<sup>(1)</sup> On November 10, 2021, our Board of Directors authorized an increase in our securities repurchase authorization, bringing the total aggregate repurchase authorization to \$1.5 billion. As of March 31, 2024, our remaining security repurchase authorization was \$714 million. The security repurchase authorization does not have an expiration date. The amount and timing of share repurchases depends on key capital ratios, rating agency expectations, the generation of free cash flow and an evaluation of the costs and benefits associated with alternative uses of capital. Our stock repurchases may be effected from time to time through open market purchases or in privately negotiated transactions and may be made pursuant to an accelerated share repurchase agreement or Rule 10b5-1 plan.

**Item 5. Other Information**

**Rule 10b5-1 and Non-Rule 10b5-1 Trading Arrangements**

During the three months ended March 31, 2024, none of our directors or officers (as defined in Exchange Act Rule 16a-1(f)) adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

**Item 6. Exhibits**

The Exhibits included in this report are listed in the Exhibit Index beginning on page 114, which is incorporated herein by reference.

**LINCOLN NATIONAL CORPORATION**  
**Exhibit Index for the Report on Form 10-Q**  
**For the Quarter Ended March 31, 2024**

4.1	Form of 5.852% Senior Notes due 2034 is incorporated by reference to Exhibit 4.1 to the Company’s Form 8-K (File No. 1-6028) filed with the Securities and Exchange Commission on March 14, 2024.
10.1	Form of Long-Term Incentive Award Program Performance Cycle (“PSA”) Agreement for CEO (effective February 2024).*
10.2	Form of Restricted Stock Unit (“RSU”) Award Agreement for CEO (effective February 2024).*
10.3	Form of PSA Agreement for Senior Management Committee (“SMC”) (other than CEO) (effective February 2024).*
10.4	Form of RSU Award Agreement for SMC (other than CEO) (effective February 2024).*
31.1	Certification of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

\* This exhibit is a management contract or compensatory plan or arrangement.



**LINCOLN NATIONAL CORPORATION**  
**LONG-TERM INCENTIVE AWARD PROGRAM**  
**Performance Cycle Agreement**

*For CEO*

This Award Agreement (“Agreement”), by and between Lincoln National Corporation (“LNC”) on behalf of itself and its affiliates, and the <First Name> <Last Name> (“Grantee”), evidences the grant by LNC on <Grant Date>, of a long-term incentive performance award to Grantee, and Grantee’s acceptance of the award, in accordance with and subject to the provisions of the Lincoln National Corporation 2020 Incentive Compensation Plan effective June 11, 2020 (the “Plan”) and this Agreement. LNC and Grantee agree as follows:

**1. Form of Award.** This performance award grant is for <Granted Amount> shares of LNC common stock (“Shares”). During the Performance Cycle, this award shall consist of LNC stock units but any actual award that ultimately vests will be delivered in Shares.

The number of Shares that will vest and be delivered, if any, may range from 0-<XXX> % of the aforementioned target number of Shares plus any accumulated dividend equivalents under Section 4, below. Shares will vest and be delivered only after certification by the Compensation Committee of the LNC Board of Directors (the “Committee”) of the achievement of company performance criteria previously established and approved by the Committee for the Performance Cycle; however in no event will Shares be delivered later than March 15<sup>th</sup> of the year following the completion of the Performance Cycle.

The Committee reserves the right to adjust the target number or amount of Shares delivered at any time to the extent permissible under the Plan.

In the event an adjustment pursuant to Section 10(c) of the Plan is required, the number of Shares that may ultimately vest under this Agreement, if any, shall be adjusted in accordance with Section 10(c) of the Plan. All Shares that may ultimately vest under this Agreement, if any, after such adjustment shall be subject to the same restrictions applicable any Shares that may have vested under this Agreement before the adjustment.

**2. Full or Pro-Rata Awards upon Certain Events.**

(a) Except as provided in this Paragraph 2 and in Paragraph 3, below, if Grantee has a Separation from Service (defined in Paragraph 10, below), for any reason during the performance cycle, the award shall be forfeited and automatically transferred back to LNC. Upon forfeiture, Grantee shall have no further rights in such award or Shares issuable pursuant to an award granted hereunder.

(b) In the case of Grantee's Retirement (defined in Paragraph 10, below), Grantee (or Grantee's estate, if applicable) shall receive a full, non-pro-rated award as if Grantee had provided Service for the entire Performance Cycle.

(c) In the case of Grantee's death or Separation from Service on account of Total Disability (defined in Paragraph 10, below), Grantee (or Grantee's estate, if applicable) shall receive a full, non-prorated award as if Grantee had provided Service for the entire Performance Cycle.

(d) In the case of a "change in control," within the meaning of section 409A of the Internal Revenue Code of 1986 as amended, of an LNC Subsidiary or Affiliate employing the Grantee, Grantee shall receive a pro-rated award based on the pro-ration formula described below.

The number of Shares deliverable upon the pro-rata vesting event described in Subparagraph 2(d) shall be calculated by multiplying this award by the product resulting from multiplying a fraction where the denominator is equal to the number of days during the performance cycle, and the numerator is equal to the number of days that the Grantee provided Service during the Performance Cycle, by a factor based on the company's attainment of performance criteria during the Performance Cycle. Thereafter, the number of Shares deliverable shall be rounded up to the nearest whole Share.

Any Shares deliverable under this Paragraph 2 shall be delivered at the same time long-term incentive awards are normally paid and/or delivered after the end of the Performance Cycle.

**3. Change of Control.** In connection with a Change of Control, pursuant to the definition in effect on the day immediately preceding such Change of Control, the Committee shall determine what, if any, award under this Agreement shall vest. In making such determination, the Committee shall consider the nature of such Change of Control, whether continuation of the Plan and the awards for the Performance Cycle are feasible, and whether the resulting corporate entity, if any, offers or commits to offer awards of comparable economic value; provided, however, that the Committee's determination shall be consistent with existing LNC plans, such as the Plan and the LNC Executives' Severance Benefit Plan.

Shares deliverable pursuant to this Paragraph 3 shall be delivered as of the earlier of (a) the time this award would normally be paid after the end of the original performance cycle established by the Committee, or (b) within 90 days after the Grantee's involuntary Separation from Service, other than for Cause, from LNC, its affiliates or any successor entity, provided such Separation from Service occurs within two years after such Change of Control.

Notwithstanding the foregoing, a Grantee who has a voluntary Separation from Service after a Change of Control but before delivery of Shares in settlement of this award shall forfeit this award.

**4. Dividend Equivalent Units.** If an award vests, Grantee shall also receive an amount equal to the dividends that would have been paid on such Shares had Grantee held such

Shares from the date of grant through the date the Shares become deliverable. Such dividend equivalent amount shall be delivered in Shares based on the Fair Market Value of a Share on the date of the payment of the dividend.

**5. Tax Withholding.** LNC will require Grantee to remit an amount equal to any tax withholding required under federal, state or local law on the value of the Shares deliverable under this Agreement at such time as LNC is required to withhold such amounts. In accordance with procedures established by the Committee, Grantee may satisfy any required tax withholding payments in any combination of cash, certified check, or Shares (including the surrender of Shares held by the Grantee or those that would otherwise be issued in settlement of this award). Any surrendered or withheld Shares will constitute satisfaction of any required tax withholding to the extent of their Fair Market Value.

**6. Voting Rights.** Grantee shall have no voting rights with respect to LNC stock units.

**7. Transferability.** This award may not be transferred, sold, pledged, hypothecated, margined or otherwise encumbered by Grantee, except by will or the laws of descent and distribution.

**8. Cancellation/Rescission of Award after Vesting or Distribution/Termination for Cause.**

This award and any Shares distributed in settlement of this award will be subject to potential forfeiture, recoupment or other action in accordance with the terms of this Agreement and any applicable claw back or recoupment policies implemented by the Company, as it may be amended or restated from time to time, or in accordance with any rules or regulations adopted by the Securities and Exchange Commission and the New York Stock Exchange pursuant to Section 10D of the Securities Exchange Act of 1934 or other applicable law.

(a) If Grantee's Service is terminated for Cause, any Shares distributed in settlement of this award during the six (6) month period prior to such termination for Cause shall be rescinded and any such Shares not yet delivered in settlement of this award shall be cancelled without further action by the Committee or its delegate.

(b) If Grantee fails to comply with the non-competition, non-solicitation, non-disparagement or non-disclosure provisions described in Subparagraphs 9(a) through 9(d) below, before Shares are delivered in settlement of this award, in addition to the remedies provided in Subparagraph 9(e) below, this award shall be cancelled without further action by the Committee or its delegate.

(c) If requested by LNC, at the time Shares are to be delivered pursuant to this Agreement, Grantee shall certify in a form acceptable to LNC that Grantee is in compliance with the terms and conditions described in Subparagraphs 9(a) through 9(d), below. Grantee's failure to comply with Subparagraphs 9(a) or 9(b) at any time from the Grant Date through the applicable time periods specified in Subparagraphs 9(a) or 9(b) shall cause such Shares to be

rescinded. Grantee's failure to comply with Subparagraphs 9(c) or 9(d) at any time on or after the Grant Date shall cause such Shares to be rescinded.

(d) (1) LNC must notify Grantee in writing of any such rescission: (A) in the case of Subparagraph 8(a), not later than 90 days after such termination for Cause; and (B) not later than 180 days after LNC obtains knowledge of Grantee's failure to comply with Subparagraphs 9(a) through 9(d) below.

(2) Within ten (10) days after receiving a rescission notice from LNC: (A) Grantee must surrender to LNC the Shares acquired upon settlement of the award, or (B) if such Shares have been sold or transferred, (i) Grantee must make a payment to LNC of the proceeds from such sale or transfer, or (ii) if there are no proceeds from such transfer, Grantee must make a payment to LNC equal to the Fair Market Value of such Shares on the date of such transfer.

In all cases, Grantee shall pay to LNC the gross amount of any gain realized or payment received (not net of any withholding or other taxes paid by Grantee) as a result of the award.

## **9. Covenants.**

Grantee recognizes and acknowledges that during the term of employment, Grantee has had, and will continue to have, access to confidential and proprietary business information and trade secrets belonging to LNC and LNC's customers, including, but not limited to, customer information, customer lists, pricing, products, information relating to sales, sales leads, sales performance, sales volume, LNC business and financial strategy, LNC quarterly business reviews, and LNC data, all of which are of substantial value to LNC. Grantee therefore agrees that the restrictive covenants below are reasonable and necessary to protect LNC's trade secrets and confidential information.

(a) Non-Competition. From the Grant Date through the six (6) month period after the date Shares are distributed in settlement of this award, Grantee may not become employed by, work on behalf of, consult with, or otherwise render services that are the same or similar to the services rendered by Grantee to the business unit(s) for which Grantee provided Service or otherwise had responsibilities for within six (6) months prior to his/her Separation from Service to any other business, firm, person, partnership, corporation or other organization that competes with or provides, or is planning to provide, the same or similar products and/or services. Grantee understands and agrees that due to the nature of LNC's nationwide business and the nationwide scope of Grantee's employment, this restriction is nationwide in scope.

(b) Non-Solicitation of Employees and Other Service Providers. During Grantee's employment with LNC, and for a period of twelve (12) months following the date of Grantee's Separation from Service, for any reason, Grantee shall not directly or indirectly hire, manage, solicit, or recruit, or aid in the hiring, soliciting, or recruiting of any persons who are at the time of the hire, or were at any time within the six (6) months prior to hire, employees, agents, representatives, or consultants of LNC whom Grantee had hired, managed, supervised, or otherwise became familiar with in any capacity as a result of his/her Service.

(c) Non-Disparagement. Grantee agrees not to defame LNC or any of its affiliates, products, employees, officers, directors or services, or make or solicit any comments, statement or the like to the media or others that may be considered to be derogatory or harmful to the good name or business reputation of LNC or its affiliates, except that Grantee may testify truthfully in any legal proceeding where his testimony is compelled by subpoena under oath. This provision also applies to any comments or statements which Grantee may make on the internet, including but not limited to comments, statements and/or videos placed in email, and/or on YouTube, Instagram, Facebook, Twitter or any other social media site.

(d) Non-Disclosure & Ideas Provision. Grantee shall not, without prior written authorization from LNC, disclose to anyone outside LNC, or use in other than LNC's business, any trade secrets or confidential and/or proprietary information received from or on behalf of, developed for, or otherwise relating to the business of, LNC. Any confidentiality or non-disclosure obligations in this Agreement does not prohibit or restrict Grantee (or Grantee's attorney) from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC, FINRA, any other self-regulatory organization, or any other state, local, or federal regulatory, investigative, or enforcement entity, agency, or authority. For purposes of this Agreement, a confidential disclosure to government officials or attorneys solely for purposes of reporting or investigating a suspected violation of the law (or disclosures made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal) is immune from civil and criminal liabilities under federal and state trade secret laws. Furthermore, Grantee agrees to disclose and assign to LNC all rights and interest in any invention or idea that Grantee developed or helped develop for actual or related business, research, or development work during the period of Grantee's Service.

(e) Consent to Injunction; Attorneys' Fees and Costs. Grantee acknowledges that any violation of the non-competition, non-solicitation, non-disparagement, or non-disclosure provisions described in Subparagraphs 9(a) through 9(d) would entail irreparable injury to the business and goodwill of LNC and would jeopardize the competitive position in the marketplace held by LNC. Therefore, Grantee also acknowledges that, in the event of any violation of Subparagraphs 9(a) through 9(d) by Grantee, the cancellation/rescission of the award alone will be inadequate to compensate LNC, and LNC will be entitled, as a matter of right and without the obligation to post a bond or other security, to an injunction issued by any court of competent jurisdiction and other equitable relief to prevent any actual, intended or likely violation of this Agreement. If LNC brings legal action for injunctive relief, LNC shall have the benefit of the full periods of the post-employment covenants set forth above. The injunction shall run from the date injunctive relief is granted but reduced by the time period after the separation of employment that Grantee was not in violation of the applicable covenant(s). In the event LNC elects to seek any remedy by court action, rendered necessary as the result of any violation or threatened violation of the Agreement by Grantee, and LNC prevails in such action, Grantee shall be responsible to pay all costs and attorneys' fees incurred by LNC in taking such action.

Notwithstanding anything to the contrary herein, LNC may, in its discretion, waive Grantee's compliance with Subparagraphs 9(a) through 9(d) in whole or part in any individual

case. Moreover, if Grantee's Service is terminated by LNC other than for Cause, a failure by Grantee to comply with the provisions of Subparagraph 9(a) through 9(d), above, after such termination shall not in and of itself cause rescission if the Shares were delivered in settlement of this award before Grantee's termination.

If any term, provision or paragraph of this Paragraph 9 shall be determined by a court to be invalid or unenforceable for any reason, the term, provision or paragraph shall be construed so as to be enforceable to the maximum extent compatible with the applicable laws in effect at the time; and such determination of invalidity shall not affect the remaining terms, provisions or paragraphs of this Agreement, which shall continue to be given full force and effect. If any term, provision or paragraph of this Paragraph 9 shall be determined by a court to be unenforceable because of the scope or duration thereof, the parties hereby expressly agree that the court making such determination shall have the power to reduce the scope or duration and/or restrict the geographical area of such term, provision or paragraph and/or to delete such specific words or phrases which the court shall deem necessary to permit enforcement of such term, provision or paragraph in restricted form. If any term, provision or paragraph of this Paragraph 9 is found to be in conflict with any state or local law or regulation, the applicable state or local law will control to the extent that such state or local law applies to the Grantee.

**10. Definitions.** As used in this Agreement:

"Cause" means (a) a conviction of a crime that is job related or that may otherwise cause harm to the reputation of LNC or any Subsidiary; (b) any act or omission detrimental to the conduct of business of LNC or any Subsidiary; (c) inability to obtain or retain proper licenses; (d) theft, dishonesty, fraud or misrepresentation; (e) failure to cooperate or be truthful in connection with an investigation related to LNC or any Subsidiary; (f) violation of any rule or regulation of any regulatory agency or self-regulatory agency; (g) violation of any policy or rule of LNC or any Subsidiary; or (h) unsatisfactory performance that does not meet expectations after coaching or counseling. Cause shall be determined in the sole discretion of the Committee.

"Performance Cycle" means the three-year period that commences on the first day of the calendar year in which the grant was awarded.

"Retirement" means Grantee's Separation from Service, other than for Cause, from LNC or any Subsidiary at age 55 or older with at least five (5) years of Service.

"Service" means Grantee's continuous service as a common law employee of, or as a planner with a full-time agent's contract with, LNC or any Subsidiary. Service as a common law employee is the period of time Grantee is on the payroll of LNC or a Subsidiary but prior to the time the Grantee has had a Separation from Service. Service as a planner is the period of time Grantee's full-time agent's contract is in effect but prior to the time the Grantee has had a Separation from Service.

"Separation from Service" has the meaning given such term in Code section 409A and the regulations issued thereunder.

“Subsidiary” means a corporation in which LNC has ownership of at least twenty-five percent.

“Total Disability” means (as determined by the Committee) a disability that results in Grantee being unable to engage in any occupation or employment for wage or profit for which Grantee is, or becomes, reasonably qualified by training, education or experience. In addition, the disability must have lasted six (6) months and be expected to continue for at least six (6) more months or be expected to continue unto death.

**11. Compliance with Securities Laws.** Shares shall not be issued with respect to this award unless the issuance and delivery of such Shares shall comply with all relevant provisions of state and federal laws, rules and regulations, and, in the discretion of LNC, shall be further subject to the approval of counsel for LNC with respect to that compliance.

**12. Governing Law; Forum for Disputes.** This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania, without giving effect to any choice of law or conflict of law provision or rule (whether of the chosen state or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the Commonwealth of Pennsylvania. Venue for any dispute relating to the Agreement shall be in the state or federal court, as applicable, having jurisdiction over claims arising in Delaware County, Pennsylvania, or such other venue as determined by LNC to best enforce its rights under this Agreement. To the extent legally possible, Grantee expressly waives any objections to LNC’s choice of venue and waives any arguments based on the inconvenience of the selected venue.

**13. Incorporation of Plan Terms.** This award is subject to the terms and conditions of the Plan. Such terms and conditions of the Plan are incorporated into and made a part of this Agreement by reference. In the event of any conflicts between the provisions of this Agreement and the terms of the Plan, the terms of the Plan will control. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Plan unless the context clearly requires an alternative meaning.

**14. Severability.** The provisions of this Agreement are severable. If any provision is held to be invalid or unenforceable, it shall not affect the validity or enforceability of any other provision.

IN WITNESS WHEREOF, LNC, by its duly authorized officer has signed this Agreement as of the first date set forth above.

LINCOLN NATIONAL CORPORATION  
By: /s/ Michael F. Mee  
Michael F. Mee  
Chair of the Compensation Committee

**LINCOLN NATIONAL CORPORATION**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

*For CEO*

This Restricted Stock Unit Award Agreement (the “Agreement”) is by and between Lincoln National Corporation (“LNC”) on behalf of itself and its affiliates, and <First Name> <Last Name> (the “Grantee”), and evidences the grant on <Grant Date> (the “Grant Date”) of Restricted Stock Units (“RSUs”) to Grantee, and Grantee’s acceptance of the RSUs, in accordance with the terms and provisions of the Lincoln National Corporation 2020 Incentive Compensation Plan effective June 11, 2020 (the “Plan”) and this Agreement. LNC and Grantee agree as follows:

1. **Number of Shares Granted.** Grantee is awarded <Granted Amount> RSUs subject to the terms and restrictions as set forth in the Plan and in this Agreement. In the event an adjustment pursuant to Section 10(c) of the Plan is required, the number of RSUs awarded under this Agreement and/or the number of shares of LNC common stock (the “Shares”) delivered pursuant to RSUs granted under this Agreement shall be adjusted in accordance with Section 10(c) of the Plan. All RSUs after such adjustment (and/or Shares deliverable pursuant to RSUs granted under this Agreement) shall be subject to the same restrictions applicable to such RSUs (and/or Shares issuable pursuant to an RSU granted under this Agreement) before the adjustment.

2. **Vesting of Restricted Stock Units.** Subject to Paragraph 8, below, the RSUs shall vest upon the earliest to occur of the following dates (such date, the “Vesting Date”), provided Grantee remains in Service (defined in Paragraph 10, below) through such date:

- (a) **100%** as of the third anniversary of the Grant Date; or
- (b) **100%** as of the date on which the Grantee has a Separation from Service (defined in Paragraph 10, below) on account of Total Disability (defined in Paragraph 10, below); or
- (c) **100%** as of the date of the Grantee’s death; or
- (d) **100%** as of the date of the Grantee’s involuntary Separation from Service other than for Cause (defined in Paragraph 10, below), provided such Separation from Service occurs within two years after a Change of Control pursuant to the definition in effect on the day immediately preceding such Change of Control; or
- (e) **100%** as of the date on which Grantee Retires (defined in Paragraph 10, below).

- (f) **Pro-rata** as of the date of a “change in control,” within the meaning of section 409A of the Internal Revenue Code of 1986 as amended, of an LNC Subsidiary or Affiliate employing the Grantee.

The number of RSUs vesting pro-rata upon the event described in Subparagraph 2(f) shall be calculated by taking a fraction where the denominator is equal to the number of days during the three-year period beginning on the Grant Date and ending on the third anniversary of the Grant Date (such three-year period, the “Vesting Period”), and the numerator is equal to the number of days that the Grantee provided Service during the Vesting Period, with this award multiplied by such fraction (rounding up the nearest whole RSU).

In the event that Grantee has a Separation from Service prior to the vesting of RSUs as set forth above, other than under the circumstances described in Subparagraphs 2(b) through (f), the RSUs shall be forfeited and automatically transferred back to LNC. Upon forfeiture, Grantee shall have no further rights in such RSUs or Shares deliverable pursuant to an RSU granted hereunder.

3. **Dividend Equivalent Rights.** No cash dividends shall be payable with respect to the RSUs. Instead, for each RSU, Grantee shall have a dividend equivalent right (“DER”). The DER shall entitle the Grantee to additional RSUs on each date that dividends are paid on Shares while the RSU is outstanding. The number of RSUs to be credited on a dividend payment date based on each DER shall equal the number (or fraction thereof) obtained by dividing the aggregate dividend that would have been paid if the RSUs had been outstanding Shares by the Fair Market Value of a Share on the date of the payment of the dividend. DERs have the same restrictions as the underlying RSUs.

4. **Distribution of Shares.** Except as provided below, a Share shall be distributed to Grantee (or to Grantee’s estate) as follows: (i) for every RSU (including RSUs credited based on DERs) that vested in accordance with Subparagraphs 2(a) through 2(d) and 2(f), on or within 60 days after the Vesting Date and (ii) for every RSU (including RSUs credited based on DERs) that vested in accordance with Subparagraph 2(e), on or within 60 days after the third anniversary of the Grant Date. However, with respect to RSUs that vested in accordance with Subparagraph 2(e), in the event of the Grantee’s death after Retirement but before the third anniversary of the Grant Date, such distribution shall occur within 60 days of the date of death.

Once a Share has been issued with respect to an RSU pursuant to this Agreement and the Plan, the Grantee shall have no further rights with respect to the RSU.

5. **[Tax Withholding.** LNC will require Grantee to remit an amount equal to any tax withholding required by federal, state, or local law on the value of the RSUs at such time as LNC is required to withhold such amounts. In accordance with procedures established by the Committee, Grantee may satisfy any required tax withholding payments in any combination of cash, certified check, or Shares (including the surrender of Shares held by the Grantee or those that would otherwise be issued in settlement of this award). Any surrendered or withheld Shares will constitute satisfaction of any required tax withholding to the extent of their Fair Market Value.

6. **Voting Rights.** Grantee shall have no voting rights with respect to RSUs.

7. **Transferability.** Neither the RSUs granted under this Agreement, nor any interest or right therein or part thereof, shall be transferred, sold, pledged, hypothecated, margined or otherwise encumbered by the Grantee, except by will or the laws of descent and distribution.

8. **Cancellation/Rescission of Award after Vesting or Distribution/Termination for Cause.**

This award and any Shares distributed in settlement of this award will be subject to potential forfeiture, recoupment or other action in accordance with the terms of this Agreement and any applicable claw back or recoupment policies implemented by the Company, as it may be amended or restated from time to time, or in accordance with any rules or regulations adopted by the Securities and Exchange Commission and the New York Stock Exchange pursuant to Section 10D of the Securities Exchange Act of 1934 or other applicable law.

(a) If Grantee's Service is terminated for Cause, any Shares distributed in settlement of this award during the six (6) month period prior to such termination for Cause shall be rescinded and any such Shares not yet delivered in settlement of this award shall be cancelled without further action by the Compensation Committee of the LNC Board of Directors (the "Committee") or its delegate.

(b) If Grantee fails to comply with the non-competition, non-solicitation, non-disparagement, or non-disclosure provisions described in Subparagraphs 9(a) through 9(d), below, before Shares are distributed in settlement of this award, in addition to the remedies provided in Subparagraph 9(e) below, this award shall be cancelled without further action by the Committee or its delegate.

(c) If requested by LNC, at the time Shares are to be distributed pursuant to this Agreement, Grantee shall certify in a form acceptable to LNC that Grantee is in compliance with the terms and conditions described in Subparagraphs 9(a) through 9(d) below. Grantee's failure to comply with Subparagraphs 9(a) or 9(b) at any time from the Grant Date through the applicable time periods specified in Subparagraphs 9(a) or 9(b) shall cause such Shares to be rescinded. Grantee's failure to comply with Subparagraphs 9(c) or 9(d) at any time on or after the Grant Date shall cause such Shares to be rescinded.

(d) (1) LNC shall notify Grantee in writing of any such rescission: (A) in the case of Subparagraph 8(a), not later than 90 days after such termination for Cause; and (B) not later than 180 days after LNC obtains knowledge of Grantee's failure to comply with Subparagraphs 9(a) through 9(d) below.

(2) Within ten (10) days after receiving a rescission notice from LNC: (A) Grantee must surrender to LNC the Shares acquired upon settlement of this award; or (B) if such Shares have been sold or transferred, (i) Grantee must make a payment to LNC of the proceeds from such sale or transfer, or (ii) if there are no proceeds from such transfer, Grantee

must make a payment to LNC equal to the Fair Market Value of such Shares on the date of such transfer.

In all cases, Grantee shall pay to LNC the gross amount of any gain realized or payment received (not net of any withholding or other taxes paid by Grantee) as a result of the RSUs.

9. **Covenants.**

Grantee recognizes and acknowledges that during the term of employment, Grantee has had, and will continue to have, access to confidential and proprietary business information and trade secrets belonging to LNC and LNC's customers, including, but not limited to, customer information, customer lists, pricing, products, information relating to sales, sales leads, sales performance, sales volume, LNC business and financial strategy, LNC quarterly business reviews, and LNC data, all of which are of substantial value to LNC. Grantee therefore agrees that the restrictive covenants below are reasonable and necessary to protect LNC's trade secrets and confidential information.

(a) **Non-Competition.** From the Grant Date through the six (6) month period after the date Shares are distributed in settlement of the RSUs, Grantee may not become employed by, work on behalf of, consult with, or otherwise render services that are the same or similar to the services rendered by Grantee to the business unit(s) for which Grantee provided Service or otherwise had responsibilities for within six (6) months prior to his/her Separation from Service to any other business, firm, person, partnership, corporation or other organization that competes with or provides, or is planning to provide, the same or similar products and/or services. Grantee understands and agrees that due to the nature of LNC's nationwide business and the nationwide scope of Grantee's employment, this restriction is nationwide in scope.

(b) **Non-Solicitation of Employees and Other Service Providers.** During Grantee's employment with LNC, and for a period of twelve (12) months following the date of Grantee's Separation from Service, for any reason, Grantee shall not directly or indirectly hire, manage, solicit, or recruit, or aid in the hiring, soliciting, or recruiting of any persons who are at the time of hire, or were at any time within the six (6) months prior to hire, employees, agents, representatives, or consultants of LNC whom Grantee had hired, managed, supervised, or otherwise became familiar with in any capacity as a result of his/her Service.

(c) **Non-Disparagement.** Grantee agrees not to defame LNC or any of its affiliates, products, employees, officers, directors or services, or make or solicit any comments, statement or the like to the media or others that may be considered to be derogatory or harmful to the good name or business reputation of LNC or its affiliates, except that Grantee may testify truthfully in any legal proceeding where his testimony is compelled by subpoena under oath. This provision also applies to any comments or statements which Grantee may make on the internet, including but not limited to comments, statements and/or videos placed in email, and/or on YouTube, Instagram, Facebook, Twitter or any other social media site.

(d) Non-Disclosure & Ideas Provision. Grantee shall not, without prior written authorization from LNC, disclose to anyone outside LNC, or use in other than LNC's business, any trade secrets or confidential and/or proprietary information received from or on behalf of, developed for, or otherwise relating to the business of, LNC. Any confidentiality or non-disclosure obligations in this Agreement does not prohibit or restrict Grantee (or Grantee's attorney) from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC, FINRA, any other self-regulatory organization, or any other state, local, or federal regulatory, investigative, or enforcement entity, agency, or authority. For purposes of this Agreement, a confidential disclosure to government officials or attorneys solely for purposes of reporting or investigating a suspected violation of the law (or disclosures made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal) is immune from civil and criminal liabilities under federal and state trade secret laws. Furthermore, Grantee agrees to disclose and assign to LNC all rights and interest in any invention or idea that Grantee developed or helped develop for actual or related business, research, or development work during the period of Grantee's Service.

(e) Consent to Injunction; Attorneys' Fees and Costs. Grantee acknowledges that any violation of the non-competition, non-solicitation, non-disparagement, or non-disclosure provisions described in Subparagraphs 9(a) through 9(d) would entail irreparable injury to the business and goodwill of LNC and would jeopardize the competitive position in the marketplace held by LNC. Therefore, Grantee also acknowledges that, in the event of any violation of Subparagraphs 9(a) through 9(d) by Grantee, the cancellation/rescission of the award alone will be inadequate to compensate LNC, and LNC will be entitled, as a matter of right and without the obligation to post a bond or other security, to an injunction issued by any court of competent jurisdiction and other equitable relief to prevent any actual, intended or likely violation of this Agreement. If LNC brings legal action for injunctive relief, LNC shall have the benefit of the full periods of the post-employment covenants set forth above. The injunction shall run from the date injunctive relief is granted but reduced by the time period after the separation of employment that Grantee was not in violation of the applicable covenant(s). In the event LNC elects to seek any remedy by court action, rendered necessary as the result of any violation or threatened violation of the Agreement by Grantee, and LNC prevails in such action, Grantee shall be responsible to pay all costs and attorneys' fees incurred by LNC in taking such action.

Notwithstanding anything herein to the contrary, LNC may, in its discretion, waive Grantee's compliance with Subparagraphs 9(a) through 9(d) in whole or part in any individual case. Moreover, if Grantee's Service is terminated by LNC other than for Cause, a failure by Grantee to comply with the provisions of Subparagraph 9(a) through 9(d) above, after such termination shall not in and of itself cause rescission if the Shares were distributed in settlement of the RSUs prior to Grantee's date of termination.

If any term, provision or paragraph of this Paragraph 9 shall be determined by a court to be invalid or unenforceable for any reason, the term, provision or paragraph shall be construed so as to be enforceable to the maximum extent compatible with the applicable laws in effect at the time; and such determination of invalidity shall not affect the remaining terms, provisions or

paragraphs of this Agreement, which shall continue to be given full force and effect. If any term, provision or paragraph of this Paragraph 9 shall be determined by a court to be unenforceable because of the scope or duration thereof, the parties hereby expressly agree that the court making such determination shall have the power to reduce the scope or duration and/or restrict the geographical area of such term, provision or paragraph and/or to delete such specific words or phrases which the court shall deem necessary to permit enforcement of such term, provision or paragraph in restricted form. If any term, provision or paragraph of this Paragraph 9 is found to be in conflict with any state or local law or regulation, the applicable state or local law will control to the extent that such state or local law applies to the Grantee.

10. **Definitions.** As used in this Agreement:

“Cause” means (a) a conviction of a crime that is job related or that may otherwise cause harm to the reputation of LNC or any Subsidiary; (b) any act or omission detrimental to the conduct of business of LNC or any Subsidiary; (c) inability to obtain or retain proper licenses; (d) theft, dishonesty, fraud or misrepresentation; (e) failure to cooperate or be truthful in connection with an investigation related to LNC or any Subsidiary; (f) violation of any rule or regulation of any regulatory agency or self-regulatory agency; (g) violation of any policy or rule of LNC or any Subsidiary; or (h) unsatisfactory performance that does not meet expectations after coaching or counseling. Cause shall be determined in the sole discretion of the Committee.

“Retires” or “Retirement” means Grantee’s Separation from Service, other than for Cause, from LNC or any Subsidiary at age 55 or older with at least five (5) years of Service.

“Service” means Grantee’s continuous service as a common law employee of, or as a planner with a full-time agent’s contract with, LNC or any Subsidiary. Service as a common law employee is the period of time Grantee is on the payroll of LNC or a Subsidiary but prior to the time the Grantee has had a Separation from Service. Service as a planner is the period of time Grantee’s full-time agent’s contract is in effect but prior to the time the Grantee has had a Separation from Service.

“Separation from Service” has the meaning given such term in Code section 409A and the regulations issued thereunder.

“Subsidiary” means a corporation in which LNC has ownership of at least twenty-five percent.

“Total Disability” means (as determined by the Committee) a disability that results in Grantee being unable to engage in any occupation or employment for wage or profit for which Grantee is, or becomes, reasonably qualified by training, education or experience. In addition, the disability must have lasted six (6) months and be expected to continue for at least six (6) more months or be expected to continue unto death.

11. **Compliance with Securities Laws.** Shares shall not be issued with respect to RSUs unless the issuance and delivery of such Shares shall comply with all relevant provisions

of state and federal laws, rules and regulations, and, in the discretion of LNC, shall be further subject to the approval of counsel for LNC with respect to that compliance.

12. **Governing Law; Forum for Disputes.** This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania, without giving effect to any choice of law or conflict of law provision or rule (whether of the chosen state or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the Commonwealth of Pennsylvania. Venue for any dispute relating to the Agreement shall be in the state or federal court, as applicable, having jurisdiction over claims arising in Delaware County, Pennsylvania, or such other venue as determined by LNC to best enforce its rights under this Agreement. To the extent legally possible, Grantee expressly waives any objections to LNC's choice of venue and waives any arguments based on the inconvenience of the selected venue.

13. **Incorporation of Plan Terms.** This award is subject to the terms and conditions of the Plan. Such terms and conditions of the Plan are incorporated into and made a part of this Agreement by reference. In the event of any conflicts between the provisions of this Agreement and the terms of the Plan, the terms of the Plan will control. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Plan unless the context clearly requires an alternative meaning.

14. **Severability.** The provisions of this Agreement are severable. If any provision is held to be invalid or unenforceable, it shall not affect the validity or enforceability of any other provision.

IN WITNESS WHEREOF, LNC, by its duly authorized officer has signed this Agreement as of the effective date set out above.

LINCOLN NATIONAL CORPORATION

By: /s/ Michael F. Mee  
Michael F. Mee  
Chair of the Compensation Committee

LINCOLN NATIONAL CORPORATION

LONG-TERM INCENTIVE AWARD PROGRAM  
Performance Cycle Agreement

*For Senior Management Committee (other than CEO)*

This Award Agreement (“Agreement”), by and between Lincoln National Corporation (“LNC”) on behalf of itself and its affiliates, and the <First Name> <Last Name> (“Grantee”), evidences the grant by LNC on <Grant Date>, of a long-term incentive performance award to Grantee, and Grantee’s acceptance of the award, in accordance with and subject to the provisions of the Lincoln National Corporation 2020 Incentive Compensation Plan effective June 11, 2020 (the “Plan”) and this Agreement. LNC and Grantee agree as follows:

**1. Form of Award.** This performance award grant is for <Granted Amount> shares of LNC common stock (“Shares”). During the Performance Cycle, this award shall consist of LNC stock units but any actual award that ultimately vests will be delivered in Shares.

The number of Shares that will vest and be delivered, if any, may range from 0-<XXX> % of the aforementioned target number of Shares plus any accumulated dividend equivalents under Section 4, below. Shares will vest and be delivered only after certification by the Compensation Committee of the LNC Board of Directors (the “Committee”) of the achievement of company performance criteria previously established and approved by the Committee for the Performance Cycle; however in no event will Shares be delivered later than March 15<sup>th</sup> of the year following the completion of the Performance Cycle.

The Committee reserves the right to adjust the target number or amount of Shares delivered at any time to the extent permissible under the Plan.

In the event an adjustment pursuant to Section 10(c) of the Plan is required, the number of Shares that may ultimately vest under this Agreement, if any, shall be adjusted in accordance with Section 10(c) of the Plan. All Shares that may ultimately vest under this Agreement, if any, after such adjustment shall be subject to the same restrictions applicable any Shares that may have vested under this Agreement before the adjustment.

**2. Full or Pro-Rata Awards upon Certain Events.**

(a) Except as provided in this Paragraph 2 and in Paragraph 3, below, if Grantee has a Separation from Service (defined in Paragraph 10, below), for any reason during the performance cycle, the award shall be forfeited and automatically transferred back to LNC. Upon forfeiture, Grantee shall have no further rights in such award or Shares issuable pursuant to an award granted hereunder.

(b) In the case of Grantee's Retirement (defined in Paragraph 10, below), Grantee (or Grantee's estate, if applicable) shall receive a full, non-pro-rated award.

(c) In the case of Grantee's death or Separation from Service on account of Total Disability (defined in Paragraph 10, below), Grantee (or Grantee's estate, if applicable) shall receive a full, non-prorated award as if Grantee had provided Service for the entire Performance Cycle.

(d) In the case of a "change in control," within the meaning of section 409A of the Internal Revenue Code of 1986 as amended, of an LNC Subsidiary or Affiliate employing the Grantee, Grantee shall receive a pro-rated award based on the pro-ration formula described below.

The number of Shares deliverable upon the pro-rata vesting event described in Subparagraph 2(d) shall be calculated by multiplying this award by the product resulting from multiplying a fraction where the denominator is equal to the number of days during the performance cycle, and the numerator is equal to the number of days that the Grantee provided Service during the Performance Cycle, by a factor based on the company's attainment of performance criteria during the Performance Cycle. Thereafter, the number of Shares deliverable shall be rounded up to the nearest whole Share.

Any Shares deliverable under this Paragraph 2 shall be delivered at the same time long-term incentive awards are normally paid and/or delivered after the end of the Performance Cycle.

**3. Change of Control.** In connection with a Change of Control, pursuant to the definition in effect on the day immediately preceding such Change of Control, the Committee shall determine what, if any, award under this Agreement shall vest. In making such determination, the Committee shall consider the nature of such Change of Control, whether continuation of the Plan and the awards for the Performance Cycle are feasible, and whether the resulting corporate entity, if any, offers or commits to offer awards of comparable economic value; provided, however, that the Committee's determination shall be consistent with existing LNC plans, such as the Plan and the LNC Executives' Severance Benefit Plan.

Shares deliverable pursuant to this Paragraph 3 shall be delivered as of the earlier of (a) the time this award would normally be paid after the end of the original performance cycle established by the Committee, or (b) within 90 days after the Grantee's involuntary Separation from Service, other than for Cause, from LNC, its affiliates or any successor entity, provided such Separation from Service occurs within two years after such Change of Control.

Notwithstanding the foregoing, a Grantee who has a voluntary Separation from Service after a Change of Control but before delivery of Shares in settlement of this award shall forfeit this award.

**4. Dividend Equivalent Units.** If an award vests, Grantee shall also receive an amount equal to the dividends that would have been paid on such Shares had Grantee held such Shares from the date of grant through the date the Shares become deliverable. Such dividend

equivalent amount shall be delivered in Shares based on the Fair Market Value of a Share on the date of the payment of the dividend.

**5. Tax Withholding.** LNC will require Grantee to remit an amount equal to any tax withholding required under federal, state or local law on the value of the Shares deliverable under this Agreement at such time as LNC is required to withhold such amounts. In accordance with procedures established by the Committee, Grantee may satisfy any required tax withholding payments in any combination of cash, certified check, or Shares (including the surrender of Shares held by the Grantee or those that would otherwise be issued in settlement of this award). Any surrendered or withheld Shares will constitute satisfaction of any required tax withholding to the extent of their Fair Market Value.

**6. Voting Rights.** Grantee shall have no voting rights with respect to LNC stock units.

**7. Transferability.** This award may not be transferred, sold, pledged, hypothecated, margined or otherwise encumbered by Grantee, except by will or the laws of descent and distribution.

**8. Cancellation/Rescission of Award after Vesting or Distribution/Termination for Cause.**

This award and any Shares distributed in settlement of this award will be subject to potential forfeiture, recoupment or other action in accordance with the terms of this Agreement and any applicable claw back or recoupment policies implemented by the Company, as it may be amended or restated from time to time, or in accordance with any rules or regulations adopted by the Securities and Exchange Commission and the New York Stock Exchange pursuant to Section 10D of the Securities Exchange Act of 1934 or other applicable law.

(a) If Grantee's Service is terminated for Cause, any Shares distributed in settlement of this award during the six (6) month period prior to such termination for Cause shall be rescinded and any such Shares not yet delivered in settlement of this award shall be cancelled without further action by the Committee or its delegate.

(b) If Grantee fails to comply with the non-competition, non-solicitation, non-disparagement or non-disclosure provisions described in Subparagraphs 9(a) through 9(d) below, before Shares are delivered in settlement of this award, in addition to the remedies provided in Subparagraph 9(e) below, this award shall be cancelled without further action by the Committee or its delegate.

(c) If requested by LNC, at the time Shares are to be delivered pursuant to this Agreement, Grantee shall certify in a form acceptable to LNC that Grantee is in compliance with the terms and conditions described in Subparagraphs 9(a) through 9(d) below. Grantee's failure to comply with Subparagraphs 9(a) or 9(b) at any time from the Grant Date through the applicable time periods specified in Subparagraphs 9(a) or 9(b) shall cause such Shares to be

rescinded. Grantee's failure to comply with Subparagraphs 9(c) or 9(d) at any time on or after the Grant Date shall cause such Shares to be rescinded.

(d) (1) LNC must notify Grantee in writing of any such rescission: (A) in the case of Subparagraph 8(a), not later than 90 days after such termination for Cause; and (B) not later than 180 days after LNC obtains knowledge of Grantee's failure to comply with Subparagraphs 9(a) through 9(d) below.

(2) Within ten (10) days after receiving a rescission notice from LNC: (A) Grantee must surrender to LNC the Shares acquired upon settlement of the award, or (B) if such Shares have been sold or transferred, (i) Grantee must make a payment to LNC of the proceeds from such sale or transfer, or (ii) if there are no proceeds from such transfer, Grantee must make a payment to LNC equal to the Fair Market Value of such Shares on the date of such transfer.

In all cases, Grantee shall pay to LNC the gross amount of any gain realized or payment received (not net of any withholding or other taxes paid by Grantee) as a result of the award.

## **9. Covenants.**

Grantee recognizes and acknowledges that during the term of employment, Grantee has had, and will continue to have, access to confidential and proprietary business information and trade secrets belonging to LNC and LNC's customers, including, but not limited to, customer information, customer lists, pricing, products, information relating to sales, sales leads, sales performance, sales volume, LNC business and financial strategy, LNC quarterly business reviews, and LNC data, all of which are of substantial value to LNC. Grantee therefore agrees that the restrictive covenants below are reasonable and necessary to protect LNC's trade secrets and confidential information.

(a) Non-Competition. From the Grant Date through the six (6) month period after the date Shares are distributed in settlement of this award, Grantee may not become employed by, work on behalf of, consult with, or otherwise render services that are the same or similar to the services rendered by Grantee to the business unit(s) for which Grantee provided Service or otherwise had responsibilities for within six (6) months prior to his/her Separation from Service to any other business, firm, person, partnership, corporation or other organization that competes with or provides, or is planning to provide, the same or similar products and/or services. Grantee understands and agrees that due to the nature of LNC's nationwide business and the nationwide scope of Grantee's employment, this restriction is nationwide in scope.

(b) Non-Solicitation of Employees and Other Service Providers. During Grantee's employment with LNC, and for a period of twelve (12) months following the date of Grantee's Separation from Service, for any reason, Grantee shall not directly or indirectly hire, manage, solicit, or recruit or aid in the hiring, soliciting, or recruiting of any persons who are at the time of hire, or were at any time within the six (6) months prior to hire, any employees, agents,

representatives, or consultants of LNC whom Grantee had hired, managed, supervised, or otherwise became familiar with in any capacity as a result of his/her Service.

(c) Non-Disparagement. Grantee agrees not to defame LNC, or any of its affiliates, products, employees, officers, directors or services, or make or solicit any comments, statement or the like to the media or others that may be considered to be derogatory or harmful to the good name or business reputation of LNC or its affiliates, except that Grantee may testify truthfully in any legal proceeding where his testimony is compelled by subpoena under oath. This provision also applies to any comments or statements which Grantee may make on the internet, including but not limited to comments, statements and/or videos placed in email, and/or on YouTube, Instagram, Facebook, Twitter or any other social media site.

(d) Non-Disclosure & Ideas Provision. Grantee shall not, without prior written authorization from LNC, disclose to anyone outside LNC, or use in other than LNC's business, any trade secrets or confidential and/or proprietary information received from or on behalf of, developed for, or otherwise relating to the business of, LNC. Any confidentiality or non-disclosure obligations in this Agreement does not prohibit or restrict Grantee (or Grantee's attorney) from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC, FINRA, any other self-regulatory organization, or any other state, local, or federal regulatory, investigative, or enforcement entity, agency, or authority. For purposes of this Agreement, a confidential disclosure to government officials or attorneys solely for purposes of reporting or investigating a suspected violation of the law (or disclosures made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal) is immune from civil and criminal liabilities under federal and state trade secret laws. Furthermore, Grantee agrees to disclose and assign to LNC all rights and interest in any invention or idea that Grantee developed or helped develop for actual or related business, research, or development work during the period of Grantee's Service.

(e) Consent to Injunction; Attorneys' Fees and Costs. Grantee acknowledges that any violation of the non-competition, non-solicitation, non-disparagement, or non-disclosure provisions described in Subparagraphs 9(a) through 9(d) would entail irreparable injury to the business and goodwill of LNC and would jeopardize the competitive position in the marketplace held by LNC. Therefore, Grantee also acknowledges that, in the event of any violation of Subparagraphs 9(a) through 9(d) by Grantee, the cancellation/rescission of the award alone will be inadequate to compensate LNC, and LNC will be entitled, as a matter of right and without the obligation to post a bond or other security, to an injunction issued by any court of competent jurisdiction and other equitable relief to prevent any actual, intended or likely violation of this Agreement. If LNC brings legal action for injunctive relief, LNC shall have the benefit of the full periods of the post-employment covenants set forth above. The injunction shall run from the date injunctive relief is granted but reduced by the time period after the separation of employment that Grantee was not in violation of the applicable covenant(s). In the event LNC elects to seek any remedy by court action, rendered necessary as the result of any violation or threatened violation of the Agreement by Grantee, and LNC prevails in such action, Grantee shall be responsible to pay all costs and attorneys' fees incurred by LNC in taking such action.

Notwithstanding anything to the contrary herein, LNC may, in its discretion, waive Grantee's compliance with Subparagraphs 9(a) through 9(d) in whole or part in any individual case. Moreover, if Grantee's Service is terminated by LNC other than for Cause, a failure by Grantee to comply with the provisions of Subparagraph 9(a) through 9(d) above, after such termination shall not in and of itself cause rescission if the Shares were delivered in settlement of this award before Grantee's termination.

If any term, provision or paragraph of this Paragraph 9 shall be determined by a court to be invalid or unenforceable for any reason, the term, provision or paragraph shall be construed so as to be enforceable to the maximum extent compatible with the applicable laws in effect at the time; and such determination of invalidity shall not affect the remaining terms, provisions or paragraphs of this Agreement, which shall continue to be given full force and effect. If any term, provision or paragraph of this Paragraph 9 shall be determined by a court to be unenforceable because of the scope or duration thereof, the parties hereby expressly agree that the court making such determination shall have the power to reduce the scope or duration and/or restrict the geographical area of such term, provision or paragraph and/or to delete such specific words or phrases which the court shall deem necessary to permit enforcement of such term, provision or paragraph in restricted form. If any term, provision or paragraph of this Paragraph 9 is found to be in conflict with any state or local law or regulation, the applicable state or local law will control to the extent that such state or local law applies to the Grantee.

**10. Definitions.** As used in this Agreement:

“Cause” means (a) a conviction of a crime that is job related or that may otherwise cause harm to the reputation of LNC or any Subsidiary; (b) any act or omission detrimental to the conduct of business of LNC or any Subsidiary; (c) inability to obtain or retain proper licenses; (d) theft, dishonesty, fraud or misrepresentation; (e) failure to cooperate or be truthful in connection with an investigation related to LNC or any Subsidiary; (f) violation of any rule or regulation of any regulatory agency or self-regulatory agency; (g) violation of any policy or rule of LNC or any Subsidiary; or (h) unsatisfactory performance that does not meet expectations after coaching or counseling. Cause shall be determined in the sole discretion of the Committee.

“Performance Cycle” means the three-year period that commences on the first day of the calendar year in which the grant was awarded.

“Retirement” means Grantee's Separation from Service, other than for Cause, from LNC or any Subsidiary at age 55 or older with at least five (5) years of Service.

“Service” means Grantee's continuous service as a common law employee of, or as a planner with a full-time agent's contract with, LNC or any Subsidiary. Service as a common law employee is the period of time Grantee is on the payroll of LNC or a Subsidiary but prior to the time the Grantee has had a Separation from Service. Service as a planner is the period of time Grantee's full-time agent's contract is in effect but prior to the time the Grantee has had a Separation from Service.

“Separation from Service” has the meaning given such term in Code section 409A and the regulations issued thereunder.

“Subsidiary” means a corporation in which LNC has ownership of at least twenty-five percent.

“Total Disability” means (as determined by the Committee) a disability that results in Grantee being unable to engage in any occupation or employment for wage or profit for which Grantee is, or becomes, reasonably qualified by training, education or experience. In addition, the disability must have lasted six (6) months and be expected to continue for at least six (6) more months or be expected to continue unto death.

**11. Compliance with Securities Laws.** Shares shall not be issued with respect to this award unless the issuance and delivery of such Shares shall comply with all relevant provisions of state and federal laws, rules and regulations, and, in the discretion of LNC, shall be further subject to the approval of counsel for LNC with respect to that compliance.

**12. Governing Law; Forum for Disputes.** This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania, without giving effect to any choice of law or conflict of law provision or rule (whether of the chosen state or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the Commonwealth of Pennsylvania. Venue for any dispute relating to the Agreement shall be in the state or federal court, as applicable, having jurisdiction over claims arising in Delaware County, Pennsylvania, or such other venue as determined by LNC to best enforce its rights under this Agreement. To the extent legally possible, Grantee expressly waives any objections to LNC’s choice of venue and waives any arguments based on the inconvenience of the selected venue.

**13. Incorporation of Plan Terms.** This award is subject to the terms and conditions of the Plan. Such terms and conditions of the Plan are incorporated into and made a part of this Agreement by reference. In the event of any conflicts between the provisions of this Agreement and the terms of the Plan, the terms of the Plan will control. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Plan unless the context clearly requires an alternative meaning.

**14. Severability.** The provisions of this Agreement are severable. If any provision is held to be invalid or unenforceable, it shall not affect the validity or enforceability of any other provision.

IN WITNESS WHEREOF, LNC, by its duly authorized officer has signed this Agreement as of the first date set forth above.

LINCOLN NATIONAL CORPORATION

By: /s/ Ellen Cooper

Ellen Cooper

President and Chief Executive Officer

**LINCOLN NATIONAL CORPORATION**  
**RESTRICTED STOCK UNIT AWARD AGREEMENT**

*For Senior Management Committee (other than CEO)*

This Restricted Stock Unit Award Agreement (the “Agreement”) is by and between Lincoln National Corporation (“LNC”) on behalf of itself and its affiliates, and <First Name> <Last Name> (the “Grantee”), and evidences the grant on <Grant Date> (the “Grant Date”) of Restricted Stock Units (“RSUs”) to Grantee, and Grantee’s acceptance of the RSUs, in accordance with the terms and provisions of the Lincoln National Corporation 2020 Incentive Compensation Plan effective June 11, 2020 (the “Plan”) and this Agreement. LNC and Grantee agree as follows:

1. **Number of Shares Granted.** Grantee is awarded <Granted Amount> RSUs subject to the terms and restrictions as set forth in the Plan and in this Agreement. In the event an adjustment pursuant to Section 10(c) of the Plan is required, the number of RSUs awarded under this Agreement and/or the number of shares of LNC common stock (the “Shares”) delivered pursuant to RSUs granted under this Agreement shall be adjusted in accordance with Section 10(c) of the Plan. All RSUs after such adjustment (and/or Shares deliverable pursuant to RSUs granted under this Agreement) shall be subject to the same restrictions applicable to such RSUs (and/or Shares issuable pursuant to an RSU granted under this Agreement) before the adjustment.

2. **Vesting of Restricted Stock Units.** Subject to Paragraph 8, below, the RSUs shall vest upon the earliest to occur of the following dates (such date, the “Vesting Date”), provided Grantee remains in Service (defined in Paragraph 10, below) through such date:

- (a) **100%** as of the third anniversary of the Grant Date; or
- (b) **100%** as of the date on which the Grantee has a Separation from Service (defined in Paragraph 10, below) on account of Total Disability (defined in Paragraph 10, below); or
- (c) **100%** as of the date of the Grantee’s death; or
- (d) **100%** as of the date of the Grantee’s involuntary Separation from Service other than for Cause (defined in Paragraph 10, below), provided such Separation from Service occurs within two years after a Change of Control pursuant to the definition in effect on the day immediately preceding such Change of Control; or
- (e) **100%** as of the date on which Grantee Retires (defined in Paragraph 10, below).

- (f) **Pro-rata** as of the date of a “change in control,” within the meaning of section 409A of the Internal Revenue Code of 1986 as amended, of an LNC Subsidiary or Affiliate employing the Grantee.

The number of RSUs vesting pro-rata upon the event described in Subparagraph 2(f) shall be calculated by taking a fraction where the denominator is equal to the number of days during the three-year period beginning on the Grant Date and ending on the third anniversary of the Grant Date (such three-year period, the “Vesting Period”), and the numerator is equal to the number of days that the Grantee provided Service during the Vesting Period, with this award multiplied by such fraction (rounding up the nearest whole RSU).

In the event that Grantee has a Separation from Service prior to the vesting of RSUs as set forth above, other than under the circumstances described in Subparagraphs 2(b) through (e), the RSUs shall be forfeited and automatically transferred back to LNC. Upon forfeiture, Grantee shall have no further rights in such RSUs or Shares deliverable pursuant to an RSU granted hereunder.

3. **Dividend Equivalent Rights.** No cash dividends shall be payable with respect to the RSUs. Instead, for each RSU, Grantee shall have a dividend equivalent right (“DER”). The DER shall entitle the Grantee to additional RSUs on each date that dividends are paid on Shares while the RSU is outstanding. The number of RSUs to be credited on a dividend payment date based on each DER shall equal the number (or fraction thereof) obtained by dividing the aggregate dividend that would have been paid if the RSUs had been outstanding Shares by the Fair Market Value of a Share on the date of the payment of the dividend. DERs have the same restrictions as the underlying RSUs.

4. **Distribution of Shares.** Except as provided below, a Share shall be distributed to Grantee (or to Grantee’s estate) as follows: (i) for every RSU (including RSUs credited based on DERs), that vested in accordance with Subparagraphs 2(a) through 2(d) and 2(f), on or within 60 days after the Vesting Date and (ii) for every RSU (including RSUs credited based on DERs), that vested in accordance with Subparagraph 2(e), on or within 60 days after the third anniversary of the Grant Date. However, with respect to RSUs that vested in accordance with Subparagraph 2(e), in the event of the Grantee’s death after Retirement but before the third anniversary of the Grant Date, such distribution shall occur within 60 days of the date of death.

Once a Share has been issued with respect to an RSU pursuant to this Agreement and the Plan, the Grantee shall have no further rights with respect to the RSU.

5. **Tax Withholding.** LNC will require Grantee to remit an amount equal to any tax withholding required by federal, state, or local law on the value of the RSUs at such time as LNC is required to withhold such amounts. In accordance with procedures established by the Committee, Grantee may satisfy any required tax withholding payments in any combination of cash, certified check, or Shares (including the surrender of Shares held by the Grantee or those that would otherwise be issued in settlement of this award). Any surrendered or withheld Shares

will constitute satisfaction of any required tax withholding to the extent of their Fair Market Value.

6. **Voting Rights.** Grantee shall have no voting rights with respect to RSUs.

7. **Transferability.** Neither the RSUs granted under this Agreement, nor any interest or right therein or part thereof, shall be transferred, sold, pledged, hypothecated, margined or otherwise encumbered by the Grantee, except by will or the laws of descent and distribution.

8. **Cancellation/Rescission of Award after Vesting or Distribution/Termination for Cause.**

This award and any Shares distributed in settlement of this award will be subject to potential forfeiture, recoupment or other action in accordance with the terms of this Agreement and any applicable claw back or recoupment policies implemented by the Company, as it may be amended or restated from time to time, or in accordance with any rules or regulations adopted by the Securities and Exchange Commission and the New York Stock Exchange pursuant to Section 10D of the Securities Exchange Act of 1934 or other applicable law.

(a) If Grantee's Service is terminated for Cause, any Shares distributed in settlement of this award during the six (6) month period prior to such termination for Cause shall be rescinded and any such Shares not yet delivered in settlement of this award shall be cancelled without further action by the Compensation Committee of the LNC Board of Directors (the "Committee") or its delegate.

(b) If Grantee fails to comply with the non-competition, non-solicitation, non-disparagement, or non-disclosure provisions described in Subparagraphs 9(a) through 9(d) below, before Shares are distributed in settlement of this award, in addition to the remedies provided in Subparagraph 9(e) below, this award shall be cancelled without further action by the Committee or its delegate.

(c) If requested by LNC, at the time Shares are to be distributed pursuant to this Agreement, Grantee shall certify in a form acceptable to LNC that Grantee is in compliance with the terms and conditions described in Subparagraphs 9(a) through 9(d) below. Grantee's failure to comply with Subparagraphs 9(a) or 9(b) at any time from the Grant Date through the applicable time periods specified in Subparagraphs 9(a) or 9(b) shall cause such Shares to be rescinded. Grantee's failure to comply with Subparagraphs 9(c) or 9(d) at any time on or after the Grant Date shall cause such Shares to be rescinded.

(d) (1) LNC shall notify Grantee in writing of any such rescission: (A) in the case of Subparagraph 8(a), not later than 90 days after such termination for Cause; and (B) not later than 180 days after LNC obtains knowledge of Grantee's failure to comply with Subparagraphs 9(a) through 9(d) below.

(2) Within ten (10) days after receiving a rescission notice from LNC: (A) Grantee must surrender to LNC the Shares acquired upon settlement of this award; or (B) if such Shares have been sold or transferred, (i) Grantee must make a payment to LNC of the proceeds from such sale or transfer, or (ii) if there are no proceeds from such transfer, Grantee must make a payment to LNC equal to the Fair Market Value of such Shares on the date of such transfer.

In all cases, Grantee shall pay to LNC the gross amount of any gain realized or payment received (not net of any withholding or other taxes paid by Grantee) as a result of the RSUs.

## 9. Covenants.

Grantee recognizes and acknowledges that during the term of employment, Grantee has had, and will continue to have, access to confidential and proprietary business information and trade secrets belonging to LNC and LNC's customers, including, but not limited to, customer information, customer lists, pricing, products, information relating to sales, sales leads, sales performance, sales volume, LNC business and financial strategy, LNC quarterly business reviews, and LNC data, all of which are of substantial value to LNC. Grantee therefore agrees that the restrictive covenants below are reasonable and necessary to protect LNC's trade secrets and confidential information.

(a) Non-Competition. From the Grant Date through the six (6) month period after the date Shares are distributed in settlement of the RSUs, Grantee may not become employed by, work on behalf of, consult with, or otherwise render services that are the same or similar to the services rendered by Grantee to the business unit(s) for which Grantee provided Service or otherwise had responsibilities for within six (6) months prior to his/her Separation from Service to any other business, firm, person, partnership, corporation or other organization that competes with or provides, or is planning to provide, the same or similar products and/or services. Grantee understands and agrees that due to the nature of LNC's nationwide business and the nationwide scope of Grantee's employment, this restriction is nationwide in scope.

(b) Non-Solicitation of Employees and Other Service Providers. During Grantee's employment with LNC, and for a period of twelve (12) months following the date of Grantee's Separation from Service, for any reason, Grantee shall not directly or indirectly hire, manage, solicit, or recruit, or aid in the hiring, soliciting, or recruiting of any persons who are at the time of hire, or were at any time within the six (6) months prior to hire, employees, agents, representatives, or consultants of LNC whom Grantee had hired, managed, supervised, or otherwise became familiar in any capacity with as a result of his/her Service.

(c) Non-Disparagement. Grantee agrees not to defame LNC or any of its affiliates, products, employees, officers, directors or services, or make or solicit any comments, statement or the like to the media or others that may be considered to be derogatory or harmful to the good name or business reputation of LNC or its affiliates, except that Grantee may testify truthfully in any legal proceeding where his testimony is compelled by subpoena under oath. This provision also applies to any comments or statements which Grantee may make on the

internet, including but not limited to comments, statements and/or videos placed in email, and/or on YouTube, Instagram, Facebook, Twitter or any other social media site.

(d) Non-Disclosure & Ideas Provision. Grantee shall not, without prior written authorization from LNC, disclose to anyone outside LNC, or use in other than LNC's business, any trade secrets or confidential and/or proprietary information received from or on behalf of, developed for, or otherwise relating to the business of, LNC. Any confidentiality or non-disclosure obligations in this Agreement does not prohibit or restrict Grantee (or Grantee's attorney) from initiating communications directly with, or responding to any inquiry from, or providing testimony before, the SEC, FINRA, any other self-regulatory organization, or any other state, local, or federal regulatory, investigative, or enforcement entity, agency, or authority. For purposes of this Agreement, a confidential disclosure to government officials or attorneys solely for purposes of reporting or investigating a suspected violation of the law (or disclosures made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal) is immune from civil and criminal liabilities under federal and state trade secret laws. Furthermore, Grantee agrees to disclose and assign to LNC all rights and interest in any invention or idea that Grantee developed or helped develop for actual or related business, research, or development work during the period of Grantee's Service.

(e) Consent to Injunction; Attorneys' Fees and Costs. Grantee acknowledges that any violation of the non-competition, non-solicitation, non-disparagement, or non-disclosure provisions described in Subparagraphs 9(a) through 9(d) would entail irreparable injury to the business and goodwill of LNC and would jeopardize the competitive position in the marketplace held by LNC. Therefore, Grantee also acknowledges that, in the event of any violation of Subparagraphs 9(a) through 9(d) by Grantee, the cancellation/rescission of the award alone will be inadequate to compensate LNC, and LNC will be entitled, as a matter of right and without the obligation to post a bond or other security, to an injunction issued by any court of competent jurisdiction and other equitable relief to prevent any actual, intended or likely violation of this Agreement. If LNC brings legal action for injunctive relief, LNC shall have the benefit of the full periods of the post-employment covenants set forth above. The injunction shall run from the date injunctive relief is granted but reduced by the time period after the separation of employment that Grantee was not in violation of the applicable covenant(s). In the event LNC elects to seek any remedy by court action, rendered necessary as the result of any violation or threatened violation of the Agreement by Grantee, and LNC prevails in such action, Grantee shall be responsible to pay all costs and attorneys' fees incurred by LNC in taking such action.

Notwithstanding anything herein to the contrary, LNC may, in its discretion, waive Grantee's compliance with Subparagraphs 9(a) through 9(d) in whole or part in any individual case. Moreover, if Grantee's Service is terminated by LNC other than for Cause, a failure by Grantee to comply with the provisions of Subparagraph 9(a) through 9(d) above, after such termination shall not in and of itself cause rescission if the Shares were distributed in settlement of the RSUs prior to Grantee's date of termination.

If any term, provision or paragraph of this Paragraph 9 shall be determined by a court to be invalid or unenforceable for any reason, the term, provision or paragraph shall be construed so as to be enforceable to the maximum extent compatible with the applicable laws in effect at the time; and such determination of invalidity shall not affect the remaining terms, provisions or paragraphs of this Agreement, which shall continue to be given full force and effect. If any term, provision or paragraph of this Paragraph 9 shall be determined by a court to be unenforceable because of the scope or duration thereof, the parties hereby expressly agree that the court making such determination shall have the power to reduce the scope or duration and/or restrict the geographical area of such term, provision or paragraph and/or to delete such specific words or phrases which the court shall deem necessary to permit enforcement of such term, provision or paragraph in restricted form. If any term, provision or paragraph of this Paragraph 9 is found to be in conflict with any state or local law or regulation, the applicable state or local law will control to the extent that such state or local law applies to the Grantee.

10. **Definitions.** As used in this Agreement:

“Cause” means (a) a conviction of a crime that is job related or that may otherwise cause harm to the reputation of LNC or any Subsidiary; (b) any act or omission detrimental to the conduct of business of LNC or any Subsidiary; (c) inability to obtain or retain proper licenses; (d) theft, dishonesty, fraud or misrepresentation; (e) failure to cooperate or be truthful in connection with an investigation related to LNC or any Subsidiary; (f) violation of any rule or regulation of any regulatory agency or self-regulatory agency; (g) violation of any policy or rule of LNC or any Subsidiary; or (h) unsatisfactory performance that does not meet expectations after coaching or counseling. Cause shall be determined in the sole discretion of the Committee.

“Retires” or “Retirement” means Grantee’s Separation from Service, other than for Cause, from LNC or any Subsidiary at age 55 or older with at least five (5) years of Service.

“Service” means Grantee’s continuous service as a common law employee of, or as a planner with a full-time agent’s contract with, LNC or any Subsidiary. Service as a common law employee is the period of time Grantee is on the payroll of LNC or a Subsidiary but prior to the time the Grantee has had a Separation from Service. Service as a planner is the period of time Grantee’s full-time agent’s contract is in effect but prior to the time the Grantee has had a Separation from Service.

“Separation from Service” has the meaning given such term in Code section 409A and the regulations issued thereunder.

“Subsidiary” means a corporation in which LNC has ownership of at least twenty-five percent.

“Total Disability” means (as determined by the Committee) a disability that results in Grantee being unable to engage in any occupation or employment for wage or profit for which Grantee is, or becomes, reasonably qualified by training, education or experience. In addition, the disability must have lasted six (6) months and be expected to continue for at least six (6) more months or be expected to continue unto death.

11. **Compliance with Securities Laws.** Shares shall not be issued with respect to RSUs unless the issuance and delivery of such Shares shall comply with all relevant provisions of state and federal laws, rules and regulations, and, in the discretion of LNC, shall be further subject to the approval of counsel for LNC with respect to that compliance.

12. **Governing Law; Forum for Disputes.** This Agreement shall be governed by the laws of the Commonwealth of Pennsylvania, without giving effect to any choice of law or conflict of law provision or rule (whether of the chosen state or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the Commonwealth of Pennsylvania. Venue for any dispute relating to the Agreement shall be in the state or federal court, as applicable, having jurisdiction over claims arising in Delaware County, Pennsylvania, or such other venue as determined by LNC to best enforce its rights under this Agreement. To the extent legally possible, Grantee expressly waives any objections to LNC's choice of venue and waives any arguments based on the inconvenience of the selected venue.

13. **Incorporation of Plan Terms.** This award is subject to the terms and conditions of the Plan. Such terms and conditions of the Plan are incorporated into and made a part of this Agreement by reference. In the event of any conflicts between the provisions of this Agreement and the terms of the Plan, the terms of the Plan will control. Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Plan unless the context clearly requires an alternative meaning.

14. **Severability.** The provisions of this Agreement are severable. If any provision is held to be invalid or unenforceable, it shall not affect the validity or enforceability of any other provision.

IN WITNESS WHEREOF, LNC, by its duly authorized officer has signed this Agreement as of the effective date set out above.

LINCOLN NATIONAL CORPORATION

By: /s/ Ellen Cooper

Ellen Cooper

President and Chief Executive Officer

**Certification Pursuant to Section 302 of the  
Sarbanes-Oxley Act of 2002**

I, Ellen G. Cooper, President and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lincoln National Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 2, 2024

/s/ Ellen G. Cooper

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Name: Ellen G. Cooper

Title: President and Chief Executive Officer

**Certification Pursuant to Section 302 of the  
Sarbanes-Oxley Act of 2002**

I, Christopher Neczypor, Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Lincoln National Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 2, 2024

/s/ Christopher Neczypor

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Name: Christopher Neczypor

Title: Executive Vice President and Chief Financial Officer

**Certification Pursuant to 18 U.S.C. Section 1350,  
As Adopted Pursuant to Section 906  
of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Lincoln National Corporation (the “Company”), hereby certifies that the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 2, 2024

/s/ Ellen G. Cooper

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Name: Ellen G. Cooper

Title: President and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required under Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification Pursuant to 18 U.S.C. Section 1350,  
As Adopted Pursuant to Section 906  
of the Sarbanes-Oxley Act of 2002**

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Lincoln National Corporation (the “Company”), hereby certifies that the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, (the “Report”) fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 2, 2024

/s/ Christopher Neczypor

\_\_\_\_\_  
Name: Christopher Neczypor

Title: Executive Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required under Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.