

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 June 30, 2026

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 th 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	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

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 July 24, 2026, there were 191,447,336 shares of the registrant's common stock outstanding.

Lincoln National Corporation**Table of Contents**

	Page
PART I	
Item 1.	Financial Statements:
	Consolidated Balance Sheets as of June 30, 2026 (Unaudited) and December 31, 2025
	Unaudited Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2026 and 2025
	Unaudited Consolidated Statements of Stockholders' Equity for the three and six months ended June 30, 2026 and 2025
	Unaudited Consolidated Statements of Cash Flows for the six months ended June 30, 2026 and 2025
	Notes to Unaudited Consolidated Financial Statements:
	Note 1 – Nature of Operations and Basis of Presentation
	Note 2 – New Accounting Standards
	Note 3 – Investments
	Note 4 – Variable Interest Entities
	Note 5 – Derivative Instruments
	Note 6 – DAC, VOBA, DSI and DFEL
	Note 7 – Reinsurance
	Note 8 – MRBs
	Note 9 – Separate Accounts
	Note 10 – Policyholder Account Balances
	Note 11 – Future Contract Benefits
	Note 12 – Debt
	Note 13 – Fair Value of Financial Instruments
	Note 14 – Contingencies and Commitments
	Note 15 – Shares and Stockholders' Equity
	Note 16 – Segment Information
	Note 17 – Realized Gain (Loss)
	Note 18 – Federal Income Taxes
	Note 19 – Subsequent Event
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations
Item 3.	Quantitative and Qualitative Disclosures About Market Risk
Item 4.	Controls and Procedures
PART II	
Item 1.	Legal Proceedings
Item 1A.	Risk Factors
Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds
Item 5.	Other Information
Item 6.	Exhibits
	Exhibit Index for the Report on Form 10-Q
	Signatures

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

LINCOLN NATIONAL CORPORATION CONSOLIDATED BALANCE SHEETS (in millions, except share data)

	As of June 30, 2026 (Unaudited)	As of December 31, 2025
ASSETS		
Investments:		
Fixed maturity available-for-sale securities, at fair value (amortized cost: 2026 - \$103,761; 2025 - \$101,462 allowance for credit losses: 2026 - \$139; 2025 - \$110)	\$ 95,085	\$ 93,448
Trading securities	1,515	1,676
Equity securities	456	636
Mortgage loans on real estate, net of allowance for credit losses (portion at fair value: 2026 - \$195; 2025 - \$199)	23,406	22,472
Policy loans	2,596	2,626
Derivative investments	11,382	9,945
Other investments	8,870	8,105
Total investments	143,310	138,908
Cash and invested cash	10,165	9,502
Deferred acquisition costs, value of business acquired and deferred sales inducements	12,918	12,827
Reinsurance recoverables, net of allowance for credit losses	27,225	28,012
Deposit assets, net of allowance for credit losses	33,619	33,690
Market risk benefit assets	5,077	4,753
Accrued investment income	1,169	1,122
Goodwill	1,144	1,144
Other assets	6,918	7,154
Separate account assets	188,252	180,092
Total assets	\$ 429,797	\$ 417,204
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Policyholder account balances	\$ 139,510	\$ 136,245
Future contract benefits	42,177	42,077
Funds withheld reinsurance liabilities	16,808	17,922
Market risk benefit liabilities	895	1,118
Deferred front-end loads	8,059	7,586
Payables for collateral on investments	9,232	7,954
Short-term debt	400	400
Long-term debt	6,465	5,866
Other liabilities	6,650	7,038
Separate account liabilities	188,252	180,092
Total liabilities	418,448	406,298
Contingencies and Commitments (See Note 14)		
Stockholders' Equity		
Preferred stock – 10,000,000 shares authorized:		
Series C preferred stock – 20,000 shares authorized, issued and outstanding as of June 30, 2026, and December 31, 2025	493	493
Series D preferred stock – 20,000 shares authorized, issued and outstanding as of June 30, 2026, and December 31, 2025	493	493
Common stock – 800,000,000 shares authorized; 191,425,371 and 190,051,477 shares issued and outstanding as of June 30, 2026, and December 31, 2025, respectively	5,619	5,592
Retained earnings	9,322	8,386
Accumulated other comprehensive income (loss)	(4,578)	(4,058)
Total stockholders' equity	11,349	10,906
Total liabilities and stockholders' equity	\$ 429,797	\$ 417,204

See accompanying Notes to Consolidated Financial Statements

LINCOLN NATIONAL CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited, in millions, except per share data)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues				
Insurance premiums	\$ 1,715	\$ 1,682	\$ 3,388	\$ 3,358
Fee income	1,406	1,348	2,783	2,721
Net investment income	1,625	1,471	3,230	2,934
Realized gain (loss)	(406)	(641)	60	(631)
Other revenues	202	184	387	353
Total revenues	4,542	4,044	9,848	8,735
Expenses				
Benefits	1,920	1,994	3,975	4,062
Policyholder liability remeasurement (gain) loss	(54)	(88)	(100)	(146)
Interest credited	1,024	916	2,023	1,805
Market risk benefit (gain) loss	(1,460)	(940)	(473)	353
Commissions and other expenses	1,387	1,327	2,862	2,695
Interest and debt expense	82	(13)	164	67
Total expenses	2,899	3,196	8,451	8,836
Income (loss) before taxes	1,643	848	1,397	(101)
Federal income tax expense (benefit)	311	149	237	(78)
Net income (loss)	1,332	699	1,160	(23)
Other comprehensive income (loss), net of tax:				
Unrealized investment gain (loss)	279	328	(658)	851
Market risk benefit non-performance risk gain (loss)	(404)	(350)	38	(32)
Policyholder liability discount rate remeasurement gain (loss)	14	(64)	100	(175)
Foreign currency translation adjustment	–	10	(2)	15
Funded status of employee benefit plans	–	(10)	2	(15)
Total other comprehensive income (loss), net of tax	(111)	(86)	(520)	644
Comprehensive income (loss)	\$ 1,221	\$ 613	\$ 640	\$ 621
Net Income (Loss) Available to Common Stockholders				
Net income (loss)	\$ 1,332	\$ 699	\$ 1,160	\$ (23)
Preferred stock dividends declared	(11)	(11)	(46)	(46)
Net income (loss) available to common stockholders	\$ 1,321	\$ 688	\$ 1,114	\$ (69)
Net Income (Loss) Per Common Share				
Basic	\$ 6.85	\$ 3.88	\$ 5.79	\$ (0.39)
Diluted	6.72	3.80	5.65	(0.39)
Cash Dividends Declared Per Common Share	\$ 0.45	\$ 0.45	\$ 0.90	\$ 0.90

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Preferred Stock				
Balance as of beginning-of-period	\$ 986	\$ 986	\$ 986	\$ 986
Balance as of end-of-period	986	986	986	986
Common Stock				
Balance as of beginning-of-period	5,602	4,703	5,592	4,674
Issuance of common stock	—	825	—	825
Stock compensation/issued for benefit plans	17	17	27	46
Balance as of end-of-period	5,619	5,545	5,619	5,545
Retained Earnings				
Balance as of beginning-of-period	8,091	6,810	8,386	7,645
Net income (loss)	1,332	699	1,160	(23)
Preferred stock dividends declared	(11)	(11)	(46)	(46)
Common stock dividends declared	(90)	(89)	(178)	(167)
Balance as of end-of-period	9,322	7,409	9,322	7,409
Accumulated Other Comprehensive Income (Loss)				
Balance as of beginning-of-period	(4,467)	(4,306)	(4,058)	(5,036)
Other comprehensive income (loss), net of tax	(111)	(86)	(520)	644
Balance as of end-of-period	(4,578)	(4,392)	(4,578)	(4,392)
Total stockholders' equity as of end-of-period	\$ 11,349	\$ 9,548	\$ 11,349	\$ 9,548

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

	For the Six Months Ended June 30,	
	2026	2025
Cash Flows from Operating Activities		
Net income (loss)	\$ 1,160	\$ (23)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Realized (gain) loss	(60)	631
Market risk benefit (gain) loss	(473)	353
Sales and maturities (purchases) of trading securities, net	128	583
Early extinguishment of debt (gain) loss	–	(94)
Change in:		
Deferred acquisition costs, value of business acquired, deferred sales inducements and deferred front-end loads	386	326
Accrued investment income	(47)	(36)
Insurance liabilities and reinsurance-related balances	(1,259)	(559)
Accrued expenses	(174)	(156)
Federal income tax accruals	221	(123)
Other	(302)	(161)
Net cash provided by (used in) operating activities	(420)	741
Cash Flows from Investing Activities		
Purchases of available-for-sale securities and equity securities	(9,401)	(6,793)
Sales and maturities of available-for-sale securities and equity securities	7,483	5,795
Purchases of other investments	(918)	(686)
Sales and repayments of other investments	536	584
Issuance of mortgage loans on real estate	(2,834)	(1,933)
Repayment and maturities of mortgage loans on real estate	1,647	1,075
Repayment (issuance) of policy loans, net	30	(76)
Net change in collateral on investments, certain derivatives and related settlements	2,684	(306)
Other	(103)	28
Net cash provided by (used in) investing activities	(876)	(2,312)
Cash Flows from Financing Activities		
Payment of long-term debt, including current maturities	(150)	(300)
Issuance of long-term debt, net of issuance costs	744	–
Payment related to early extinguishment of debt	–	(421)
Payment related to sale-leaseback transactions	(2)	(4)
Proceeds from certain financing arrangements	–	33
Payment related to certain financing arrangements	(75)	(84)
Policyholder account balances:		
Deposits	9,695	9,623
Withdrawals	(7,023)	(6,250)
Transfers from (to) separate accounts, net	(985)	(303)
Issuance of common stock	–	825
Common stock issued for benefit plans	(27)	(7)
Dividends paid to preferred stockholders	(46)	(46)
Dividends paid to common stockholders	(172)	(153)
Net cash provided by (used in) financing activities	1,959	2,913
Net increase (decrease) in cash and invested cash	663	1,342
Cash and invested cash as of beginning-of-year	9,502	5,801
Cash and invested cash as of end-of-period	<u>\$ 10,165</u>	<u>\$ 7,143</u>

See accompanying Notes to Consolidated Financial Statements

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 results for operations that are not directly related to our business segments in Other Operations. The collective group of businesses uses “Lincoln Financial” as its marketing identity. Through our business segments, we sell a wide range of wealth accumulation, wealth protection, group protection and retirement 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, 2025 (“2025 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 2025 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 six months ended June 30, 2026, are not necessarily indicative of the results that may be expected for the full year ending December 31, 2026. All material inter-company accounts and transactions have been eliminated in consolidation.

Certain amounts presented in the consolidated financial statements for the prior period in this report have been reclassified to conform to the presentation adopted in the current year.

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

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.

2. New Accounting Standards

Future Adoption of Accounting Standards

The following table provides a description of future adoptions of Accounting Standards Updates (“ASUs”) issued by the Financial Accounting Standards Board that may have an impact on the consolidated financial statements when adopted. ASUs not listed below were assessed and determined to be either not applicable or insignificant in presentation or amount.

Standard	Description	Effective Date	Effect on Financial Statements or Other Significant Matters
ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40)	This ASU requires disclosure of specified information about certain costs and expenses, including employee compensation, depreciation and intangible asset amortization.	January 1, 2027 (Annual Filings) and January 1, 2028 (Quarterly Filings)	We are evaluating the impact of this ASU to the consolidated financial statements.
ASU 2025-06, Intangibles – Goodwill and Other – Internal-Use Software (Topic 350-40): Targeted Improvements to the Accounting for Internal-Use Software	This ASU removes all references to prescriptive and sequential software development stages (referred to as “project stages”) and requires capitalization of software costs when both of the following occur: (i) management has authorized and committed to funding the software project; and (ii) it is probable that the project will be completed and the software will be used to perform the function intended (referred to as the “probable-to-complete recognition threshold”).	January 1, 2028	We are evaluating the impact of this ASU to the 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 June 30, 2026				
	Amortized Cost	Gross Unrealized		Allowance for Credit Losses	Fair Value
		Gains	Losses		
Fixed maturity AFS securities:					
Corporate bonds	\$ 75,626	\$ 625	\$ 8,305	\$ 45	\$ 67,901
U.S. government bonds	1,001	3	42	–	962
State and municipal bonds	2,437	13	383	–	2,067
Foreign government bonds	240	14	51	–	203
RMBS	2,080	36	157	6	1,953
CMBS	3,002	5	116	3	2,888
ABS	19,161	91	270	84	18,898
Hybrid and redeemable preferred securities	214	8	8	1	213
Total fixed maturity AFS securities	<u>\$ 103,761</u>	<u>\$ 795</u>	<u>\$ 9,332</u>	<u>\$ 139</u>	<u>\$ 95,085</u>

As of December 31, 2025

	Amortized	Gross Unrealized		Allowance for	
	Cost	Gains	Losses	Credit Losses	Fair Value
Fixed maturity AFS securities:					
Corporate bonds	\$ 76,318	\$ 834	\$ 8,054	\$ 53	\$ 69,045
U.S. government bonds	892	9	32	—	869
State and municipal bonds	2,514	18	385	—	2,147
Foreign government bonds	261	16	51	—	226
RMBS	2,237	45	154	6	2,122
CMBS	2,586	15	99	—	2,502
ABS	16,412	137	217	50	16,282
Hybrid and redeemable preferred securities	242	21	7	1	255
Total fixed maturity AFS securities	\$ 101,462	\$ 1,095	\$ 8,999	\$ 110	\$ 93,448

The amortized cost and fair value of fixed maturity AFS securities by contractual maturities (in millions) as of June 30, 2026, were as follows:

	Amortized Cost	Fair Value
Due in one year or less	\$ 5,574	\$ 5,516
Due after one year through five years	19,711	19,252
Due after five years through ten years	12,545	12,077
Due after ten years	41,688	34,501
Subtotal	<u>79,518</u>	<u>71,346</u>
Structured securities (RMBS, CMBS, ABS)	24,243	23,739
Total fixed maturity AFS securities	<u>\$ 103,761</u>	<u>\$ 95,085</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 June 30, 2026					
	Less Than or Equal to Twelve Months		Greater Than Twelve Months		Total	
	Gross Unrealized Losses		Gross Unrealized Losses		Gross Unrealized Losses ⁽¹⁾	
	Fair Value		Fair Value		Fair Value	
Fixed maturity AFS securities:						
Corporate bonds	\$ 23,365	\$ 3,339	\$ 29,373	\$ 4,966	\$ 52,738	\$ 8,305
U.S. government bonds	815	36	43	6	858	42
State and municipal bonds	623	153	970	230	1,593	383
Foreign government bonds	12	2	125	49	137	51
RMBS	505	37	777	120	1,282	157
CMBS	1,297	32	917	84	2,214	116
ABS	6,416	81	2,654	189	9,070	270
Hybrid and redeemable preferred securities	44	2	54	6	98	8
Total fixed maturity AFS securities	<u>\$ 33,077</u>	<u>\$ 3,682</u>	<u>\$ 34,913</u>	<u>\$ 5,650</u>	<u>\$ 67,990</u>	<u>\$ 9,332</u>

Total number of fixed maturity AFS securities in an unrealized loss position

6,980

As of December 31, 2025						
	Less Than or Equal to Twelve Months		Greater Than Twelve Months		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses ⁽¹⁾
Fixed maturity AFS securities:						
Corporate bonds	\$ 16,727	\$ 3,366	\$ 31,404	\$ 4,688	\$ 48,131	\$ 8,054
U.S. government bonds	427	27	36	5	463	32
State and municipal bonds	582	166	995	219	1,577	385
Foreign government bonds	10	2	135	49	145	51
RMBS	345	39	838	115	1,183	154
CMBS	577	19	956	80	1,533	99
ABS	3,453	37	3,107	180	6,560	217
Hybrid and redeemable preferred securities	22	2	54	5	76	7
Total fixed maturity AFS securities	<u>\$ 22,143</u>	<u>\$ 3,658</u>	<u>\$ 37,525</u>	<u>\$ 5,341</u>	<u>\$ 59,668</u>	<u>\$ 8,999</u>
Total number of fixed maturity AFS securities in an unrealized loss position						<u>6,089</u>

⁽¹⁾ As of June 30, 2026, and December 31, 2025, we recognized \$3 million and \$12 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 June 30, 2026			
	Fair Value	Gross Unrealized Losses	Number of Securities ⁽¹⁾
Less than six months	\$ 2,187	\$ 627	396
Six months or greater, but less than nine months	471	171	118
Nine months or greater, but less than twelve months	909	434	209
Twelve months or greater	5,133	2,314	867
Total	<u>\$ 8,700</u>	<u>\$ 3,546</u>	<u>1,590</u>

As of December 31, 2025			
	Fair Value	Gross Unrealized Losses	Number of Securities ⁽¹⁾
Less than six months	\$ 2,355	\$ 839	445
Six months or greater, but less than nine months	351	163	65
Nine months or greater, but less than twelve months	302	119	99
Twelve months or greater	5,214	2,195	902
Total	<u>\$ 8,222</u>	<u>\$ 3,316</u>	<u>1,511</u>

⁽¹⁾ 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 \$333 million for the six months ended June 30, 2026. As discussed further below, we do not believe the unrealized loss position as of June 30, 2026, 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 June 30, 2026, 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 June 30, 2026, 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 June 30, 2026, and December 31, 2025, 96% of the fair value of our corporate bond portfolio was rated investment grade. As of June 30, 2026, and December 31, 2025, the portion of our corporate bond portfolio rated below investment grade had an amortized cost of \$3.0 billion and \$3.1 billion, respectively, and a fair value of \$2.9 billion. Based upon the analysis discussed above, we believe that as of June 30, 2026, and December 31, 2025, we would have recovered the amortized cost of each corporate bond.

As of June 30, 2026, the unrealized losses associated with our mortgage-backed securities 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 June 30, 2026, 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:

	As of or For the Three Months Ended June 30, 2026					
	Corporate Bonds	RMBS	CMBS	ABS	Hybrids	Total
Balance as of beginning-of-period	\$ 38	\$ 6	\$ —	\$ 66	\$ 1	\$ 111
Additions from purchases of PCD debt securities ⁽¹⁾	—	—	—	—	—	—
Additions for securities for which credit losses were not previously recognized	9	—	3	—	—	12
Additions (reductions) for securities for which credit losses were previously recognized	4	—	—	18	—	22
Reductions for disposed securities	(2)	—	—	—	—	(2)
Reductions for securities charged off	(4)	—	—	—	—	(4)
Balance as of end-of-period ⁽²⁾	<u>\$ 45</u>	<u>\$ 6</u>	<u>\$ 3</u>	<u>\$ 84</u>	<u>\$ 1</u>	<u>\$ 139</u>

As of or For the Six Months Ended June 30, 2026						
	Corporate Bonds	RMBS	CMBS	ABS	Hybrids	Total
Balance as of beginning-of-year	\$ 53	\$ 6	\$ —	\$ 50	\$ 1	\$ 110
Additions from purchases of PCD debt securities ⁽¹⁾	—	—	—	—	—	—
Additions for securities for which credit losses were not previously recognized	11	—	3	—	—	14
Additions (reductions) for securities for which credit losses were previously recognized	12	—	—	36	—	48
Reductions for disposed securities	(3)	—	—	(2)	—	(5)
Reductions for securities charged-off	(28)	—	—	—	—	(28)
Balance as of end-of-period ⁽²⁾	<u>\$ 45</u>	<u>\$ 6</u>	<u>\$ 3</u>	<u>\$ 84</u>	<u>\$ 1</u>	<u>\$ 139</u>

As of or For the Three Months Ended June 30, 2025						
	Corporate Bonds	RMBS	CMBS	ABS	Hybrids	Total
Balance as of beginning-of-period	\$ 23	\$ 6	\$ —	\$ 44	\$ 1	\$ 74
Additions from purchases of PCD debt securities ⁽¹⁾	—	—	—	—	—	—
Additions for securities for which credit losses were not previously recognized	17	—	—	—	—	17
Additions (reductions) for securities for which credit losses were previously recognized	4	(1)	—	(1)	—	2
Reductions for securities charged off	(8)	—	—	—	—	(8)
Balance as of end-of-period ⁽²⁾	<u>\$ 36</u>	<u>\$ 5</u>	<u>\$ —</u>	<u>\$ 43</u>	<u>\$ 1</u>	<u>\$ 85</u>

As of or For the Six Months Ended June 30, 2025						
	Corporate Bonds	RMBS	CMBS	ABS	Hybrids	Total
Balance as of beginning-of-year	\$ 14	\$ 7	\$ —	\$ 24	\$ 1	\$ 46
Additions from purchases of PCD debt securities ⁽¹⁾	—	—	—	—	—	—
Additions for securities for which credit losses were not previously recognized	25	—	—	8	—	33
Additions (reductions) for securities for which credit losses were previously recognized	5	(2)	—	11	—	14
Reductions for securities charged off	(8)	—	—	—	—	(8)
Balance as of end-of-period ⁽²⁾	<u>\$ 36</u>	<u>\$ 5</u>	<u>\$ —</u>	<u>\$ 43</u>	<u>\$ 1</u>	<u>\$ 85</u>

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

⁽²⁾ As of June 30, 2026 and 2025, accrued investment income on fixed maturity AFS securities totaled \$932 million and \$886 million, respectively, and was excluded from the estimate of credit losses.

Losses from debt instrument modifications were \$2 million and \$13 million for the three months ended June 30, 2026 and 2025, respectively, and \$3 million and \$18 million for the six months ended June 30, 2026 and 2025, respectively, reported in realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss).

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 June 30, 2026			As of December 31, 2025		
	Commercial	Residential	Total	Commercial	Residential	Total
Current	\$ 17,623	\$ 5,472	\$ 23,095	\$ 17,636	\$ 4,628	\$ 22,264
30 to 59 days past due	–	112	112	1	93	94
60 to 89 days past due	2	31	33	5	34	39
90 or more days past due	79	164	243	35	144	179
Allowance for credit losses	(111)	(66)	(177)	(113)	(69)	(182)
Unamortized premium (discount)	(6)	139	133	(4)	115	111
Mark-to-market gains (losses) ⁽¹⁾	(31)	(2)	(33)	(33)	–	(33)
Total carrying value	<u>\$ 17,556</u>	<u>\$ 5,850</u>	<u>\$ 23,406</u>	<u>\$ 17,527</u>	<u>\$ 4,945</u>	<u>\$ 22,472</u>

⁽¹⁾ Represents the mark-to-market on certain mortgage loans on real estate that support our modified coinsurance agreements, where the investment results are passed directly to the reinsurers, and for which we have elected the fair value option. As of June 30, 2026 and December 31, 2025, the amortized cost and fair value of such mortgage loans on real estate that were in nonaccrual status were \$30 million and \$20 million, respectively. As of June 30, 2026, and December 31, 2025, there were no such mortgage loans on real estate that were more than 90 days past due and still accruing interest. For additional information, see “Fair Value Option” in Note 13.

The amortized cost of mortgage loans on real estate on nonaccrual status (in millions) was as follows, excluding certain mortgage loans on real estate that support our modified coinsurance agreements where the investment results are passed directly to the reinsurers:

	As of June 30, 2026	As of December 31, 2025
Commercial mortgage loans on real estate	\$ 49	\$ 5
Residential mortgage loans on real estate	169	148
Total	<u>\$ 218</u>	<u>\$ 153</u>

We use loan-to-value (“LTV”) 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:

	As of June 30, 2026						Total
	LTV Less Than 65%	Debt-Service Coverage Ratio	LTV 65% to 75%	Debt-Service Coverage Ratio	LTV Greater Than 75%	Debt-Service Coverage Ratio	
Origination Year							
2026	\$ 888	1.63	\$ 104	1.38	\$ 2	1.42	\$ 994
2025	1,326	1.81	161	1.41	11	1.18	1,498
2024	1,485	1.68	54	1.41	1	2.06	1,540
2023	1,304	1.87	25	1.40	1	1.17	1,330
2022	1,639	2.24	61	1.65	4	1.21	1,704
2021 and prior	10,559	2.73	56	2.67	17	1.66	10,632
Total	<u>\$ 17,201</u>		<u>\$ 461</u>		<u>\$ 36</u>		<u>\$ 17,698</u>

As of December 31, 2025							
Origination Year	LTV Less Than 65%	Debt-Service Coverage Ratio	LTV 65% to 75%	Debt-Service Coverage Ratio	LTV Greater Than 75%	Debt-Service Coverage Ratio	Total
2025	\$ 1,322	1.81	\$ 182	1.41	\$ 11	1.20	\$ 1,515
2024	1,496	1.68	66	1.41	1	2.01	1,563
2023	1,332	1.86	33	1.38	1	1.17	1,366
2022	1,706	2.21	76	1.59	5	1.83	1,787
2021	2,208	3.66	37	1.70	26	4.36	2,271
2020 and prior	9,098	2.53	46	1.38	27	1.94	9,171
Total	<u>\$ 17,162</u>		<u>\$ 440</u>		<u>\$ 71</u>		<u>\$ 17,673</u>

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:

As of June 30, 2026			
Origination Year	Performing	Nonperforming	Total
2026	\$ 1,188	\$ 2	\$ 1,190
2025	1,698	16	1,714
2024	1,554	62	1,616
2023	389	20	409
2022	384	42	426
2021 and prior	536	27	563
Total	<u>\$ 5,749</u>	<u>\$ 169</u>	<u>\$ 5,918</u>

As of December 31, 2025			
Origination Year	Performing	Nonperforming	Total
2025	\$ 1,650	\$ 4	\$ 1,654
2024	1,776	64	1,840
2023	440	21	461
2022	425	33	458
2021	381	14	395
2020 and prior	194	12	206
Total	<u>\$ 4,866</u>	<u>\$ 148</u>	<u>\$ 5,014</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:

	As of or For the Three Months Ended June 30, 2026		
	Commercial	Residential	Total
Balance as of beginning-of-period	\$ 116	\$ 64	\$ 180
Additions (reductions) from provision for credit loss expense ⁽¹⁾	5	2	7
Additions from purchases of PCD mortgage loans on real estate	—	—	—
Reductions for mortgage loans on real estate charged off	(10)	—	(10)
Balance as of end-of-period ⁽²⁾	<u>\$ 111</u>	<u>\$ 66</u>	<u>\$ 177</u>

	As of or For the Six Months Ended June 30, 2026		
	Commercial	Residential	Total
Balance as of beginning-of-year	\$ 113	\$ 69	\$ 182
Additions (reductions) from provision for credit loss expense ⁽¹⁾	8	(3)	5
Additions from purchases of PCD mortgage loans on real estate	—	—	—
Reductions for mortgage loans on real estate charged off	(10)	—	(10)
Balance as of end-of-period ⁽²⁾	<u>\$ 111</u>	<u>\$ 66</u>	<u>\$ 177</u>

	As of or For the Three Months Ended June 30, 2025		
	Commercial	Residential	Total
Balance as of beginning-of-period	\$ 98	\$ 56	\$ 154
Additions (reductions) from provision for credit loss expense ⁽¹⁾	(1)	9	8
Additions from purchases of PCD mortgage loans on real estate	—	—	—
Balance as of end-of-period ⁽²⁾	<u>\$ 97</u>	<u>\$ 65</u>	<u>\$ 162</u>

	As of or For the Six Months Ended June 30, 2025		
	Commercial	Residential	Total
Balance as of beginning-of-year	\$ 99	\$ 53	\$ 152
Additions (reductions) from provision for credit loss expense ⁽¹⁾	(2)	12	10
Additions from purchases of PCD mortgage loans on real estate	—	—	—
Balance as of end-of-period ⁽²⁾	<u>\$ 97</u>	<u>\$ 65</u>	<u>\$ 162</u>

⁽¹⁾ We recognized \$1 million and less than \$1 million of credit loss benefit (expense) related to unfunded commitments for mortgage loans on real estate for the three months ended June 30, 2026 and 2025, respectively, and \$1 million and less than \$1 million for the six months ended June 30, 2026 and 2025, respectively.

⁽²⁾ Accrued investment income on mortgage loans on real estate totaled \$119 million and \$107 million as of June 30, 2026 and 2025, respectively, and was excluded from the estimate of credit losses.

Alternative Investments

As of June 30, 2026, and December 31, 2025, alternative investments included investments in 375 and 384 different partnerships, respectively, and represented approximately 3% of total investments. These amounts do not include alternative investments that support funds withheld and modified coinsurance reinsurance agreements where the investment results are passed directly to the reinsurers.

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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Credit Loss Benefit (Expense)				
Fixed maturity AFS securities:				
Corporate bonds	\$ (11)	\$ (21)	\$ (20)	\$ (30)
RMBS	—	1	—	2
CMBS	(3)	—	(3)	—
ABS	(18)	1	(34)	(19)
Total credit loss benefit (expense)	<u>\$ (32)</u>	<u>\$ (19)</u>	<u>\$ (57)</u>	<u>\$ (47)</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 June 30, 2026		As of December 31, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Collateral payable for derivative investments ⁽¹⁾	\$ 9,051	\$ 9,051	\$ 7,809	\$ 7,809
Securities pledged under securities lending agreements ⁽²⁾	181	174	145	139
Total payables for collateral on investments	<u>\$ 9,232</u>	<u>\$ 9,225</u>	<u>\$ 7,954</u>	<u>\$ 7,948</u>

⁽¹⁾ 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.

⁽²⁾ 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.

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. Lincoln National Corporation guarantees the obligations of certain reinsurance subsidiaries under certain repurchase agreements. As of June 30, 2026 and December 31, 2025, 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 Six Months Ended June 30,	
	2026	2025
Collateral payable for derivative investments	\$ 1,242	\$ (2,210)
Securities pledged under securities lending agreements	36	(2)
Securities pledged under repurchase agreements	–	418
Investments pledged for FHLB lending program	–	240
Total increase (decrease) in payables for collateral on investments	<u>\$ 1,278</u>	<u>\$ (1,554)</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 June 30, 2026				
	Overnight and Continuous	Up to 30 Days	30-90 Days	Greater Than 90 Days	Total
Securities Lending					
Corporate bonds	\$ 175	\$ –	\$ –	\$ –	\$ 175
Foreign government bonds	5	–	–	–	5
Equity securities	1	–	–	–	1
Total gross secured borrowings	<u>\$ 181</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 181</u>

	As of December 31, 2025				
	Overnight and Continuous	Up to 30 Days	30-90 Days	Greater Than 90 Days	Total
Securities Lending					
Corporate bonds	\$ 130	\$ –	\$ –	\$ –	\$ 130
Foreign government bonds	5	–	–	–	5
Equity securities	10	–	–	–	10
Total gross secured borrowings	<u>\$ 145</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 145</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 June 30, 2026, we had not received any collateral and, therefore, had not sold or repledged any collateral under these agreements.

We also accept collateral from derivative counterparties in the form of securities that we are permitted to sell or re-pledge. As of June 30, 2026, the fair value of this collateral received that we are permitted to sell or re-pledge was \$2.2 billion, and we had re-pledged \$59 million of this collateral to cover our collateral requirements.

Assets Pledged as Collateral

We pledge assets as collateral in connection with derivative, securities lending and repurchase agreements, funding agreements issued pursuant to funding agreement backed repurchase agreements (“FABRs”), membership obligations with the Federal Home Loan Bank (“FHLB”) and regulatory deposits. See “Payables for Collateral on Investments” above and “Funding Agreements – FABR Funding

Agreements” in Note 10 for additional information. Assets pledged as collateral at carrying value as reported on the Consolidated Balance Sheets were as follows:

	As of June 30, 2026	As of December 31, 2025
Fixed maturity AFS securities	\$ 4,040	\$ 3,578
Trading securities	13	14
Equity securities	1	10
Mortgage loans on real estate	1,592	1,217
Other investments	74	71
Cash and invested cash	53	65
Total assets pledged as collateral	<u>\$ 5,773</u>	<u>\$ 4,955</u>

Investment Commitments

As of June 30, 2026, our investment commitments were \$4.3 billion, which included \$3.0 billion of limited partnerships (“LPs”), \$703 million of mortgage loans on real estate, \$400 million of asset-backed variable interest entities (“VIEs”) and \$224 million of private placement securities.

Concentrations of Financial Instruments

As of June 30, 2026, our most significant investments in one issuer were our investments in securities issued by the U.S. Treasury and the Federal National Mortgage Association with a fair value of \$943 million and \$902 million, respectively, or 1% of total investments. As of December 31, 2025, our most significant investments in one issuer were our investments in securities issued by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation with a fair value of \$951 million and \$595 million, respectively, or 1% and less than 1% of total investments, respectively.

As of June 30, 2026, and December 31, 2025, our most significant investments in one industry were our investments in securities in the financial services industry with a fair value of \$13.9 billion and \$14.2 billion, respectively, or 10% of total investments and our investments in securities in the consumer non-cyclical industry with a fair value of \$13.1 billion and \$13.2 billion, respectively, or 9% 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 VIEs included on the Consolidated Balance Sheets was as follows:

	As of June 30, 2026			As of December 31, 2025		
	Number of Instruments	Notional/Par Amounts	Carrying Value	Number of Instruments	Notional/Par Amounts	Carrying Value
Assets						
Asset-backed VIE	1	\$ 600	\$ 600	1	\$ 210	\$ 210

There were no gains or losses for consolidated VIEs recognized on the Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2026 and 2025.

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, other than the asset-backed VIE discussed above, 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 \$5.8 billion as of June 30, 2026, and December 31, 2025.

Sponsored Investment Funds

We invest in certain closed-end funds that we have concluded are VIEs as the equity holders lack power through voting rights to direct the activities of the entity that most significantly impact its economic performance. We determined that we are not the primary beneficiary of the VIEs as we do not have the power to influence the decisions that are most impactful to the performance of the VIE, and we do not receive all of the economics of the VIE. Our exposure to loss is limited to the capital we invest in the funds. The carrying amounts of our investments in these funds are recognized in equity securities on the Consolidated Balance Sheets and were \$164 million and \$135 million as of June 30, 2026, and December 31, 2025, 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, life insurance and retirement 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 and RILA 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 and RILA 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 on certain variable-rate long-term debt and other variable-rate bonds held 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:

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 and fair value 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 and RILA 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.

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 June 30, 2026			As of December 31, 2025		
	Notional Amounts	Fair Value		Notional Amounts	Fair Value	
		Asset	Liability		Asset	Liability
Qualifying Hedges						
Cash flow hedges:						
Interest rate contracts ⁽¹⁾	\$ 1,645	\$ 6	\$ 14	\$ 1,300	\$ 12	\$ 7
Foreign currency contracts ⁽¹⁾	5,069	426	106	4,922	380	125
Total cash flow hedges	6,714	432	120	6,222	392	132
Fair value hedges:						
Interest rate contracts ⁽¹⁾	833	2	—	833	1	—
Foreign currency contracts ⁽¹⁾	25	—	1	25	—	2
Total fair value hedges	858	2	1	858	1	2
Non-Qualifying Hedges						
Interest rate contracts ⁽¹⁾	87,638	76	362	84,814	64	321
Foreign currency contracts ⁽¹⁾	421	14	3	289	12	4
Equity market contracts ⁽¹⁾	169,439	16,889	5,607	238,623	15,560	5,685
Credit contracts ⁽¹⁾	86	—	—	17	—	—
Embedded derivatives:						
Reinsurance-related ⁽²⁾	—	—	182	—	—	289
RILA, fixed indexed annuity and IUL contracts ⁽³⁾	—	1,437	16,856	—	1,369	15,115
Total derivative instruments	\$ 265,156	\$ 18,850	\$ 23,131	\$ 330,823	\$ 17,398	\$ 21,548

⁽¹⁾ 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.

⁽²⁾ Reported in funds withheld reinsurance liabilities on the Consolidated Balance Sheets.

⁽³⁾ 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 June 30, 2026					Total
	Less Than 1 Year	1 - 5 Years	6 - 10 Years	11 - 30 Years	Over 30 Years	
Interest rate contracts ⁽¹⁾	\$ 17,298	\$ 27,809	\$ 15,570	\$ 26,829	\$ 2,610	\$ 90,116
Foreign currency contracts ⁽²⁾	272	1,814	1,663	1,724	42	5,515
Equity market contracts	106,674	51,527	9,094	6	2,138	169,439
Credit contracts	—	86	—	—	—	86
Total derivative instruments with notional amounts	\$ 124,244	\$ 81,236	\$ 26,327	\$ 28,559	\$ 4,790	\$ 265,156

⁽¹⁾ As of June 30, 2026, the latest maturity date for which we were hedging our exposure to the variability in future cash flows for these instruments was November 27, 2030.

⁽²⁾ As of June 30, 2026, 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 June 30, 2026	As of December 31, 2025	As of June 30, 2026	As of December 31, 2025
Fixed maturity AFS securities, at fair value ⁽¹⁾	\$ 637	\$ 645	\$ 14	\$ 21
Long-term debt ⁽²⁾	(983)	(989)	(108)	(114)

⁽¹⁾ Includes \$21 million of unamortized adjustments from discontinued hedges as of June 30, 2026, and December 31, 2025.

⁽²⁾ Includes \$(270) million and \$(278) million of unamortized adjustments from discontinued hedges as of June 30, 2026, and December 31, 2025, respectively.

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

	For the Six Months Ended June 30,	
	2026	2025
Unrealized Gain (Loss) on Derivative Instruments		
Balance as of beginning-of-year	\$ 450	\$ 638
Other comprehensive income (loss):		
Unrealized holding gains (losses):		
Cash flow hedges:		
Interest rate contracts	(13)	37
Foreign currency contracts	9	169
Change in foreign currency exchange rate adjustment	87	(474)
Income tax benefit (expense)	(19)	57
Less:		
Reclassification adjustment for gains (losses) included in net income (loss):		
Cash flow hedges:		
Interest rate contracts ⁽¹⁾	—	1
Interest rate contracts ⁽²⁾	4	8
Foreign currency contracts ⁽¹⁾	31	27
Foreign currency contracts ⁽³⁾	1	3
Income tax benefit (expense)	(8)	(8)
Balance as of end-of-period	\$ 486	\$ 396

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

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

⁽³⁾ 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:

	Gain (Loss) Recognized in Income For the Three Months Ended June 30,					
	2026			2025		
	Realized Gain (Loss)	Net Investment Income	Interest and Debt Expense	Realized Gain (Loss)	Net Investment Income	Interest and Debt Expense
Total Line Items in which the Effects of Fair Value or Cash Flow Hedges are Recorded	\$ (406)	\$ 1,625	\$ 82	\$ (641)	\$ 1,471	\$ (13)
Qualifying Hedges						
Gain or (loss) on fair value hedging relationships:						
Interest rate contracts:						
Hedged items	—	(4)	—	—	3	(1)
Derivatives designated as hedging instruments	—	4	—	—	(3)	1
Foreign currency contracts:						
Hedged items	—	—	—	—	2	—
Derivatives designated as hedging instruments	—	—	—	—	(2)	—
Gain or (loss) on cash flow hedging relationships:						
Interest rate contracts:						
Amount of gain or (loss) reclassified from AOCI into income	—	—	2	—	1	4
Foreign currency contracts:						
Amount of gain or (loss) reclassified from AOCI into income	—	15	—	—	12	—
Non-Qualifying Hedges						
Interest rate contracts	(44)	—	—	(96)	—	—
Foreign currency contracts	—	—	—	(3)	—	—
Equity market contracts	3,801	—	—	1,185	—	—
Credit contracts	(1)	—	—	1	—	—
Embedded derivatives:						
Reinsurance-related	(90)	—	—	(2)	—	—
RILA, fixed indexed annuity and IUL contracts	(3,450)	—	—	(2,073)	—	—

Gain (Loss) Recognized in Income For the Six Months Ended June 30,						
	2026			2025		
	Realized Gain (Loss)	Net Investment Income	Interest and Debt Expense	Realized Gain (Loss)	Net Investment Income	Interest and Debt Expense
Total Line Items in which the Effects of Fair Value or Cash Flow Hedges are Recorded	\$ 60	\$ 3,230	\$ 164	\$ (631)	\$ 2,934	\$ 67
Qualifying Hedges						
Gain or (loss) on fair value hedging relationships:						
Interest rate contracts:						
Hedged items	—	(5)	(2)	—	14	(17)
Derivatives designated as hedging instruments	—	5	2	—	(14)	17
Foreign currency contracts:						
Hedged items	—	(1)	—	—	3	—
Derivatives designated as hedging instruments	—	1	—	—	(3)	—
Gain or (loss) on cash flow hedging relationships:						
Interest rate contracts:						
Amount of gain or (loss) reclassified from AOCI into income	—	—	4	—	1	8
Foreign currency contracts:						
Amount of gain or (loss) reclassified from AOCI into income	1	31	—	3	27	—
Non-Qualifying Hedges						
Interest rate contracts	(18)	—	—	(13)	—	—
Foreign currency contracts	2	—	—	(5)	—	—
Equity market contracts	2,805	—	—	41	—	—
Credit contracts	(1)	—	—	2	—	—
Embedded derivatives:						
Reinsurance-related	107	—	—	(110)	—	—
RILA, fixed indexed annuity and IUL contracts	(1,866)	—	—	(419)	—	—

As of June 30, 2026, \$67 million of the deferred net gains (losses) on derivative instruments in AOCI were expected to be reclassified to earnings during the next 12 months. The reclassification is impacted by both interest rates and foreign currency forward rates, as the cash flow hedges affecting the reclassification include interest rate swaps and foreign currency swaps.

For the six months ended June 30, 2026 and 2025, 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 June 30, 2026							
Credit Contract Type	Maturity	Reason for Entering	Name of Recourse	Credit Rating of Underlying Obligation ⁽¹⁾	Number of Instruments	Fair Value ⁽²⁾	Maximum Potential Payout ⁽³⁾
Basket CDSs	6/20/2031	⁽⁴⁾	⁽⁵⁾	BBB+	1	\$ 2	\$ 86

⁽¹⁾ 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.

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

⁽³⁾ Represents the maximum potential amount of future payments (undiscounted) we could be required to make under the CDSs, assuming the value of the underlying referenced securities was reduced to zero.

⁽⁴⁾ CDSs were entered into in order to hedge the liability exposure on certain variable annuity products.

⁽⁵⁾ 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, 2025, we did not have any exposure related to CDSs for which we are the seller.

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 June 30, 2026, 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 of our 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 June 30, 2026, or December 31, 2025.

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:

	As of June 30, 2026		As of December 31, 2025	
	Collateral Posted by Counterparty	Collateral Posted to Counterparty	Collateral Posted by Counterparty	Collateral Posted to Counterparty
S&P Credit Rating of Counterparty				
AA-	\$ 2,407	\$ (2)	\$ 2,868	\$ (4)
A+	5,660	(5)	4,612	(15)
A	63	–	64	–
A-	894	–	240	–
Total cash collateral	<u>\$ 9,024</u>	<u>\$ (7)</u>	<u>\$ 7,784</u>	<u>\$ (19)</u>

Balance Sheet Offsetting

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

	As of June 30, 2026		
	Derivative Instruments	Embedded Derivative Instruments	Total
Financial Assets			
Gross amount of recognized assets	\$ 17,387	\$ 1,437	\$ 18,824
Gross amounts offset	(6,005)	–	(6,005)
Net amount of assets	11,382	1,437	12,819
Gross amounts not offset:			
Cash collateral	(9,024)	–	(9,024)
Non-cash collateral ⁽¹⁾	(2,358)	–	(2,358)
Net amount	<u>\$ –</u>	<u>\$ 1,437</u>	<u>\$ 1,437</u>
Financial Liabilities			
Gross amount of recognized liabilities	\$ 89	\$ 17,038	\$ 17,127
Gross amounts offset	(27)	–	(27)
Net amount of liabilities	62	17,038	17,100
Gross amounts not offset:			
Cash collateral	(7)	–	(7)
Non-cash collateral ⁽²⁾	(55)	–	(55)
Net amount	<u>\$ –</u>	<u>\$ 17,038</u>	<u>\$ 17,038</u>

⁽¹⁾ Excludes excess non-cash collateral received of \$1.8 billion, as the collateral offset is limited to the net estimated fair value of derivatives after application of netting arrangements.

⁽²⁾ Excludes excess non-cash collateral pledged of \$59 million, as the collateral offset is limited to the net estimated fair value of derivatives after application of netting arrangements.

	As of December 31, 2025		
	Derivative Instruments	Embedded Derivative Instruments	Total
Financial Assets			
Gross amount of recognized assets	\$ 15,940	\$ 1,369	\$ 17,309
Gross amounts offset	(5,995)	–	(5,995)
Net amount of assets	9,945	1,369	11,314
Gross amounts not offset:			
Cash collateral	(7,784)	–	(7,784)
Non-cash collateral ⁽¹⁾	(2,161)	–	(2,161)
Net amount	\$ –	\$ 1,369	\$ 1,369
Financial Liabilities			
Gross amount of recognized liabilities	\$ 150	\$ 15,404	\$ 15,554
Gross amounts offset	(90)	–	(90)
Net amount of liabilities	60	15,404	15,464
Gross amounts not offset:			
Cash collateral	(19)	–	(19)
Non-cash collateral	(28)	–	(28)
Net amount	\$ 13	\$ 15,404	\$ 15,417

⁽¹⁾ Excludes excess non-cash collateral received of \$1.6 billion, 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 June 30, 2026	As of December 31, 2025
DAC, VOBA and DSI		
Variable Annuities	\$ 4,158	\$ 4,112
Fixed Annuities	525	478
Traditional Life	1,279	1,308
UL and Other	6,448	6,421
Group Protection	193	198
Retirement Plan Services	305	304
Other Operations	10	6
Total DAC, VOBA and DSI	\$ 12,918	\$ 12,827

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

	As of June 30, 2026	As of December 31, 2025
DFEL		
Variable Annuities	\$ 259	\$ 264
UL and Other	7,699	7,265
Other Operations ⁽¹⁾	101	57
Total DFEL	\$ 8,059	\$ 7,586

⁽¹⁾ Represents DFEL reported in Other Operations attributable to the indemnity reinsurance agreement with Protective that is excluded from the following tables. We reported \$101 million and \$57 million of ceded DFEL in reinsurance recoverables on the Consolidated Balance Sheets as of June 30, 2026, and December 31, 2025, respectively.

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

	As of or For the Six Months Ended June 30, 2026					
	Variable Annuities	Fixed Annuities	Traditional Life	UL and Other	Group Protection	Retirement Plan Services
Balance as of beginning-of-year	\$ 4,008	\$ 452	\$ 1,281	\$ 6,057	\$ 198	\$ 242
Deferrals	270	85	45	213	60	9
Amortization	(219)	(36)	(71)	(167)	(65)	(9)
Balance as of end-of-period	<u>\$ 4,059</u>	<u>\$ 501</u>	<u>\$ 1,255</u>	<u>\$ 6,103</u>	<u>\$ 193</u>	<u>\$ 242</u>

	As of or For the Six Months Ended June 30, 2025					
	Variable Annuities	Fixed Annuities	Traditional Life	UL and Other	Group Protection	Retirement Plan Services
Balance as of beginning-of-year	\$ 3,851	\$ 394	\$ 1,335	\$ 5,916	\$ 178	\$ 242
Deferrals	264	26	45	198	67	9
Amortization	(195)	(31)	(72)	(158)	(59)	(10)
Balance as of end-of-period	<u>\$ 3,920</u>	<u>\$ 389</u>	<u>\$ 1,308</u>	<u>\$ 5,956</u>	<u>\$ 186</u>	<u>\$ 241</u>

DAC amortization expense of \$285 million and \$567 million was recorded in commissions and other expenses on the Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2026, respectively, and \$262 million and \$525 million, respectively, was recorded for the corresponding periods in 2025.

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

	As of or For the Six Months Ended June 30, 2026		
	Fixed Annuities	Traditional Life	UL and Other
Balance as of beginning-of-year	\$ 12	\$ 27	\$ 339
Amortization	(1)	(3)	(19)
Balance as of end-of-period	<u>\$ 11</u>	<u>\$ 24</u>	<u>\$ 320</u>

	As of or For the Six Months Ended June 30, 2025		
	Fixed Annuities	Traditional Life	UL and Other
Balance as of beginning-of-year	\$ 13	\$ 35	\$ 375
Amortization	(1)	(4)	(18)
Balance as of end-of-period	<u>\$ 12</u>	<u>\$ 31</u>	<u>\$ 357</u>

VOBA amortization expense of \$11 million and \$23 million was recorded in commissions and other expenses on the Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2026, respectively, and \$11 million and \$23 million, respectively, was recorded for the corresponding periods in 2025. No additions or write-offs were recorded for each respective period.

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

	As of or For the Six Months Ended June 30, 2026			
	Variable Annuities	Fixed Annuities	UL and Other	Retirement Plan Services
Balance as of beginning-of-year	\$ 104	\$ 14	\$ 25	\$ 62
Deferrals	—	—	1	2
Amortization	(5)	(1)	(1)	(1)
Balance as of end-of-period	<u>\$ 99</u>	<u>\$ 13</u>	<u>\$ 25</u>	<u>\$ 63</u>

	As of or For the Six Months Ended June 30, 2025			
	Variable Annuities	Fixed Annuities	UL and Other	Retirement Plan Services
Balance as of beginning-of-year	\$ 113	\$ 16	\$ 27	\$ 42
Deferrals	—	—	—	10
Amortization	(5)	(1)	(1)	(1)
Balance as of end-of-period	<u>\$ 108</u>	<u>\$ 15</u>	<u>\$ 26</u>	<u>\$ 51</u>

DSI amortization expense of \$4 million and \$8 million was recorded in interest credited on the Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2026, respectively, and \$4 million and \$8 million, respectively, was recorded for the corresponding periods in 2025.

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

	As of or For the Six Months Ended June 30, 2026		As of or For the Six Months Ended June 30, 2025	
	Variable Annuities	UL and Other	Variable Annuities	UL and Other
Balance as of beginning-of-year	\$ 264	\$ 7,265	\$ 273	\$ 6,406
Deferrals	7	627	7	573
Amortization	(12)	(193)	(12)	(183)
Balance as of end-of-period	259	7,699	268	6,796
Less: reinsurance recoverables	—	217	—	233
Balance as of end-of-period, net of reinsurance	<u>\$ 259</u>	<u>\$ 7,482</u>	<u>\$ 268</u>	<u>\$ 6,563</u>

DFEL amortization of \$104 million and \$205 million was recorded in fee income on the Consolidated Statements of Comprehensive Income (Loss) for the three and six months ended June 30, 2026, respectively, and \$91 million and \$195 million, respectively, was recorded for the corresponding periods in 2025.

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 June 30, 2026, and December 31, 2025.

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 and \$10.6 billion as of June 30, 2026, and December 31, 2025, respectively. We reported a deferred loss on the transaction of \$2.4 billion and \$2.5 billion as of June 30, 2026, and December 31, 2025, respectively. We amortized \$23 million and \$47 million of the deferred loss during the three and six months ended June 30, 2026, respectively, and \$23 million and \$46 million for the three and six months ended June 30, 2025, respectively. Annuities that are not life-contingent do not contain significant insurance risk; therefore, we reported deposit assets for these contracts of \$2.2 billion and \$2.4 billion as of June 30, 2026, and December 31, 2025, 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 \$8.7 billion and \$8.5 billion as of June 30, 2026, and December 31, 2025, respectively. 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 \$7.8 billion and \$8.9 billion in support of reserves associated with the Fortitude Re transaction in a funds withheld arrangement as of June 30, 2026, and December 31, 2025, respectively, which consisted of the following (in millions):

	As of June 30, 2026	As of December 31, 2025
Fixed maturity AFS securities	\$ 6,379	\$ 7,325
Derivative investments	19	21
Other investments	1,291	1,388
Cash and invested cash	6	88
Accrued investment income	78	88
Other assets	3	—
Total	<u>\$ 7,776</u>	<u>\$ 8,910</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 June 30, 2026			As of December 31, 2025		
	Assets	Liabilities	Net (Assets) Liabilities	Assets	Liabilities	Net (Assets) Liabilities
Variable Annuities	\$ 4,979	\$ 726	\$ (4,253)	\$ 4,655	\$ 940	\$ (3,715)
Fixed Annuities	50	167	117	51	175	124
Retirement Plan Services	48	2	(46)	47	3	(44)
Total MRBs	<u>\$ 5,077</u>	<u>\$ 895</u>	<u>\$ (4,182)</u>	<u>\$ 4,753</u>	<u>\$ 1,118</u>	<u>\$ (3,635)</u>

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

	As of or For the Six Months Ended June 30, 2026			As of or For the Six Months Ended June 30, 2025		
	Variable Annuities	Fixed Annuities	Retirement Plan Services	Variable Annuities	Fixed Annuities	Retirement Plan Services
Balance as of beginning-of-year	\$ (3,715)	\$ 124	\$ (44)	\$ (3,804)	\$ 32	\$ (42)
Less: Effect of cumulative changes in non-performance risk	366	(35)	1	(153)	(33)	–
Balance as of beginning-of-year, before the effect of changes in non-performance risk	(4,081)	159	(45)	(3,651)	65	(42)
Issuances	2	2	–	10	–	–
Attributed fees collected	749	15	4	734	16	3
Benefit payments	(13)	–	–	(14)	–	–
Effect of changes in interest rates	(278)	(14)	–	175	35	(2)
Effect of changes in equity markets	(1,218)	(2)	(4)	(792)	–	(3)
Effect of changes in equity index volatility	28	–	–	35	3	–
In-force updates and other changes in MRBs ⁽¹⁾	226	3	–	185	13	2
Balance as of end-of-period, before the effect of changes in non-performance risk	(4,585)	163	(45)	(3,318)	132	(42)
Effect of cumulative changes in non-performance risk	332	(46)	(1)	(102)	(42)	–
Balance as of end-of-period	(4,253)	117	(46)	(3,420)	90	(42)
Less: Ceded MRB assets (liabilities)	(387)	–	–	(339)	–	–
Balance as of end-of-period, net of reinsurance	<u>\$ (3,866)</u>	<u>\$ 117</u>	<u>\$ (46)</u>	<u>\$ (3,081)</u>	<u>\$ 90</u>	<u>\$ (42)</u>
Weighted-average age of policyholders (years)	74	71	64	73	70	63
Net amount at risk ⁽²⁾	\$ 1,594	\$ 438	\$ 2	\$ 1,689	\$ 272	\$ 2

⁽¹⁾ Consists primarily of changes in MRB assets and liabilities due to aggregation impacts related to fund performance and other assumptions and the impact of changes in actual to expected policyholder behavior.

⁽²⁾ 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 June 30, 2026	As of December 31, 2025
Mutual funds and collective investment trusts:		
Equity funds:		
Domestic	\$ 88,904	\$ 84,274
International	19,978	18,262
Other equity funds	1,718	1,505
Balanced funds	47,390	46,561
Bond funds	24,757	24,164
Money market funds	2,130	2,096
Other funds	1,595	1,491
Exchange-traded funds	285	323
Fixed maturity AFS securities	178	164
Cash and invested cash	38	35
Other investments	1,279	1,217
Total separate account assets	<u>\$ 188,252</u>	<u>\$ 180,092</u>

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

	As of June 30, 2026	As of December 31, 2025
Variable Annuities	\$ 126,196	\$ 122,945
UL and Other	37,869	34,038
Retirement Plan Services	24,121	23,047
Other Operations ⁽¹⁾	66	62
Total separate account liabilities	<u>\$ 188,252</u>	<u>\$ 180,092</u>

⁽¹⁾ Represents separate account liabilities reported in Other Operations primarily attributable to the indemnity reinsurance agreements with Protective (\$55 million and \$53 million as of June 30, 2026, and December 31, 2025, 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 Six Months Ended June 30, 2026			As of or For the Six Months Ended June 30, 2025		
	Variable Annuities	UL and Other	Retirement Plan Services	Variable Annuities	UL and Other	Retirement Plan Services
Balance as of beginning-of-year	\$ 122,945	\$ 34,038	\$ 23,047	\$ 117,998	\$ 28,841	\$ 21,541
Gross deposits	2,582	1,290	1,010	2,831	787	1,177
Withdrawals	(9,383)	(400)	(1,904)	(7,683)	(480)	(1,805)
Policyholder assessments	(1,340)	(508)	(97)	(1,299)	(494)	(91)
Change in market performance	9,680	3,603	2,111	7,290	2,025	1,451
Net transfers from (to) general account	1,712	(154)	(46)	908	(63)	(53)
Balance as of end-of-period	<u>\$ 126,196</u>	<u>\$ 37,869</u>	<u>\$ 24,121</u>	<u>\$ 120,045</u>	<u>\$ 30,616</u>	<u>\$ 22,220</u>
Cash surrender value	\$ 124,787	\$ 35,499	\$ 24,107	\$ 118,658	\$ 25,814	\$ 22,205

10. Policyholder Account Balances

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

	As of June 30, 2026	As of December 31, 2025
Variable Annuities	\$ 42,568	\$ 40,060
Fixed Annuities	29,418	28,728
UL and Other	35,690	35,986
Retirement Plan Services	23,419	23,843
Other ⁽¹⁾	8,415	7,628
Total policyholder account balances	<u>\$ 139,510</u>	<u>\$ 136,245</u>

- ⁽¹⁾ Represents policyholder account balances reported primarily in Other Operations attributable to the indemnity reinsurance agreements with Protective (\$3.3 billion and \$3.5 billion as of June 30, 2026, and December 31, 2025, respectively) and funding agreements (\$4.8 billion and \$3.7 billion as of June 30, 2026, and December 31, 2025, respectively) that are excluded from the following tables. See “Funding Agreements” below for more information.

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

As of or For the Six Months Ended June 30, 2026				
	Variable Annuities	Fixed Annuities	UL and Other	Retirement Plan Services
Balance as of beginning-of-year	\$ 40,060	\$ 28,728	\$ 35,986	\$ 23,843
Gross deposits	3,552	1,327	1,637	1,781
Withdrawals	(1,934)	(1,258)	(759)	(2,749)
Policyholder assessments	(3)	(30)	(2,170)	(9)
Net transfers from (to) separate account	(1,353)	—	154	217
Interest credited	469	523	721	336
Change in fair value of embedded derivative instruments and other	1,777	128	121	—
Balance as of end-of-period	<u>\$ 42,568</u>	<u>\$ 29,418</u>	<u>\$ 35,690</u>	<u>\$ 23,419</u>
Weighted-average crediting rate	2.3%	3.6%	4.0%	2.8%
Net amount at risk ⁽¹⁾⁽²⁾	\$ 1,594	\$ 438	\$ 289,590	\$ 2
Cash surrender value	41,161	28,116	32,285	23,383

As of or For the Six Months Ended June 30, 2025				
	Variable Annuities	Fixed Annuities	UL and Other	Retirement Plan Services
Balance as of beginning-of-year	\$ 35,267	\$ 25,963	\$ 36,599	\$ 23,619
Gross deposits	2,893	2,099	1,713	1,921
Withdrawals	(1,234)	(1,744)	(818)	(2,433)
Policyholder assessments	(1)	(30)	(2,205)	(8)
Net transfers from (to) separate account	(619)	—	63	254
Interest credited	403	438	715	347
Change in fair value of embedded derivative instruments and other	317	106	49	—
Balance as of end-of-period	<u>\$ 37,026</u>	<u>\$ 26,832</u>	<u>\$ 36,116</u>	<u>\$ 23,700</u>
Weighted-average crediting rate	2.3%	3.3%	3.9%	3.0%
Net amount at risk ⁽¹⁾⁽²⁾	\$ 1,689	\$ 272	\$ 296,496	\$ 2
Cash surrender value	35,740	25,660	32,446	23,667

⁽¹⁾ 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.

⁽²⁾ 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:

	As of June 30, 2026					
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
Variable Annuities						
Up to 1.00%	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
1.01% - 2.00%	5	—	—	—	4	9
2.01% - 3.00%	433	—	—	—	—	433
3.01% - 4.00%	1,067	—	—	—	—	1,067
4.01% and above	4	—	—	—	—	4
Other ⁽¹⁾	—	—	—	—	—	41,055
Total	<u>\$ 1,509</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4</u>	<u>\$ 42,568</u>
Fixed Annuities						
Up to 1.00%	\$ 125	\$ 635	\$ 396	\$ 122	\$ 2,146	\$ 3,424
1.01% - 2.00%	153	241	78	42	8,628	9,142
2.01% - 3.00%	1,251	61	1	2	64	1,379
3.01% - 4.00%	772	—	—	—	—	772
4.01% and above	152	—	—	—	—	152
Other ⁽¹⁾	—	—	—	—	—	14,549
Total	<u>\$ 2,453</u>	<u>\$ 937</u>	<u>\$ 475</u>	<u>\$ 166</u>	<u>\$ 10,838</u>	<u>\$ 29,418</u>
UL and Other						
Up to 1.00%	\$ 271	\$ —	\$ 246	\$ 32	\$ 630	\$ 1,179
1.01% - 2.00%	507	—	—	—	2,584	3,091
2.01% - 3.00%	6,042	18	157	—	—	6,217
3.01% - 4.00%	14,291	—	1	—	—	14,292
4.01% and above	3,369	—	—	—	—	3,369
Other ⁽¹⁾	—	—	—	—	—	7,542
Total	<u>\$ 24,480</u>	<u>\$ 18</u>	<u>\$ 404</u>	<u>\$ 32</u>	<u>\$ 3,214</u>	<u>\$ 35,690</u>
Retirement Plan Services						
Up to 1.00%	\$ 650	\$ 612	\$ 625	\$ 4,169	\$ 6,358	\$ 12,414
1.01% - 2.00%	517	1,275	1,278	157	502	3,729
2.01% - 3.00%	1,584	25	439	3	—	2,051
3.01% - 4.00%	3,685	54	7	5	—	3,751
4.01% and above	1,474	—	—	—	—	1,474
Total	<u>\$ 7,910</u>	<u>\$ 1,966</u>	<u>\$ 2,349</u>	<u>\$ 4,334</u>	<u>\$ 6,860</u>	<u>\$ 23,419</u>

As of June 30, 2025

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
Variable Annuities						
Up to 1.00%	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
1.01% - 2.00%	3	—	—	—	7	10
2.01% - 3.00%	486	—	—	—	—	486
3.01% - 4.00%	1,168	—	—	—	—	1,168
4.01% and above	7	—	—	—	—	7
Other ⁽¹⁾	—	—	—	—	—	35,355
Total	<u>\$ 1,664</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 7</u>	<u>\$ 37,026</u>
Fixed Annuities						
Up to 1.00%	\$ 108	\$ 895	\$ 425	\$ 197	\$ 2,250	\$ 3,875
1.01% - 2.00%	215	206	136	119	6,646	7,322
2.01% - 3.00%	1,455	27	1	2	45	1,530
3.01% - 4.00%	873	—	—	—	—	873
4.01% and above	161	—	—	—	—	161
Other ⁽¹⁾	—	—	—	—	—	13,071
Total	<u>\$ 2,812</u>	<u>\$ 1,128</u>	<u>\$ 562</u>	<u>\$ 318</u>	<u>\$ 8,941</u>	<u>\$ 26,832</u>
UL and Other						
Up to 1.00%	\$ 256	\$ —	\$ 226	\$ 74	\$ 510	\$ 1,066
1.01% - 2.00%	535	—	6	—	2,891	3,432
2.01% - 3.00%	6,592	8	144	—	—	6,744
3.01% - 4.00%	14,610	—	1	—	—	14,611
4.01% and above	3,477	—	—	—	—	3,477
Other ⁽¹⁾	—	—	—	—	—	6,786
Total	<u>\$ 25,470</u>	<u>\$ 8</u>	<u>\$ 377</u>	<u>\$ 74</u>	<u>\$ 3,401</u>	<u>\$ 36,116</u>
Retirement Plan Services						
Up to 1.00%	\$ 573	\$ 329	\$ 693	\$ 3,265	\$ 6,396	\$ 11,256
1.01% - 2.00%	472	944	1,851	507	662	4,436
2.01% - 3.00%	1,719	532	1	2	—	2,254
3.01% - 4.00%	4,079	102	7	11	—	4,199
4.01% and above	1,555	—	—	—	—	1,555
Total	<u>\$ 8,398</u>	<u>\$ 1,907</u>	<u>\$ 2,552</u>	<u>\$ 3,785</u>	<u>\$ 7,058</u>	<u>\$ 23,700</u>

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

Funding Agreements

The following summarizes the types of funding agreements issued by The Lincoln National Life Insurance Company (“LNL”):

FABN Program

LNL established a \$5.0 billion funding agreement-backed notes (“FABN”) program in 2024 pursuant to which LNL may issue unsecured funding agreements to an unaffiliated and unconsolidated special purpose statutory trust (the “Trust”) that will then issue medium-term notes for which payment of interest and principal is secured by such funding agreement. LNL had funding agreements issued under the program totaling \$2.4 billion as of June 30, 2026, compared to \$1.5 billion as of December 31, 2025, with original maturities ranging from three to five years.

FABR Funding Agreements

LNL may issue funding agreements in connection with FABRs. Under an FABR, an unaffiliated and unconsolidated special-purpose entity enters into a repurchase agreement with a bank and uses the proceeds of the repurchase agreement to purchase funding agreements from LNL that are secured by portfolios of assets pledged to the special-purpose entity. LNL had secured funding agreements issued totaling \$800 million as of June 30, 2026, and December 31, 2025, with original maturities of five years. See “Assets Pledged as Collateral” in Note 3 for information on pledged assets.

FHLB Funding Agreements

LNL is a member of the FHLB of Indianapolis (“FHLBI”) and, through membership, has the ability to issue funding agreements. We had FHLB funding agreements outstanding of \$1.6 billion as of June 30, 2026, compared to \$1.5 billion as of December 31, 2025, with original maturities of one year or less. The funding agreements are secured by a portfolio of assets pledged to the FHLB. See “Assets Pledged as Collateral” in Note 3 for information on pledged assets.

11. Future Contract Benefits

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

	As of June 30, 2026	As of December 31, 2025
Payout Annuities ⁽¹⁾	\$ 1,991	\$ 2,037
Traditional Life ⁽¹⁾	3,704	3,755
Group Protection ⁽²⁾	5,781	5,836
UL and Other ⁽³⁾	18,686	17,948
Other Operations ⁽⁴⁾	8,843	9,179
Other ⁽⁵⁾	3,172	3,322
Total future contract benefits	<u>\$ 42,177</u>	<u>\$ 42,077</u>

⁽¹⁾ See “LFPB” below for further information.

⁽²⁾ See “Liability for Future Claims” below for further information.

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

⁽⁴⁾ Represents future contract benefits reported in Other Operations primarily attributable to the indemnity reinsurance agreements with Protective (\$5.2 billion and \$5.4 billion as of June 30, 2026, and December 31, 2025, respectively) and Swiss Re (\$2.0 billion as of June 30, 2026, and December 31, 2025) that are excluded from the following tables.

⁽⁵⁾ Represents other miscellaneous reserves that are not representative of long-duration contracts, primarily related to participating traditional life insurance contracts and incurred but not reported and in course of settlement life insurance liabilities, and are excluded from the following tables.

LFPB

The liability for future policy benefits (“LFPB”) represents reserves associated with our limited payment life-contingent annuities and non-participating traditional life insurance contracts (i.e., term insurance). The reserve is the net of present value of expected future policy benefits less present value of expected net premiums as summarized in the following table (in millions, except years):

	As of or For the Six Months Ended June 30, 2026		As of or For the Six Months Ended June 30, 2025	
	Payout Annuities	Traditional Life	Payout Annuities	Traditional Life
Present Value of Expected Net Premiums				
Balance as of beginning-of-year	\$ —	\$ 5,351	\$ —	\$ 5,873
Less: Effect of cumulative changes in discount rate assumptions	—	(90)	—	(275)
Beginning balance at original discount rate	—	5,441	—	6,148
Effect of actual variances from expected experience ⁽¹⁾	—	(18)	—	(62)
Adjusted balance as of beginning-of-year	—	5,423	—	6,086
Issuances	—	140	—	141
Interest accrual	—	112	—	124
Net premiums collected	—	(355)	—	(384)
Flooring impact of LFPB	—	(19)	—	(7)
Ending balance at original discount rate	—	5,301	—	5,960
Effect of cumulative changes in discount rate assumptions	—	(174)	—	(154)
Balance as of end-of-period	\$ —	\$ 5,127	\$ —	\$ 5,806
Present Value of Expected Future Policy Benefits				
Balance as of beginning-of-year	\$ 2,037	\$ 9,106	\$ 2,009	\$ 9,647
Less: Effect of cumulative changes in discount rate assumptions	(182)	(144)	(251)	(438)
Beginning balance at original discount rate ⁽²⁾	2,219	9,250	2,260	10,085
Effect of actual variances from expected experience ⁽¹⁾	(3)	(46)	(6)	(82)
Adjusted balance as of beginning-of-year	2,216	9,204	2,254	10,003
Issuances	51	140	46	141
Interest accrual	44	184	44	199
Benefit payments	(106)	(406)	(97)	(430)
Ending balance at original discount rate ⁽²⁾	2,205	9,122	2,247	9,913
Effect of cumulative changes in discount rate assumptions	(214)	(291)	(208)	(240)
Balance as of end-of-period	\$ 1,991	\$ 8,831	\$ 2,039	\$ 9,673
Net balance as of end-of-period	\$ 1,991	\$ 3,704	\$ 2,039	\$ 3,867
Less: Reinsurance recoverables	1,368	246	1,467	345
Net balance as of end-of-period, net of reinsurance	\$ 623	\$ 3,458	\$ 572	\$ 3,522
Weighted-average duration of future policyholder benefit liability (years)				
	8	8	9	8

- (1) For the six months ended June 30, 2026, the Traditional Life actual to expected reserve impact on expected net premiums did not have any significantly different actual experience compared to expected attributable to either mortality or policyholder behavior; and the actual to expected reserve impact on expected future policy benefits was attributable primarily to mortality and policyholder behavior, which favorably impacted the liability by \$36 million and \$10 million, respectively. For the six months ended June 30, 2025, the Traditional Life actual to expected reserve impact on expected net premiums was attributable primarily to policyholder behavior and mortality, which unfavorably impacted the liability by \$43 million and \$19 million, respectively; and the actual to expected reserve impact on expected future policy benefits was attributable primarily to policyholder behavior and mortality, which favorably impacted the liability by \$57 million and \$25 million, respectively. For the six months ended June 30, 2026 and 2025, Payout Annuities did not have any significantly different actual experience compared to expected.
- (2) Includes deferred profit liability within Payout Annuities of \$101 million, \$92 million, \$70 million and \$62 million as of June 30, 2026, December 31, 2025, June 30, 2025 and December 31, 2024, respectively.

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

	As of June 30, 2026		As of June 30, 2025	
	Undiscounted	Discounted	Undiscounted	Discounted
Payout Annuities				
Expected future gross premiums	\$ —	\$ —	\$ —	\$ —
Expected future benefit payments	3,221	1,991	3,385	2,039
Traditional Life				
Expected future gross premiums	12,831	8,815	13,683	9,422
Expected future benefit payments	12,787	8,831	14,050	9,673

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		For the Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Payout Annuities				
Gross premiums	\$ 34	\$ 25	\$ 51	\$ 48
Interest accretion	22	22	44	44
Traditional Life				
Gross premiums	375	312	678	626
Interest accretion	36	38	72	75

The following table summarizes the weighted-average interest rates:

	For the Six Months Ended	
	June 30,	
	2026	2025
Payout Annuities		
Interest accretion rate	4.0%	4.0%
Current discount rate	5.3%	5.2%
Traditional Life		
Interest accretion rate	5.0%	5.0%
Current discount rate	5.0%	4.8%

Liability for Future Claims

The liability for future claims represents reserves associated with our group long-term disability and life waiver products. The following table summarizes the balances of and changes in liability for future claims (in millions, except years):

	Group Protection	
	As of or For the Six Months Ended	
	June 30,	
	2026	2025
Balance as of beginning-of-year	\$ 5,836	\$ 5,628
Less: Effect of cumulative changes in discount rate assumptions	(363)	(550)
Beginning balance at original discount rate	6,199	6,178
Effect of actual variances from expected experience ⁽¹⁾	(111)	(178)
Adjusted beginning-of-year balance	6,088	6,000
New incidence	753	808
Interest	108	100
Benefit payments	(748)	(724)
Ending balance at original discount rate	6,201	6,184
Effect of cumulative changes in discount rate assumptions	(420)	(425)
Balance as of end-of-period	5,781	5,759
Less: Reinsurance recoverables	121	122
Balance as of end-of-period, net of reinsurance	\$ 5,660	\$ 5,637
Weighted-average duration of liability for future claims (years)	5	5

⁽¹⁾ Generally, the experience exhibited for the Group Protection business relates to morbidity and, to a lesser extent, mortality. Group Protection long-duration products have limited exposure to lapse risk, as the liabilities for future claims are limited to those associated with claim reserves. For the six months ended June 30, 2026 and 2025, morbidity comprised substantially all of the favorable effect of actual variances from expected experience, as our claims experience was more favorable than assumed.

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

	As of June 30, 2026		As of June 30, 2025	
	Undiscounted	Discounted	Undiscounted	Discounted
Group Protection				
Expected future benefit payments	\$ 7,557	\$ 5,781	\$ 7,447	\$ 5,759

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		For the Six Months Ended	
	June 30,		June 30,	
	2026	2025	2026	2025
Group Protection				
Gross premiums	\$ 909	\$ 926	\$ 1,823	\$ 1,859
Interest accretion	53	50	108	100

The following table summarizes the weighted-average interest rates:

	For the Six Months Ended June 30,	
	2026	2025
Group Protection		
Interest accretion rate	3.7%	3.4%
Current discount rate	5.1%	4.8%

Additional Liabilities for Other Insurance Benefits

Additional liabilities for other insurance benefits represent reserves associated with our UL and VUL contracts with secondary guarantees, including *MoneyGuard*®. 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 Six Months Ended June 30,	
	2026	2025
Balance as of beginning-of-year	\$ 17,948	\$ 16,062
Less: Effect of cumulative changes in shadow balance in AOCI	(2,191)	(2,673)
Balance as of beginning-of-year, excluding shadow balance in AOCI	20,139	18,735
Effect of actual variances from expected experience ⁽¹⁾⁽²⁾	107	117
Adjusted beginning-of-year balance	20,246	18,852
Interest accrual	499	461
Net assessments collected	567	616
Benefit payments	(608)	(532)
Balance as of end-of-period, excluding shadow balance in AOCI	20,704	19,397
Effect of cumulative changes in shadow balance in AOCI	(2,018)	(2,408)
Balance as of end-of-period	18,686	16,989
Less: Reinsurance recoverables	5,652	5,385
Balance as of end-of-period, net of reinsurance	\$ 13,034	\$ 11,604
Weighted-average duration of additional liabilities for other insurance benefits (years)	16	16

⁽¹⁾ For the six months ended June 30, 2026 and 2025, the actual to expected reserve impact was attributable primarily to mortality, which unfavorably impacted the liability by \$107 million and \$116 million, respectively.

⁽²⁾ For the six months ended June 30, 2026 and 2025, the effect of actual variances from expected experience, net of reinsurance, was \$41 million and \$35 million, respectively.

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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
UL and Other				
Gross assessments	\$ 564	\$ 787	\$ 1,345	\$ 1,487
Interest accretion	251	233	499	461

The following table summarizes the weighted-average interest rates:

	For the Six Months Ended June 30,	
	2026	2025
UL and Other		
Interest accretion rate	5.4%	5.4%

12. Debt

Changes in long-term debt, excluding current portion, (in millions) were as follows:

	For the Six Months Ended June 30, 2026
Balance as of beginning-of-year	\$ 5,866
Refinance variable-rate term loan ⁽¹⁾	100
Issuance of 6.800% Subordinated Notes, due 2056 ⁽²⁾	500
Unamortized discounts	8
Unamortized debt issuance costs	(3)
Unamortized adjustments from discontinued hedges	(8)
Fair value hedge on interest rate swap agreements	2
Balance as of end-of-period	<u>\$ 6,465</u>

⁽¹⁾ On March 30, 2026, we refinanced our \$150 million variable-rate term loan due 2027 into a \$250 million variable-rate term loan due March 30, 2031. The term loan uses a Secured Overnight Financing Rate-based interest rate, plus an applicable credit spread of 125 basis points as of June 30, 2026.

⁽²⁾ On June 29, 2026, we issued \$500 million aggregate principal amount of 6.800% Fixed-to-Fixed Reset Rate Subordinated Notes due July 15, 2056 ("6.800% Subordinated Notes"). Beginning on July 15, 2036, and on each of the subsequent five-year anniversaries thereof, the interest rate will reset to the five-year Treasury rate as of the applicable reset interest determination date plus 240 basis points.

The priority ranking of our outstanding long-term debt is as follows: (i) unsecured senior debt, which consists of our outstanding senior notes and our variable-rate term loan, (ii) our subordinated notes, including the newly issued 6.800% Subordinated Notes, then (iii) our outstanding capital securities.

Credit Facility

On March 27, 2026, we entered into an amended and restated credit agreement with a syndicate of banks, which amended and restated our existing five-year revolving amended and restated credit agreement dated as of December 21, 2023. The credit agreement, which is unsecured, allows for the issuance of letters of credit ("LOCs") and borrowing of up to \$2.0 billion and has a commitment termination date of March 27, 2031. The LOCs under the credit facility are used primarily to satisfy reserve credit requirements of (i) our domestic insurance companies for which reserve credit is provided by our affiliated reinsurance companies and (ii) certain ceding companies of our

legacy reinsurance business. Lincoln National Corporation guarantees the obligations of its subsidiaries under the credit agreement. As of June 30, 2026, there were \$61 million of LOCs issued, and no amount was drawn on the issued LOCs.

The credit agreement, as currently in effect, contains:

- Customary terms and conditions, including covenants restricting our ability to incur liens, merge or consolidate with another entity where we are not the surviving entity and dispose of all or substantially all of our assets;
- Financial covenants including maintenance of a minimum consolidated net worth equal to the sum of \$9.932 billion plus 50% of the aggregate net proceeds of equity issuances received by us after December 31, 2025, all as more fully set forth in the agreement; and a debt-to-capital ratio as defined in accordance with the agreement not to exceed 0.35 to 1.00;
- A cap on secured non-operating indebtedness and non-operating indebtedness of our subsidiaries equal to 7.5% of total capitalization, as defined in accordance with the agreement; and
- Customary events of default, subject to certain materiality thresholds and grace periods for certain of those events of default.

Upon an event of default, the credit agreement, as currently in effect, provides that, among other things, the commitments may be terminated and the loans then outstanding may be declared due and payable. As of June 30, 2026, we were in compliance with all such covenants.

13. Fair Value of Financial Instruments

Financial Instruments Carried at Fair Value

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

	As of June 30, 2026			
	Asset (Liability) Measurement in the			Total
	Fair Value Hierarchy			
	(Level 1)	(Level 2)	(Level 3)	Fair Value
Assets				
Investments:				
Fixed maturity AFS securities:				
Corporate bonds	\$ —	\$ 64,503	\$ 3,398	\$ 67,901
U.S. government bonds	893	69	—	962
State and municipal bonds	—	2,067	—	2,067
Foreign government bonds	—	203	—	203
RMBS	—	1,953	—	1,953
CMBS	—	2,771	117	2,888
ABS	—	13,866	5,032	18,898
Hybrid and redeemable preferred securities	29	104	80	213
Trading securities	—	1,327	188	1,515
Equity securities ⁽¹⁾	31	231	30	292
Mortgage loans on real estate	—	—	195	195
Derivative investments ⁽²⁾	—	17,351	62	17,413
Other investments – short-term investments	—	245	5	250
MRB assets	—	—	5,077	5,077
Other assets:				
Ceded MRBs	—	—	2	2
Indexed annuity ceded embedded derivatives	—	—	1,437	1,437
Separate account assets	348	187,904	—	188,252
Total assets	\$ 1,301	\$ 292,594	\$ 15,623	\$ 309,518
Liabilities				
Policyholder account balances – RILA, fixed annuity and IUL contracts				
	\$ —	\$ —	\$ (16,856)	\$ (16,856)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives				
	—	154	(336)	(182)
MRB liabilities	—	—	(895)	(895)
Other liabilities:				
Ceded MRBs	—	—	(389)	(389)
Derivative liabilities ⁽²⁾	—	(5,977)	(116)	(6,093)
Total liabilities	\$ —	\$ (5,823)	\$ (18,592)	\$ (24,415)

	As of December 31, 2025			
	Asset (Liability) Measurement in the Fair Value Hierarchy			Total Fair Value
	(Level 1)	(Level 2)	(Level 3)	
Assets				
Investments:				
Fixed maturity AFS securities:				
Corporate bonds	\$ –	\$ 65,132	\$ 3,913	\$ 69,045
U.S. government bonds	849	20	–	869
State and municipal bonds	–	2,147	–	2,147
Foreign government bonds	–	226	–	226
RMBS	–	2,122	–	2,122
CMBS	–	2,417	85	2,502
ABS	–	12,698	3,584	16,282
Hybrid and redeemable preferred securities	32	140	83	255
Trading securities	–	1,347	329	1,676
Equity securities ⁽¹⁾	234	234	33	501
Mortgage loans on real estate	–	–	199	199
Derivative investments ⁽²⁾	–	16,001	28	16,029
Other investments – short-term investments	–	193	1	194
MRB assets	–	–	4,753	4,753
Other assets:				
Ceded MRBs	–	–	2	2
Indexed annuity ceded embedded derivatives	–	–	1,369	1,369
Separate account assets	383	179,709	–	180,092
Total assets	<u>\$ 1,498</u>	<u>\$ 282,386</u>	<u>\$ 14,379</u>	<u>\$ 298,263</u>
Liabilities				
Policyholder account balances – RILA, fixed annuity and IUL contracts				
	\$ –	\$ –	\$ (15,115)	\$ (15,115)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives				
	–	145	(434)	(289)
MRB liabilities	–	–	(1,118)	(1,118)
Other liabilities:				
Ceded MRBs	–	–	(359)	(359)
Derivative liabilities ⁽²⁾	–	(6,008)	(136)	(6,144)
Total liabilities	<u>\$ –</u>	<u>\$ (5,863)</u>	<u>\$ (17,162)</u>	<u>\$ (23,025)</u>

⁽¹⁾ Total investments included in the fair value hierarchy exclude certain closed-end funds that are measured at estimated fair value using the NAV per share (or its equivalent) practical expedient. The estimated fair value of such investments was \$164 million and \$135 million as of June 30, 2026, and December 31, 2025, respectively.

⁽²⁾ 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 June 30, 2026						
	Beginning Asset (Liability) Fair Value	Items Included in Net Income	Gains (Losses) in OCI and Other ⁽¹⁾	Issuances, Sales, Maturities, Settlements, Calls, Net	Transfers Into or Out of Level 3, Net	Ending Asset (Liability) Fair Value
Assets						
Investments: ⁽²⁾						
Fixed maturity AFS securities:						
Corporate bonds	\$ 3,282	\$ (12)	\$ 1	\$ 184	\$ (57)	\$ 3,398
CMBS	103	1	(1)	42	(28)	117
ABS	4,153	(18)	(32)	1,068	(139)	5,032
Hybrid and redeemable preferred securities	82	—	(1)	(1)	—	80
Trading securities	223	—	—	(35)	—	188
Equity securities	33	(3)	—	—	—	30
Mortgage loans on real estate	198	(2)	—	(1)	—	195
Other investments – short-term investments	28	—	—	5	(28)	5
Other assets:						
Ceded MRBs ⁽³⁾	2	—	—	—	—	2
Indexed annuity ceded embedded derivatives ⁽⁴⁾	1,332	139	—	(34)	—	1,437
Liabilities						
Policyholder account balances –						
RILA, fixed annuity and IUL contracts ⁽⁴⁾	\$ (13,444)	\$ (3,589)	\$ —	\$ 177	\$ —	\$ (16,856)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives ⁽⁴⁾						
	(252)	(84)	—	—	—	(336)
Other liabilities:						
Ceded MRBs ⁽³⁾	(329)	(60)	—	—	—	(389)
Derivative liabilities, net ⁽⁴⁾	(65)	11	—	—	—	(54)

For the Three Months Ended June 30, 2025

	Beginning Asset (Liability) Fair Value	Items Included in Net Income	Gains (Losses) in OCI and Other ⁽¹⁾	Issuances, Sales, Maturities, Settlements, Calls, Net	Transfers Into or Out of Level 3, Net	Ending Asset (Liability) Fair Value
Assets						
Investments: ⁽²⁾						
Fixed maturity AFS securities:						
Corporate bonds	\$ 2,813	\$ (24)	\$ 5	\$ 30	\$ 89	\$ 2,913
RMBS	8	—	—	67	(7)	68
CMBS	30	—	—	18	(7)	41
ABS	2,618	—	(12)	410	(39)	2,977
Hybrid and redeemable preferred securities	81	—	—	1	—	82
Trading securities	281	3	—	(4)	—	280
Equity securities	35	(2)	—	(4)	54	83
Mortgage loans on real estate	232	(1)	2	(1)	—	232
Other investments – short-term investments	15	—	—	9	—	24
Other assets:						
Ceded MRBs ⁽³⁾	2	—	—	—	—	2
Indexed annuity ceded embedded derivatives ⁽⁴⁾	1,092	73	—	71	—	1,236
Liabilities						
Policyholder account balances –						
RILA, fixed annuity and IUL contracts ⁽⁴⁾	\$ (10,807)	\$ (2,146)	\$ —	\$ (136)	\$ —	\$ (13,089)
Funds withheld reinsurance						
liabilities – reinsurance-related embedded derivatives ⁽⁴⁾	(323)	14	—	—	—	(309)
Other liabilities:						
Ceded MRBs ⁽³⁾	(314)	(27)	—	—	—	(341)
Derivative liabilities, net ⁽⁴⁾	(109)	(6)	—	—	—	(115)

For the Six Months Ended June 30, 2026

	Beginning Asset (Liability) Fair Value	Items Included in Net Income	Gains (Losses) in OCI and Other ⁽¹⁾	Issuances, Sales, Maturities, Settlements, Calls, Net	Transfers Into or Out of Level 3, Net	Ending Asset (Liability) Fair Value
Assets						
Investments: ⁽²⁾						
Fixed maturity AFS securities:						
Corporate bonds	\$ 3,913	\$ (26)	\$ (29)	\$ 317	\$ (777)	\$ 3,398
CMBS	85	1	(2)	70	(37)	117
ABS	3,584	(25)	(71)	1,675	(131)	5,032
Hybrid and redeemable preferred securities	83	—	(2)	(1)	—	80
Trading securities	329	(2)	—	(117)	(22)	188
Equity securities	33	(6)	—	3	—	30
Mortgage loans on real estate	199	(1)	(1)	(2)	—	195
Other investments – short-term investments	1	—	—	32	(28)	5
Other assets:						
Ceded MRBs ⁽³⁾	2	—	—	—	—	2
Indexed annuity ceded embedded derivatives ⁽⁴⁾	1,369	120	—	(52)	—	1,437
Liabilities						
Policyholder account balances –						
RILA, fixed annuity and IUL contracts ⁽⁴⁾	\$ (15,115)	\$ (1,986)	\$ —	\$ 245	\$ —	\$ (16,856)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives ⁽⁴⁾						
	(434)	98	—	—	—	(336)
Other liabilities:						
Ceded MRBs ⁽³⁾	(359)	(30)	—	—	—	(389)
Derivative liabilities, net ⁽⁴⁾	(108)	12	—	42	—	(54)

For the Six Months Ended June 30, 2025

	Beginning Asset (Liability) Fair Value	Items Included in Net Income	Gains (Losses) in OCI and Other ⁽¹⁾	Issuances, Sales, Maturities, Settlements, Calls, Net	Transfers Into or Out of Level 3, Net	Ending Asset (Liability) Fair Value
Assets						
Investments: ⁽²⁾						
Fixed maturity AFS securities:						
Corporate bonds	\$ 2,702	\$ (37)	\$ 3	\$ 134	\$ 111	\$ 2,913
RMBS	1	—	—	74	(7)	68
CMBS	8	—	—	40	(7)	41
ABS	2,092	(21)	5	883	18	2,977
Hybrid and redeemable preferred securities	63	—	—	19	—	82
Trading securities	259	5	—	(4)	20	280
Equity securities	34	(8)	—	3	54	83
Mortgage loans on real estate	232	(2)	4	(2)	—	232
Other investments – short-term investments	23	—	—	1	—	24
Other assets:						
Ceded MRBs ⁽³⁾	2	—	—	—	—	2
Indexed annuity ceded embedded derivatives ⁽⁴⁾	1,115	50	—	71	—	1,236
Liabilities						
Policyholder account balances – RILA, fixed annuity and IUL contracts ⁽⁴⁾						
	\$ (12,449)	\$ (472)	\$ —	\$ (168)	\$ —	\$ (13,089)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives ⁽⁴⁾						
	(234)	(75)	—	—	—	(309)
Other liabilities:						
Ceded MRBs ⁽³⁾	(381)	40	—	—	—	(341)
Derivative liabilities, net ⁽⁴⁾	(136)	21	—	—	—	(115)

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

⁽²⁾ 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).

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

⁽⁴⁾ 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 June 30, 2026						
	Issuances	Sales	Maturities	Settlements	Calls	Total
Assets						
Investments:						
Fixed maturity AFS securities:						
Corporate bonds	\$ 338	\$ (50)	\$ (20)	\$ (84)	\$ –	\$ 184
CMBS	42	–	–	–	–	42
ABS	1,213	–	–	(105)	(40)	1,068
Hybrid and redeemable preferred securities	–	–	(1)	–	–	(1)
Trading securities	–	(20)	(7)	(8)	–	(35)
Equity securities	5	(5)	–	–	–	–
Mortgage loans on real estate	1	–	–	(2)	–	(1)
Other investments – short-term investments	5	–	–	–	–	5
Other assets – indexed annuity ceded embedded derivatives	–	–	–	(34)	–	(34)
Liabilities						
Policyholder account balances –						
RILA, fixed annuity and IUL contracts	\$ (402)	\$ –	\$ –	\$ 579	\$ –	\$ 177

For the Three Months Ended June 30, 2025						
	Issuances	Sales	Maturities	Settlements	Calls	Total
Assets						
Investments:						
Fixed maturity AFS securities:						
Corporate bonds	\$ 414	\$ (241)	\$ (6)	\$ (127)	\$ (10)	\$ 30
RMBS	67	–	–	–	–	67
CMBS	33	(15)	–	–	–	18
ABS	574	(41)	–	(82)	(41)	410
Hybrid and redeemable preferred securities	1	–	–	–	–	1
Trading securities	11	(10)	–	(5)	–	(4)
Equity securities	7	(11)	–	–	–	(4)
Mortgage loans on real estate	1	–	–	(2)	–	(1)
Other investments – short-term investments	9	–	–	–	–	9
Other assets – indexed annuity ceded embedded derivatives	67	–	–	4	–	71
Liabilities						
Policyholder account balances –						
RILA, fixed annuity and IUL contracts	\$ (425)	\$ –	\$ –	\$ 289	\$ –	\$ (136)

For the Six Months Ended June 30, 2026						
	Issuances	Sales	Maturities	Settlements	Calls	Total
Assets						
Investments:						
Fixed maturity AFS securities:						
Corporate bonds	\$ 600	\$ (64)	\$ (20)	\$ (176)	\$ (23)	\$ 317
CMBS	70	—	—	—	—	70
ABS	2,006	—	—	(267)	(64)	1,675
Hybrid and redeemable preferred securities	—	—	(1)	—	—	(1)
Trading securities	—	(32)	(7)	(12)	(66)	(117)
Equity securities	8	(5)	—	—	—	3
Mortgage loans on real estate	1	—	—	(3)	—	(2)
Derivative investments	42	—	—	—	—	42
Other investments – short-term investments	33	—	(1)	—	—	32
Other assets – indexed annuity ceded embedded derivatives	—	—	—	(52)	—	(52)
Liabilities						
Policyholder account balances –						
RILA, fixed annuity and IUL contracts	\$ (761)	\$ —	\$ —	\$ 1,006	\$ —	\$ 245

For the Six Months Ended June 30, 2025						
	Issuances	Sales	Maturities	Settlements	Calls	Total
Assets						
Investments:						
Fixed maturity AFS securities:						
Corporate bonds	\$ 665	\$ (286)	\$ (6)	\$ (229)	\$ (10)	\$ 134
RMBS	74	—	—	—	—	74
CMBS	55	(15)	—	—	—	40
ABS	1,163	(41)	(10)	(172)	(57)	883
Hybrid and redeemable preferred securities	21	(2)	—	—	—	19
Trading securities	57	(52)	—	(9)	—	(4)
Equity securities	15	(12)	—	—	—	3
Mortgage loans on real estate	1	(1)	—	(2)	—	(2)
Other investments – short-term investments	11	—	(10)	—	—	1
Other assets – indexed annuity ceded embedded derivatives	93	—	—	(22)	—	71
Liabilities						
Policyholder account balances –						
RILA, fixed annuity and IUL contracts	\$ (656)	\$ —	\$ —	\$ 488	\$ —	\$ (168)

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Investments:				
Trading securities ⁽¹⁾	\$ —	\$ 3	\$ (2)	\$ —
Equity securities ⁽¹⁾	(2)	(1)	(5)	(7)
Mortgage loans on real estate ⁽¹⁾	(2)	(1)	(1)	(2)
Derivative investments, net ⁽¹⁾	(4)	(6)	(26)	(6)
MRBs, net ⁽²⁾	1,454	933	460	(367)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives ⁽¹⁾	(84)	14	98	(75)
Embedded derivatives – indexed annuity and IUL contracts, net ⁽¹⁾	365	206	733	375

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

⁽²⁾ 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):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Investments:				
Fixed maturity AFS securities:				
Corporate bonds	\$ (7)	\$ (7)	\$ (45)	\$ (17)
CMBS	(1)	—	(2)	—
ABS	(30)	(6)	(69)	10
Hybrid and redeemable preferred securities	(1)	—	(1)	—
Mortgage loans on real estate	—	2	—	4

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

	For the Three Months Ended June 30, 2026			For the Three Months Ended June 30, 2025		
	Transfers Into Level 3	Transfers Out of Level 3	Total	Transfers Into Level 3	Transfers Out of Level 3	Total
Assets						
Investments:						
Fixed maturity AFS securities:						
Corporate bonds	\$ —	\$ (57)	\$ (57)	\$ 90	\$ (1)	\$ 89
RMBS	—	—	—	—	(7)	(7)
CMBS	—	(28)	(28)	—	(7)	(7)
ABS	17	(156)	(139)	13	(52)	(39)
Equity securities	—	—	—	54	—	54
Other investments – short-term investments	—	(28)	(28)	—	—	—

	For the Six Months Ended June 30, 2026			For the Six Months Ended June 30, 2025		
	Transfers Into Level 3	Transfers Out of Level 3	Total	Transfers Into Level 3	Transfers Out of Level 3	Total
Assets						
Investments:						
Fixed maturity AFS securities:						
Corporate bonds	\$ 56	\$ (833)	\$ (777)	\$ 112	\$ (1)	\$ 111
RMBS	—	—	—	—	(7)	(7)
CMBS	—	(37)	(37)	—	(7)	(7)
ABS	41	(172)	(131)	70	(52)	18
Trading securities	—	(22)	(22)	20	—	20
Equity securities	—	—	—	54	—	54
Other investments – short-term investments	—	(28)	(28)	—	—	—

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 and six months ended June 30, 2026 and 2025, transfers in and out of Level 3 were attributable primarily to the financial instruments' observable market information no longer being available or becoming available.

The following summarizes the fair value (in millions), valuation techniques and significant unobservable inputs of the Level 3 fair value measurements as of June 30, 2026:

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Assumption or Input Ranges	Weighted Average Input Range ⁽¹⁾
Assets					
Investments:					
Fixed maturity AFS securities:					
Corporate bonds	\$ 439	Discounted cash flow	Liquidity/duration adjustment ⁽²⁾	0.0% – 7.9%	2.0%
CMBS	40	Discounted cash flow	Liquidity/duration adjustment ⁽²⁾	2.0% – 2.1%	2.0%
Hybrid and redeemable preferred securities	39	Discounted cash flow	Liquidity/duration adjustment ⁽²⁾	1.7% – 1.8%	1.7%
Equity securities	4	Discounted cash flow	Liquidity/duration adjustment ⁽²⁾	4.5% – 4.5%	4.5%
MRB assets	5,077	Discounted cash flow	Lapse ⁽³⁾	1.0% – 30.0%	⁽¹⁰⁾
			Utilization of GLB withdrawals ⁽⁴⁾	85.0% – 100.0%	93.0%
			Claims utilization factor ⁽⁵⁾	50.0% – 100.0%	⁽¹⁰⁾
			Premiums utilization factor ⁽⁵⁾	80.0% – 115.0%	⁽¹⁰⁾
			Non-performance risk ⁽⁶⁾	0.3% – 2.0%	1.6%
			Mortality ⁽⁷⁾	⁽⁹⁾	⁽¹⁰⁾
			Volatility ⁽⁸⁾	1.0% – 27.0%	15.0%
Other assets:					
Ceded MRBs ⁽¹¹⁾	2				
Indexed annuity ceded embedded derivatives					
	1,437	Discounted cash flow	Lapse ⁽³⁾	0.0% – 9.0%	⁽¹⁰⁾
			Mortality ⁽⁷⁾	⁽⁹⁾	⁽¹⁰⁾
Liabilities					
Policyholder account balances – indexed annuity contracts embedded derivatives					
	\$(16,770)	Discounted cash flow	Lapse ⁽³⁾	0.0% – 9.0%	⁽¹⁰⁾
			Mortality ⁽⁷⁾	⁽⁹⁾	⁽¹⁰⁾
MRB liabilities	(895)	Discounted cash flow	Lapse ⁽³⁾	1.0% – 30.0%	⁽¹⁰⁾
			Utilization of GLB withdrawals ⁽⁴⁾	85.0% – 100.0%	93.0%
			Claims utilization factor ⁽⁵⁾	50.0% – 100.0%	⁽¹⁰⁾
			Premiums utilization factor ⁽⁵⁾	80.0% – 115.0%	⁽¹⁰⁾
			Non-performance risk ⁽⁶⁾	0.3% – 2.0%	1.6%
			Mortality ⁽⁷⁾	⁽⁹⁾	⁽¹⁰⁾
			Volatility ⁽⁸⁾	1.0% – 27.0%	15.0%
Other liabilities – ceded MRBs ⁽¹¹⁾					
	(389)				

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, 2025:

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Assumption or Input Ranges	Weighted Average Input Range ⁽¹⁾
Assets					
Investments:					
Fixed maturity AFS securities:					
Corporate bonds	\$ 706	Discounted cash flow	Liquidity/duration adjustment ⁽²⁾	0.0% – 6.2%	1.4%
ABS	8	Discounted cash flow	Liquidity/duration adjustment ⁽²⁾	1.1% – 1.1%	1.1%
CMBS	41	Discounted cash flow	Liquidity/duration adjustment ⁽²⁾	1.8% – 1.9%	1.8%
Hybrid and redeemable preferred securities	40	Discounted cash flow	Liquidity/duration adjustment ⁽²⁾	1.6% – 1.9%	1.7%
Equity securities	4	Discounted cash flow	Liquidity/duration adjustment ⁽²⁾	4.5% – 4.5%	4.5%
MRB assets	4,753	Discounted cash flow	Lapse ⁽³⁾	1.0% – 30.0%	⁽¹⁰⁾
			Utilization of GLB withdrawals ⁽⁴⁾	85.0% – 100.0%	93.0%
			Claims utilization factor ⁽⁵⁾	50.0% – 100.0%	⁽¹⁰⁾
			Premiums utilization factor ⁽⁵⁾	80.0% – 115.0%	⁽¹⁰⁾
			Non-performance risk ⁽⁶⁾	0.2% – 1.6%	1.3%
			Mortality ⁽⁷⁾	⁽⁹⁾	⁽¹⁰⁾
			Volatility ⁽⁸⁾	1.0% – 27.0%	15.1%
Other assets:					
Ceded MRBs ⁽¹¹⁾	2				
Indexed annuity ceded embedded derivatives					
	1,369	Discounted cash flow	Lapse ⁽³⁾	0.0% – 9.0%	⁽¹⁰⁾
			Mortality ⁽⁷⁾	⁽⁹⁾	⁽¹⁰⁾
Liabilities					
Policyholder account balances – indexed annuity contracts embedded derivatives					
	\$(15,031)	Discounted cash flow	Lapse ⁽³⁾	0.0% – 9.0%	⁽¹⁰⁾
			Mortality ⁽⁷⁾	⁽⁹⁾	⁽¹⁰⁾
MRB liabilities	(1,118)	Discounted cash flow	Lapse ⁽³⁾	1.0% – 30.0%	⁽¹⁰⁾
			Utilization of GLB withdrawals ⁽⁴⁾	85.0% – 100.0%	93.0%
			Claims utilization factor ⁽⁵⁾	50.0% – 100.0%	⁽¹⁰⁾
			Premiums utilization factor ⁽⁵⁾	80.0% – 115.0%	⁽¹⁰⁾
			Non-performance risk ⁽⁶⁾	0.2% – 1.6%	1.3%
			Mortality ⁽⁷⁾	⁽⁹⁾	⁽¹⁰⁾
			Volatility ⁽⁸⁾	1.0% – 27.0%	15.1%
Other liabilities – ceded					
MRBs ⁽¹¹⁾	(359)				

⁽¹⁾ 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.
- ⁽¹¹⁾ The fair value inputs for ceded MRBs are consistent with those used to value MRB assets and liabilities.

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 us and continue to be reported on the Consolidated Balance Sheets. 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 the Consolidated Balance Sheets.

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.

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 June 30, 2026	As of December 31, 2025
Fair value	\$ 195	\$ 199
Aggregate contractual principal	229	231

For information on current and past due composition and accruing status for loans where we have elected the fair value option, see Note 3.

Financial Instruments Not Carried at Fair Value

The following summarizes the fair value by the fair value hierarchy levels and the carrying amount of our financial instruments not carried at fair value (in millions):

	As of June 30, 2026				
	Asset (Liability) Measurement in the Fair Value Hierarchy			Total Fair Value	Carrying Amount
	(Level 1)	(Level 2)	(Level 3)		
Assets					
Investments:					
Mortgage loans on real estate	\$ —	\$ —	\$ 22,347	\$ 22,347	\$ 23,211
Other investments	—	741	6,508	7,249	7,249
Policy loans	—	2,596	—	2,596	2,596
Liabilities					
Policyholder account balances – certain investment contracts					
	\$ —	\$ —	\$ (35,886)	\$ (35,886)	\$ (44,055)
Policyholder account balances – funding agreements	—	(4,810)	—	(4,810)	(4,833)
Short-term debt	—	(399)	—	(399)	(400)
Long-term debt	—	(6,091)	—	(6,091)	(6,465)
Funds withheld reinsurance-related liabilities – excluding embedded derivatives					
	—	—	(16,626)	(16,626)	(16,626)

	As of December 31, 2025					
	Asset (Liability) Measurement in the			Total		
	Fair Value Hierarchy			Fair		Carrying
	(Level 1)	(Level 2)	(Level 3)	Value		Amount
Assets						
Investments:						
Mortgage loans on real estate	\$	—	\$	—	\$	21,756
Other investments		—		962		5,759
Policy loans		—		2,626		—
						2,626
						2,626
Liabilities						
Policyholder account balances – certain investment contracts	\$	—	\$	—	\$	(36,710)
					\$	(36,710)
Policyholder account balances – funding agreements		—		(3,778)		—
						(3,778)
Short-term debt		—		(399)		—
						(399)
Long-term debt		—		(5,605)		—
						(5,605)
Funds withheld reinsurance-related liabilities – excluding embedded derivatives		—		—		(17,633)
						(17,633)
						(17,633)

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 above 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 internal quality rating, maturity and future income. The ratings for mortgages in good standing are based on occupancy, debt-service coverage, LTV and forecasted tenancy. 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 3 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 include 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 include FHLB stock, which is carried at cost and periodically evaluated for impairment based on ultimate recovery of par value, and the investments in corporate-owned universal life insurance and variable universal life insurance, which are recorded at cash surrender value and not required to be included in the table above. 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.

Policy Loans

The carrying value for policy loans is the unpaid principal balance. Policy loans are fully collateralized by the cash surrender value of underlying insurance policies. As a result, the carrying value of the policy loans approximates the fair value. The inputs used to measure the fair value of these assets are classified as Level 2 within the fair value hierarchy.

Policyholder Account Balances – Certain Investment Contracts

Policyholder account balances include account balances of certain investment contracts that exclude significant mortality or morbidity risk. The fair value of the account balances of certain investment contracts is based on a discounted cash flow model 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.

Policyholder Account Balances – Funding Agreements

The fair value of funding agreements issued under the FABN program is based on quoted market prices. The fair value of secured funding agreements issued under FABRs and funding agreements issued to FHLB is based on a discounted cash flow model as of the balance sheet date. The inputs used to measure the fair value of funding agreements are classified as Level 2 within the fair value hierarchy. For more information on funding agreements, see Note 10.

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.

Funds Withheld Reinsurance Liabilities

Funds withheld reinsurance liabilities includes our obligation to pay reinsurers under coinsurance with funds withheld and modified coinsurance arrangements where the Company is the cedant. This liability includes embedded derivatives, which are total return swaps with contractual returns that are attributable to the Company's reinsurance agreements. The embedded derivatives are carried at fair value and thus excluded from the preceding table. The inputs used to measure the remaining balance are classified as Level 3 within the fair value hierarchy.

14. Contingencies and Commitments

Contingencies

Regulatory and Litigation Matters

Regulatory bodies, such as state insurance departments, the SEC, the Financial Industry Regulatory Authority, tax authorities and other regulatory bodies regularly make inquiries and conduct examinations, investigations or audits concerning our compliance with, among other things, insurance laws, securities laws, tax laws, laws governing the activities of broker-dealers and registered investment advisers and unclaimed property laws. Tax-related matters can include disputes with taxing authorities, ongoing audits, evaluation of filing positions and any potential assessments related thereto.

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 June 30, 2026.

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 June 30, 2026, 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 \$70 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 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 provisional settlement agreement that encompasses policies that are at issue in this case, which also includes all policies at issue in the lawsuits captioned *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 are described below. The *Glover* plaintiffs' motion for preliminary approval of the provisional settlement was filed on March 8, 2024, and on September 4, 2024, the court granted preliminary approval of the provisional settlement. On December 16, 2024, the court heard oral argument on the issue of whether to grant final approval of the provisional settlement. On June 16, 2025, the court granted final approval of the provisional settlement and on June 18, 2025, entered final judgment and dismissed the case. On July 16, 2025, plaintiffs in the *Iwanski*, *TVPX ARS INC.* and *Vida* cases appealed the final approval of the provisional settlement to the U.S. Court of Appeals for the Second Circuit. The provisional settlement, which is subject to the outcome of the appeal, 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*). As of June 30, 2026, the total provisional settlement amount of \$147.5 million, pre-tax, remains accrued.

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 provisional settlement agreement that encompasses all policies 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, and on September 4, 2024, the court granted preliminary approval of the provisional settlement. On December 16, 2024, the court heard oral argument on the issue of whether to grant final approval of the provisional settlement. On June 16, 2025, the court granted final approval of the *Glover* provisional settlement and on June 18, 2025, entered final judgment and dismissed the case. On July 16, 2025, plaintiffs in the *Iwanski*, *TVPX ARS INC.* and *Vida* cases appealed the final approval of the provisional settlement to the U.S. Court of Appeals for the Second Circuit. The provisional settlement, which is subject to the outcome of the appeal, 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 provisional settlement agreement that encompasses all policies 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, and on September 4, 2024, the court granted preliminary approval of the provisional settlement. On December 16, 2024, the court heard oral argument on the issue of whether to grant final approval of the provisional settlement. On June 16, 2025, the court granted final approval of the *Glover* provisional settlement and on June 18, 2025, entered final judgment and dismissed the case. On July 16, 2025, plaintiffs in the *Iwanski*, *TVPX ARS INC.* and *Vida* cases appealed the final approval of the provisional settlement to the U.S. Court of Appeals for the Second Circuit. The provisional settlement, which is subject to the outcome of the appeal, 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*.

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 provisional settlement agreement that encompasses all policies 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, and on September 4, 2024, the court granted preliminary approval of the provisional settlement. 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 June 25, 2024, the court granted LLANY's April 12, 2024, motion to stay proceedings in this matter pending the completion of the approval process in *Glover*. On December 16, 2024, the court heard oral argument on the issue of whether to grant final approval of the *Glover* provisional settlement. On June 16, 2025, the court granted final approval of the *Glover* provisional settlement and on June 18, 2025, entered final judgment and dismissed the case. On July 16, 2025, plaintiffs in the *Iwanski*, *TVPX ARS INC.* and *Vida* cases appealed the final approval of the provisional settlement to the U.S. Court of Appeals for the Second Circuit. The provisional settlement, which is subject to the outcome of the appeal, 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*).

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.

EFG Bank AG, Cayman Branch, et al. v. The Lincoln National Life Insurance Company, No. 17-cv-02592-GJP (E.D. Pa.), filed on February 1, 2017; *Brighton Trustees, LLC, et al. v. The Lincoln National Life Insurance Company*, No. 2:23-cv-2251-GJP (E.D. Pa.), filed on April 20, 2023 (and transferred to the U.S. District Court for the Eastern District of Pennsylvania on June 12, 2023); and *Ryan K. Crayne, on behalf of and as trustee for Carlton Peak Trust v. The Lincoln National Life Insurance Company*, No. 2:24-cv-00053-GJP, filed on November 17, 2023 (and transferred to the U.S. District Court for the Eastern District of Pennsylvania on January 4, 2024) are consolidated civil actions pending in the Eastern District of Pennsylvania. In each case other than *Crayne*, plaintiffs purport to own universal life insurance policies or interests in universal life insurance policies originally issued by Jefferson-Pilot (now LNL). In *Crayne*, plaintiffs purport to own litigation claims concerning universal life policies originally issued by Jefferson-Pilot (now LNL). Among other things, plaintiffs in each case allege that LNL breached the terms of policyholders' contracts when it increased non-guaranteed cost of insurance rates beginning in 2016 (or, in *Brighton Trustees*, in 2016 and 2017). On April 28, 2026, we entered into an agreement with plaintiffs in each case on certain material terms of settlement, subject to final documentation. The parties fully executed a final settlement agreement and release dated May 19, 2026, in settlement of all claims in all three cases. The cases were dismissed by stipulation on May 22, 2026.

Other Litigation

Henry Morgan et al. v. Lincoln National Corporation d/b/a Lincoln Financial Group, et al, filed in the District Court of the 14th 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 14th 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 v. Lincoln National Corporation, Ellen Cooper, Dennis Glass, and 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. On June 24, 2024, Local 295 IBT Employer Group Pension Trust Fund (“Local 295”) filed a motion for appointment as lead plaintiff. On October 23, 2024, the court granted this motion. Local 295 seeks to represent persons and entities that purchased or otherwise acquired Lincoln National Corporation common stock between December 8, 2021, and November 2, 2022, inclusive (the “Class Period”). On December 23, 2024, plaintiff filed an amended complaint. 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 that plaintiff alleges Defendants knew, or recklessly disregarded, at the time the statements were made, about the Company’s business, operations, and prospects with respect to its Guaranteed Universal Life policies and their lapse rates. The action seeks unspecified compensatory damages and reasonable costs and expenses incurred in this action, including counsel fees and expert fees, together with equitable/injunctive relief or such other relief as the court may deem just and proper. On February 21, 2025, Defendants filed a motion to dismiss. On July 24, 2025, the court granted Defendants’ motion to dismiss and dismissed the amended complaint without prejudice. Plaintiff was given 14 days from the date of the court’s order to file a second amended complaint. On August 7, 2025, plaintiff informed the court that it would pursue its appellate rights and would not file a second amended complaint. On August 28, 2025, the court entered an Order of Judgment granting Defendants’ motion to dismiss and directing that the amended complaint be dismissed with prejudice. On September 25, 2025, plaintiff filed a Notice to Appeal to the United States Court of Appeals for the Third Circuit in respect of the court’s order of July 24, 2025, and Order of Judgment of August 28, 2025 (including as to all prior opinions and orders that have merged into that order). We are vigorously defending this matter.

In Re Lincoln National Corporation Stockholder Derivative Litigation, No. 2:24-cv-02713, is the matter name for the following two civil actions that were consolidated for all purposes on September 26, 2024, by the U.S. District Court for the Eastern District of Pennsylvania: *Lawrence Hollin, derivatively on behalf of Nominal Defendant Lincoln National Corporation v. Ellen G. Cooper, Dennis R. Glass, Randal J. Freitag, Deirdre P. Connelly, William H. Cunningham, Reginald E. Davis, Eric G. Johnson, Gary C. Kelly, M. Leanne Lachman, Dale LeFebvre, Janet Liang, Michael F. Mee, Lynn M. Utter and Patrick S. Pittard* (“Individual Defendants”) and *Lincoln National Corporation* (“Nominal Defendant”), No. 2:24-cv-02713 (E.D. Pa.), filed on June 20, 2024; and *Robert R. Wiersum, derivatively on behalf of Lincoln National Corporation v. Ellen G. Cooper, Dennis R. Glass, Randal J. Freitag, Deirdre P. Connelly, William H. Cunningham, Reginald E. Davis, Eric G. Johnson, Gary C. Kelly, M. Leanne Lachman, Dale LeFebvre, Janet Liang, Michael F. Mee, Lynn M. Utter and Patrick S. Pittard* (“Individual Defendants”) and *Lincoln National Corporation* (“Nominal Defendant”), No. 2:24-cv-03251 (E.D. Pa.), filed on July 23, 2024. By the same September 26, 2024, order, the court directed, among other things, that all proceedings and deadlines in this consolidated case be stayed until 30 days after resolution of all motions to dismiss (including the exhaustion of all related appeals) in the *Meade* matter discussed above. Plaintiffs bring this complaint for, *inter alia*, alleged breaches of fiduciary duties between November 4, 2020, at latest, through the date of filing and allege violations of the federal securities laws caused by the issuance of allegedly materially false and misleading statements issued, or caused to be issued, by the Individual Defendants in the Company’s SEC filings and other public statements. Plaintiffs allege that the Company thereby suffered loss, injury and damage. Among other relief, plaintiffs seek, in favor of the Company, damages sustained by the Company, punitive damages and attorney’s fees, an accounting for all damages to the Company and an unspecified order directing the Company to improve existing corporate governance and internal procedures. The Individual Defendants are vigorously defending these consolidated matters.

In Re Lincoln National Corporation Shareholder Derivative Litigation, No. CV-2024-0011319, is the matter name for the following two civil actions that were consolidated for all purposes on February 28, 2025, by the Court of Common Pleas of Delaware County, Pennsylvania: *Anthony Morgan, derivatively on behalf of Nominal Defendant Lincoln National Corporation v. Ellen G. Cooper, Deirdre P. Connelly, William H. Cunningham, Reginald Davis, Eric C. [G.] Johnson, Gary C. Kelly, M. Leanne Lachman, Dale LeFebvre, Janet Liang, Lynn M. Utter, Dennis Glass and Randal Freitag* (“Individual Defendants”) and *Lincoln National Corporation* (“Nominal Defendant”), No. CV-2024-011319 (Court of Common Pleas of Delaware County, Pennsylvania) filed on December 31, 2024; and *Harry Rosenthal, derivatively on behalf of Nominal*

Defendant Lincoln National Corporation v. Ellen G. Cooper, Deirdre P Connelly, William H. Cunningham, Reginald Davis, Eric C. [G.] Johnson, Gary C. Kelly, M. Leanne Lachman, Dale LeFebvre, Janet Liang, Lynn M. Utter, Dennis Glass and Randal Freitag (“Individual Defendants”) and *Lincoln National Corporation* (“Nominal Defendant”), No. CV-2025-00146 (Court of Common Pleas of Delaware County, Pennsylvania) filed on January 3, 2025. By the same February 28, 2025, order, the court directed, among other things, that all proceedings and deadlines in this consolidated case be stayed until 30 days after resolution of all motions to dismiss (including the exhaustion of all related appeals) in the *Meade* matter discussed above. Plaintiffs bring this verified stockholder derivative complaint purportedly on behalf of Nominal Defendant Lincoln National Corporation against the Individual Defendants, *inter alia*, for alleged breaches of fiduciary duties for allegedly failing to comply with federal securities laws, by the issuance of allegedly materially false and misleading statements in the Company’s SEC filings and other public statements. Plaintiffs allege claims against the Individual Defendants for breach of fiduciary duties and for unjust enrichment. Plaintiffs allege, *inter alia*, that the Individual 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, the Individual Defendants’ positive statements about the Company’s business, operations and prospects were materially misleading and/or lacked a reasonable basis. Plaintiffs allege that the Company thereby suffered loss, injury and damage. Among other relief, the action seeks specifically, in favor of the Company: damages sustained by the Company; a direction by the court for the Company to take all necessary actions to reform and improve its corporate governance and internal procedures to comply with all applicable laws and to protect the Company and its shareholders; restitution from the Individual Defendants, and each of them, and an order for the disgorgement of all profits, benefits and other compensation obtained by the Individual Defendants; the costs and disbursements of the action, including reasonable attorneys’ fees, accountants’ and experts’ fees, costs and expenses; and such other and further relief as the court deems just and proper. The Individual Defendants are vigorously defending this matter.

Tax Assessment Proceeding

Lincoln National Life Insurance Company v. Township of Radnor, originally pending in the Court of Common Pleas of Delaware County, Pennsylvania Civil Division, No. 2022-001894, started as a de novo appeal filed by LNL on March 21, 2022, regarding a September 30, 2021, Notice of Tax Assessment issued by the Township of Radnor (the “Township”) to LNL for additional business privilege tax for the years 2014-2019/2020 estimate. The assessment was based on an audit undertaken by a third-party auditor and consultant to the Township, following a periodic business review of LNL undertaken by the same individual in 2018. The assessment is comprised of taxes, interest and penalties for the period in question. LNL filed a motion for summary judgment that was denied by the court. The trial of this matter was held in the fourth quarter of 2024. On July 16, 2025, the trial court entered judgment in favor of LNL. On August 15, 2025, the Township filed a notice of appeal in the Commonwealth Court of Pennsylvania.

Reinsurance Disputes

Certain reinsurers have in the past sought, and may in the future seek, rate increases on certain yearly renewable term agreements. We may initiate legal proceedings, as necessary, under these agreements in order to protect our contractual rights. Additionally, reinsurers have in the past initiated, and may in the future initiate, legal proceedings against us.

State Guaranty Fund Assessments

State guaranty associations levy assessments on insurance companies doing business within their jurisdictions to cover policyholder losses from insolvent or impaired insurance companies. Mandatory assessments may be partially recovered through a reduction in future premium taxes in some states. We accrue the cost of future guaranty fund assessments based on estimates of insurance company insolvencies provided by the National Organization of Life & Health Insurance Guaranty Associations and the amount of premiums written in each state.

PHL Variable Insurance Company, a Connecticut-domiciled life insurer, and its subsidiaries Concord Re, Inc. and Palisado Re, Inc., (collectively, “PHL”) has been in a court-supervised rehabilitation proceeding since May 20, 2024. As reported to the Connecticut Superior Court on December 31, 2025, the Connecticut Insurance Commissioner, acting in the capacity of the rehabilitator for PHL, has determined that a rehabilitation plan is not feasible and that any resolution of PHL’s liabilities is expected to require a liquidation order with a finding of insolvency in order to trigger state guaranty association coverage. As of June 30, 2026, we have not recorded a liability specific to PHL because the amount and timing of any assessments are not reasonably estimable.

15. Shares and Stockholders' Equity

Preferred Shares

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

	As of June 30, 2026			As of December 31, 2025		
	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 June 30,			
	2026		2025	
	Dividend Per Share	Aggregate Dividend	Dividend Per Share	Aggregate Dividend
Series C	\$ –	\$ –	\$ –	\$ –
Series D	562.50	11	562.50	11
Total	\$ 562.50	\$ 11	\$ 562.50	\$ 11

Series	For the Six Months Ended June 30,			
	2026		2025	
	Dividend Per Share	Aggregate Dividend	Dividend Per Share	Aggregate Dividend
Series C	\$ 1,156.25	\$ 23	\$ 1,156.25	\$ 23
Series D	1,125.00	23	1,125.00	23
Total	\$ 2,281.25	\$ 46	\$ 2,281.25	\$ 46

Common Shares

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Common Stock				
Balance as of beginning-of-period	191,209,768	170,695,166	190,051,477	170,380,646
Issuance of common stock	–	18,759,497	–	18,759,497
Stock compensation/issued for benefit plans	215,603	116,241	1,373,894	430,761
Balance as of end-of-period	191,425,371	189,570,904	191,425,371	189,570,904

Our common stock is without par value.

Issuance of Common Stock

On June 5, 2025, we closed our purchase agreement (the “Purchase Agreement”) with Bain Capital Prairie, LLC (the “Buyer”), a newly formed subsidiary of Bain Capital, under which we agreed to sell shares representing 9.9% of our outstanding common stock on a post-issuance basis to the Buyer. Under the final terms, we issued 18,759,497 shares of common stock at \$44.00 per share, based on a 25% premium to the 30-day volume-weighted average price as of April 8, 2025, for aggregate consideration of \$825 million.

The Purchase Agreement provides for, among other things, certain limitations on the Buyer’s and certain of its affiliates’ ability to transfer common stock, purchase additional common stock, and take certain other actions with respect to the Company and its common stock, and an agreement that the Buyer and certain of its affiliates will, subject to certain limitations, vote common stock they beneficially own in favor of the matters recommended for approval by the Company’s board of directors (the “Board”). The Purchase Agreement also grants the Buyer the right to designate one observer to be present in a nonvoting capacity at all meetings of the Board and, following the first anniversary of the closing of the transaction, the right to replace such observer with a voting member of the Board, in each case subject to the Buyer’s satisfaction of certain conditions and approval of the Board.

Earnings Per Share

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Net income (loss) available to common stockholders – basic	\$ 1,321	\$ 688	\$ 1,114	\$ (69)
Deferred units of LNC stock in our deferred compensation plans ⁽¹⁾	–	–	(5)	–
Net income (loss) available to common stockholders – diluted	\$ 1,321	\$ 688	\$ 1,109	\$ (69)
Weighted-average shares, as used in basic calculation	192,862,677	177,175,326	192,379,752	174,264,554
Incremental common shares from assumed exercise or issuance of stock-based incentive compensation awards	2,818,598	2,773,060	3,348,918	2,769,320
Average deferred compensation shares ⁽¹⁾	737,319	654,279	731,584	–
Weighted-average shares, as used in diluted calculation ⁽²⁾	196,418,594	180,602,665	196,460,254	177,033,874
Net income (loss) per share:				
Basic	\$ 6.85	\$ 3.88	\$ 5.79	\$ (0.39)
Diluted	6.72	3.80	5.65	(0.39)

⁽¹⁾ 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.

⁽²⁾ Due to reporting a net loss for the six months ended June 30, 2025, 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.

AOCI

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

	As of or For the Six Months Ended June 30,	
	2026	2025
Unrealized Gain (Loss) on Fixed Maturity AFS Securities and Certain Other Investments		
Balance as of beginning-of-year	\$ (4,413)	\$ (6,239)
Unrealized holding gains (losses)	(786)	1,083
Change in foreign currency exchange rate adjustment	(92)	483
Change in future contract benefits and policyholder account balances, net of reinsurance	(155)	(297)
Income tax benefit (expense)	218	(268)
Less:		
Reclassification adjustment for gains (losses) included in net income (loss)	(153)	(117)
Income tax benefit (expense)	32	25
Balance as of end-of-period	<u>\$ (5,107)</u>	<u>\$ (5,146)</u>
Unrealized Gain (Loss) on Derivative Instruments		
Balance as of beginning-of-year	\$ 450	\$ 638
Unrealized holding gains (losses)	(4)	206
Change in foreign currency exchange rate adjustment	87	(474)
Income tax benefit (expense)	(19)	57
Less:		
Reclassification adjustment for gains (losses) included in net income (loss)	36	39
Income tax benefit (expense)	(8)	(8)
Balance as of end-of-period	<u>\$ 486</u>	<u>\$ 396</u>
Market Risk Benefit Non-Performance Risk Gain (Loss)		
Balance as of beginning-of-year	\$ (262)	\$ 146
OCI before reclassification	47	(42)
Income tax benefit (expense)	(9)	10
Balance as of end-of-period	<u>\$ (224)</u>	<u>\$ 114</u>
Policyholder Liability Discount Rate Remeasurement Gain (Loss)		
Balance as of beginning-of-year	\$ 480	\$ 744
OCI before reclassification	127	(222)
Income tax benefit (expense)	(27)	47
Balance as of end-of-period	<u>\$ 580</u>	<u>\$ 569</u>
Foreign Currency Translation Adjustment		
Balance as of beginning-of-year	\$ (18)	\$ (29)
OCI before reclassification	(2)	15
Balance as of end-of-period	<u>\$ (20)</u>	<u>\$ (14)</u>
Funded Status of Employee Benefit Plans		
Balance as of beginning-of-year	\$ (295)	\$ (296)
OCI before reclassification	2	(15)
Balance as of end-of-period	<u>\$ (293)</u>	<u>\$ (311)</u>

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

	For the Six Months Ended June 30,		
	2026	2025	
Unrealized Gain (Loss) on Fixed Maturity AFS Securities and Certain Other Investments			
Reclassification	\$ (204)	\$ (143)	Realized gain (loss)
Associated change in future contract benefits	51	26	Benefits
Reclassification before income tax benefit (expense)	(153)	(117)	Income (loss) before taxes
Income tax benefit (expense)	32	25	Federal income tax expense (benefit)
Reclassification, net of income tax	<u>\$ (121)</u>	<u>\$ (92)</u>	Net income (loss)
Unrealized Gain (Loss) on Derivative Instruments			
Interest rate contracts	\$ —	\$ 1	Net investment income
Interest rate contracts	4	8	Interest and debt expense
Foreign currency contracts	31	27	Net investment income
Foreign currency contracts	1	3	Realized gain (loss)
Reclassification before income tax benefit (expense)	36	39	Income (loss) before taxes
Income tax benefit (expense)	(8)	(8)	Federal income tax expense (benefit)
Reclassification, net of income tax	<u>\$ 28</u>	<u>\$ 31</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 business segments. The accounting policies of the business segments and Other Operations are the same as those described in Note 1 in our 2025 Form 10-K. We also have Other Operations, which includes the financial results for operations that are not directly related to the business segments. Our business segments and Other Operations reflect the manner by which our chief operating decision maker (“CODM”) views and manages the business. Our CODM is the Chief Executive Officer. A discussion of these segments and Other Operations is found in Note 19 in our 2025 Form 10-K.

Income (loss) from operations is the internal measure used by our CODM that explains the results of our ongoing operations in a manner that allows for a better understanding of the underlying trends by excluding items that are not necessarily indicative of current operating fundamentals or future performance, and, in most instances, decisions regarding these adjustments do not necessarily relate to the operations of the individual business segments. Income (loss) from operations is used by our CODM to evaluate financial performance, to assess the budgeting and forecasting process and to determine future resource allocation.

Income (loss) from operations is GAAP net income (loss) excluding the following items, as applicable:

- Items related to annuity product features, which include changes in MRBs, changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits, and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products (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 and certain other investments, the impact of certain derivatives, 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, accounting policy changes and new regulations, including changes in tax law;

- Income (loss) from reserve changes, net of related amortization, on business sold through reinsurance;
- Losses from the impairment of intangible assets and gains (losses) on other non-financial assets;
- Income (loss) from discontinued operations;
- Other items, which include the following: certain legal and regulatory accruals; severance expense related to initiatives that realign the workforce; transaction, integration and other costs related to mergers and acquisitions including the acquisition or divestiture, through reinsurance or other means, of businesses or blocks of business, and certain other corporate initiatives; mark-to-market adjustment related to the LNC stock component of our deferred compensation plans (“deferred compensation mark-to-market adjustment”); gains (losses) on modification or early extinguishment of debt; and impacts from settlement or curtailment of defined benefit obligations; and
- Income tax benefit (expense) related to the above pre-tax items, including the effect of tax adjustments such as changes to deferred tax valuation allowances.

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

We do not report total assets by segment because this is not a metric used by the CODM to allocate resources or evaluate segment performance.

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

	For the Three Months Ended June 30, 2026					
	Annuities	Life Insurance	Group Protection	Retirement Plan Services	Other Operations	Total
Operating Revenues ⁽¹⁾	\$ 1,341	\$ 1,572	\$ 1,576	\$ 353	\$ 84	\$ 4,926
Operating Expenses ⁽²⁾						
Benefits and policyholder liability						
remeasurement	47	894	971	—	9	1,921
Interest credited	513	293	1	169	48	1,024
Commissions	329	112	133	30	1	605
General and administrative expenses	135	134	238	91	60	658
Interest and debt expense	—	—	—	—	82	82
Other ⁽³⁾	(22)	75	47	6	2	108
Total operating expenses	1,002	1,508	1,390	296	202	4,398
Total federal income tax expense (benefit)	52	7	39	8	(28)	78
Total income (loss) from operations	287	57	147	49	(90)	450
Reconciliation of total income (loss) from operations to net income (loss):						
Net annuity product features, pre-tax ⁽⁴⁾						1,497
Net life insurance product features, pre-tax						(50)
Credit loss-related adjustments, pre-tax						(37)
Investment gains (losses), pre-tax						(197)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, pre-tax ⁽⁵⁾						(85)
Other items, pre-tax ⁽⁶⁾⁽⁷⁾						(12)
Income tax benefit (expense) related to the above pre-tax items						(234)
Total net income (loss)						\$ 1,332

⁽¹⁾ See table below for reconciliation of total operating revenues to the GAAP measure presented in the Consolidated Statements of Comprehensive Income (Loss).

⁽²⁾ The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. Inter-segment expenses are included within the amounts shown.

⁽³⁾ Other operating expenses include: Annuities: DAC and VOBA capitalization and amortization; taxes, licenses and fees; expenses associated with reserve financing and LOCs; and amortization of deferred loss on business sold through reinsurance. Life Insurance: DAC and VOBA capitalization and amortization; taxes, licenses and fees; amortization of deferred loss on business sold through reinsurance; expenses associated with reserve financing and LOCs; and other intangible amortization. Group Protection: taxes, licenses and fees; DAC capitalization and amortization; other intangible amortization; and expenses associated with LOCs. Retirement Plan Services: DAC capitalization and amortization; taxes, licenses and fees; and expenses associated with LOCs. Other Operations: DAC capitalization and amortization; expenses incurred by Other Operations for its access to a financing facility and issuance of LOCs net 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; and taxes, licenses and fees.

⁽⁴⁾ Includes changes in MRBs of \$1,450 million; changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits of \$(115) million; and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products of \$162 million.

⁽⁵⁾ 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.

⁽⁶⁾ Includes severance expense related to initiatives to realign the workforce of \$(11) million.

⁽⁷⁾ Includes deferred compensation mark-to-market adjustment of \$(1) million.

For the Three Months Ended June 30, 2025						
	Retirement					
	Annuities	Life Insurance	Group Protection	Plan Services	Other Operations	Total
Operating Revenues ⁽¹⁾	\$ 1,214	\$ 1,602	\$ 1,538	\$ 331	\$ 41	\$ 4,726
Operating Expenses ⁽²⁾						
Benefits and policyholder liability						
remeasurement	32	956	913	—	7	1,908
Interest credited	439	289	1	174	13	916
Commissions	292	111	139	28	—	570
General and administrative expenses	126	133	227	83	57	626
Interest and debt expense	—	—	—	—	81	81
Other ⁽³⁾	(13)	79	39	4	(1)	108
Total operating expenses	876	1,568	1,319	289	157	4,209
Total federal income tax expense (benefit)	51	2	46	5	(25)	79
Total income (loss) from operations	287	32	173	37	(91)	438
Reconciliation of total income (loss) from operations to net income (loss):						
Net annuity product features, pre-tax ⁽⁴⁾						405
Net life insurance product features, pre-tax						(58)
Credit loss-related adjustments, pre-tax						(25)
Investment gains (losses), pre-tax						(81)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, pre-tax ⁽⁵⁾						14
Other items, pre-tax ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾						75
Income tax benefit (expense) related to the above pre-tax items						(69)
Total net income (loss)						\$ 699

⁽¹⁾ See table below for reconciliation of total operating revenues to the GAAP measure presented in the Consolidated Statements of Comprehensive Income (Loss).

⁽²⁾ The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. Inter-segment expenses are included within the amounts shown.

⁽³⁾ Other operating expenses include: Annuities: DAC and VOBA capitalization and amortization; taxes, licenses and fees; expenses associated with reserve financing and LOCs; and amortization of deferred loss on business sold through reinsurance. Life Insurance: DAC and VOBA capitalization and amortization; taxes, licenses and fees; expenses associated with reserve financing and LOCs; amortization of deferred loss on business sold through reinsurance; and other intangible amortization. Group Protection: DAC capitalization and amortization; taxes, licenses and fees; other intangible amortization; and expenses associated with LOCs. Retirement Plan Services: DAC capitalization and amortization; taxes, licenses and fees; and expenses associated with LOCs. Other Operations: taxes, licenses and fees; DAC capitalization and amortization; and 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 LOCs.

⁽⁴⁾ Includes changes in MRBs of \$932 million; changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits of \$(605) million; and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products of \$78 million.

⁽⁵⁾ 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.

⁽⁶⁾ Includes severance expense related to initiatives to realign the workforce of \$(2) million.

⁽⁷⁾ Includes transaction, integration and other costs related to mergers, acquisitions, divestitures and certain other corporate initiatives of \$(18) million primarily related to the Bain Capital transaction.

⁽⁸⁾ Includes deferred compensation mark-to-market adjustment of \$1 million.

⁽⁹⁾ Includes gain on early extinguishment of debt of \$94 million.

For the Six Months Ended June 30, 2026						
	Retirement					
	Annuities	Life Insurance	Group Protection	Plan Services	Other Operations	Total
Operating Revenues ⁽¹⁾	\$ 2,624	\$ 3,200	\$ 3,129	\$ 699	\$ 142	\$ 9,794
Operating Expenses ⁽²⁾						
Benefits and policyholder liability remeasurement	71	1,869	1,965	—	17	3,922
Interest credited	1,008	585	1	339	90	2,023
Commissions	668	224	268	59	2	1,221
General and administrative expenses	268	263	468	181	122	1,302
Interest and debt expense	—	—	—	—	164	164
Other ⁽³⁾	(64)	153	99	12	7	207
Total operating expenses	1,951	3,094	2,801	591	402	8,839
Total federal income tax expense (benefit)	111	8	69	16	(59)	145
Total income (loss) from operations	562	98	259	92	(201)	810
Reconciliation of total income (loss) from operations to net income (loss):						
Net annuity product features, pre-tax ⁽⁴⁾						802
Net life insurance product features, pre-tax						(28)
Credit loss-related adjustments, pre-tax						(57)
Investment gains (losses), pre-tax						(239)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, pre-tax ⁽⁵⁾						94
Gains (losses) on other non-financial assets, pre-tax						(6)
Other items, pre-tax ⁽⁶⁾⁽⁷⁾⁽⁸⁾						(123)
Income tax benefit (expense) related to the above pre-tax items						(93)
Total net income (loss)						\$ 1,160

⁽¹⁾ See table below for reconciliation of total operating revenues to the GAAP measure presented in the Consolidated Statements of Comprehensive Income (Loss).

⁽²⁾ The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. Inter-segment expenses are included within the amounts shown.

⁽³⁾ Other operating expenses include: Annuities: DAC and VOBA capitalization and amortization; taxes, licenses and fees; expenses associated with reserve financing and LOCs; and amortization of deferred loss on business sold through reinsurance. Life Insurance: DAC and VOBA capitalization and amortization; taxes, licenses and fees; amortization of deferred loss on business sold through reinsurance; expenses associated with reserve financing and LOCs; and other intangible amortization. Group Protection: taxes, licenses and fees; DAC capitalization and amortization; other intangible amortization; and expenses associated with LOCs. Retirement Plan Services: taxes, licenses and fees; DAC capitalization and amortization; and expenses associated with LOCs. Other Operations: taxes, licenses and fees; expenses incurred by Other Operations for its access to a financing facility and issuance of LOCs net 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; and DAC capitalization and amortization.

⁽⁴⁾ Includes changes in MRBs of \$453 million; changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits of \$62 million; and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products of \$287 million.

⁽⁵⁾ 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.

⁽⁶⁾ Includes certain legal accruals of \$(122) million.

⁽⁷⁾ Includes severance expense related to initiatives to realign the workforce of \$(18) million.

⁽⁸⁾ Includes deferred compensation mark-to-market adjustment of \$17 million.

For the Six Months Ended June 30, 2025						
	Retirement					
	Annuities	Life Insurance	Group Protection	Plan Services	Other Operations	Total
Operating Revenues ⁽¹⁾	\$ 2,412	\$ 3,188	\$ 3,059	\$ 658	\$ 94	\$ 9,411
Operating Expenses ⁽²⁾						
Benefits and policyholder liability remeasurement	60	1,958	1,908	—	11	3,937
Interest credited	858	576	—	344	27	1,805
Commissions	590	210	272	55	—	1,127
General and administrative expenses	251	263	449	168	125	1,256
Interest and debt expense	—	—	—	—	161	161
Other ⁽³⁾	(25)	179	83	11	(2)	246
Total operating expenses	1,734	3,186	2,712	578	322	8,532
Total federal income tax expense (benefit)	101	(14)	73	9	(42)	127
Total income (loss) from operations	577	16	274	71	(186)	752
Reconciliation of total income (loss) from operations to net income (loss):						
Net annuity product features, pre-tax ⁽⁴⁾						(687)
Net life insurance product features, pre-tax						(15)
Credit loss-related adjustments, pre-tax						(53)
Investment gains (losses), pre-tax						(183)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, pre-tax ⁽⁵⁾						(76)
Other items, pre-tax ⁽⁶⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾						40
Income tax benefit (expense) related to the above pre-tax items						199
Total net income (loss)						\$ (23)

⁽¹⁾ See table below for reconciliation of total operating revenues to the GAAP measure presented in the Consolidated Statements of Comprehensive Income (Loss).

⁽²⁾ The significant expense categories and amounts align with the segment-level information that is regularly provided to the CODM. Inter-segment expenses are included within the amounts shown.

⁽³⁾ Other operating expenses include: Annuities: DAC and VOBA capitalization and amortization; taxes, licenses and fees; expenses associated with reserve financing and LOCs; and amortization of deferred loss on business sold through reinsurance. Life Insurance: DAC and VOBA capitalization and amortization; taxes, licenses and fees; expenses associated with reserve financing and LOCs; amortization of deferred loss on business sold through reinsurance; and other intangible amortization. Group Protection: taxes, licenses and fees; DAC capitalization and amortization; other intangible amortization; and expenses associated with LOCs. Retirement Plan Services: taxes, licenses and fees; DAC capitalization and amortization; and expenses associated with LOCs. Other Operations: taxes, licenses and fees; DAC capitalization and amortization; and 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 LOCs.

⁽⁴⁾ Includes changes in MRBs of \$(370) million; changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits of \$(337) million; and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products of \$20 million.

⁽⁵⁾ 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.

⁽⁶⁾ Includes severance expense related to initiatives to realign the workforce of \$(8) million.

⁽⁷⁾ Includes transaction, integration and other costs related to mergers, acquisitions, divestitures and certain other corporate initiatives consisting of \$(20) million related to the sale of our wealth management business and \$(18) million primarily related to the Bain Capital transaction.

⁽⁸⁾ Includes deferred compensation mark-to-market adjustment of \$(8) million.

⁽⁹⁾ Includes gain on early extinguishment of debt of \$94 million.

The tables below reconcile our total operating revenues to the GAAP measure presented in the Consolidated Statements of Comprehensive Income (Loss) (in millions):

For the Three Months Ended June 30, 2026						
	Retirement					
	Annuities	Life Insurance	Group Protection	Plan Services	Other Operations	Total
Operating revenues	\$ 1,341	\$ 1,572	\$ 1,576	\$ 353	\$ 84	\$ 4,926
Revenue adjustments from annuity and life insurance product features	46	(111)	—	—	—	(65)
Credit loss-related adjustments	(17)	1	(2)	(1)	(18)	(37)
Investment gains (losses)	12	(172)	—	1	(38)	(197)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans	1	(85)	—	—	(1)	(85)
Total revenues	\$ 1,383	\$ 1,205	\$ 1,574	\$ 353	\$ 27	\$ 4,542

For the Three Months Ended June 30, 2025						
	Retirement					
	Annuities	Life Insurance	Group Protection	Plan Services	Other Operations	Total
Operating revenues	\$ 1,214	\$ 1,602	\$ 1,538	\$ 331	\$ 41	\$ 4,726
Revenue adjustments from annuity and life insurance product features	(526)	(64)	—	—	—	(590)
Credit loss-related adjustments	(2)	(2)	—	(7)	(14)	(25)
Investment gains (losses)	(2)	(25)	—	(3)	(51)	(81)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans	—	13	—	—	1	14
Total revenues	\$ 684	\$ 1,524	\$ 1,538	\$ 321	\$ (23)	\$ 4,044

For the Six Months Ended June 30, 2026						
	Retirement					
	Annuities	Life Insurance	Group Protection	Plan Services	Other Operations	Total
Operating revenues	\$ 2,624	\$ 3,200	\$ 3,129	\$ 699	\$ 142	\$ 9,794
Revenue adjustments from annuity and life insurance product features	348	(86)	—	—	—	262
Credit loss-related adjustments	(21)	—	(1)	(3)	(32)	(57)
Investment gains (losses)	7	(223)	—	1	(24)	(239)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans	(1)	100	—	—	(5)	94
Gains (losses) on other non-financial assets	—	—	—	—	(6)	(6)
Total revenues	\$ 2,957	\$ 2,991	\$ 3,128	\$ 697	\$ 75	\$ 9,848

For the Six Months Ended June 30, 2025

	Retirement					
	Annuities	Life Insurance	Group Protection	Plan Services	Other Operations	Total
Operating revenues	\$ 2,412	\$ 3,188	\$ 3,059	\$ 658	\$ 94	\$ 9,411
Revenue adjustments from annuity and life insurance product features	(317)	(47)	—	—	—	(364)
Credit loss-related adjustments	(19)	(1)	(2)	(9)	(22)	(53)
Investment gains (losses)	(8)	(133)	1	(6)	(37)	(183)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans	10	(76)	—	—	(10)	(76)
Total revenues	<u>\$ 2,078</u>	<u>\$ 2,931</u>	<u>\$ 3,058</u>	<u>\$ 643</u>	<u>\$ 25</u>	<u>\$ 8,735</u>

Other business segment and Other Operations information (in millions) was as follows:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Net Investment Income				
Annuities	\$ 556	\$ 464	\$ 1,094	\$ 916
Life Insurance	648	636	1,307	1,263
Group Protection	98	94	194	183
Retirement Plan Services	260	252	520	503
Other Operations	63	25	115	69
Total net investment income	<u>\$ 1,625</u>	<u>\$ 1,471</u>	<u>\$ 3,230</u>	<u>\$ 2,934</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:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Fixed maturity AFS securities:				
Gross gains	\$ 3	\$ 2	\$ 5	\$ 6
Gross losses	(192)	(26)	(209)	(149)
Credit loss benefit (expense) ⁽¹⁾	(32)	(19)	(57)	(47)
Realized gain (loss) on equity securities ⁽²⁾	5	4	7	(1)
Credit loss benefit (expense) on mortgage loans on real estate ⁽¹⁾	(6)	(8)	(4)	(10)
Credit loss benefit (expense) on reinsurance-related assets ⁽³⁾	1	3	4	5
Realized gain (loss) on the mark-to-market on certain instruments ⁽⁴⁾⁽⁵⁾	(241)	(98)	(15)	(153)
Indexed product derivative results ⁽⁶⁾	156	67	252	(2)
Derivative results ⁽⁷⁾	(107)	(571)	71	(284)
Realized gain (loss) on other non-financial assets	—	—	(6)	—
Other realized gain (loss)	7	5	12	4
Total realized gain (loss)	<u>\$ (406)</u>	<u>\$ (641)</u>	<u>\$ 60</u>	<u>\$ (631)</u>

- ⁽¹⁾ Includes changes in the allowance for credit losses as well as direct write-downs to amortized cost as a result of negative credit events.
- ⁽²⁾ Includes mark-to-market adjustments on equity securities still held of \$12 million and \$4 million for the three months ended June 30, 2026 and 2025, and \$12 million and \$7 million for the six months ended June 30, 2026 and 2025, respectively.
- ⁽³⁾ Includes changes in the allowance for credit losses pertaining to reinsurance recoverables and deposit assets.
- ⁽⁴⁾ Represents changes in the fair values of derivatives we hold as part of VUL hedging, reinsurance-related embedded derivatives and trading securities.
- ⁽⁵⁾ Includes gains and losses from fair value changes on mortgage loans on real estate accounted for under the fair value option of \$(2) million and \$(1) million for the three months ended June 30, 2026 and 2025, and \$(1) million and \$(2) million for the six months ended June 30, 2026 and 2025, respectively.
- ⁽⁶⁾ 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.
- ⁽⁷⁾ 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 19% and 17% for the three and six months ended June 30, 2026, respectively, compared to 18% and 77%, respectively, for the corresponding periods in 2025. 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 and six months ended June 30, 2026, 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 June 30, 2025, the effective tax rate differed from the prevailing corporate federal income tax rate due primarily to the effects of preferential tax items.

For the six months ended June 30, 2025, the effective tax rate differed from the prevailing corporate federal income tax rate due primarily to a tax benefit of 21% from pre-tax losses in addition to the effects of preferential tax items.

19. Subsequent Event

On July 30, 2026, we entered into an agreement with Talcott Financial Group (“Talcott”) under which we will cede approximately \$5.8 billion of in-force guaranteed universal life statutory reserves to a Talcott subsidiary. In connection with the transaction, we will also reinsure approximately \$500 million of funding agreement business with a subsidiary of Talcott.

The transaction is structured partly as coinsurance with funds withheld and partly as modified coinsurance between us and Talcott, with counterparty protections including over-collateralization and agreed-upon investment guidelines designed to align with our risk management framework. Under the terms of the agreement, we will retain account administration and recordkeeping of the policies including claims management.

This transaction is subject to customary closing conditions, including regulatory approvals, and is expected to close during the fourth quarter of 2026 with an effective date as of October 1, 2026.

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

	Page
Forward-Looking Statements – Cautionary Language	77
Introduction	78
Executive Summary	78
Summary of Critical Accounting Estimates	79
Results of Consolidated Operations	85
Results of Annuities	87
Results of Life Insurance	92
Results of Group Protection	97
Results of Retirement Plan Services	101
Results of Other Operations	104
Consolidated Investments	107
Liquidity and Capital Resources	123

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand the financial condition as of June 30, 2026, compared with December 31, 2025, and the results of operations for the three and six months ended June 30, 2026, compared with the corresponding periods in 2025 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 presented in "Part I – Item 1. Financial Statements" and our Annual Report on Form 10-K for the year ended December 31, 2025 ("2025 Form 10-K"). 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 2025 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 affiliate reinsurance arrangements;
- Changes in tax law or the interpretation of or application of existing tax laws that could impact our tax costs and the products that we sell;
- The impact of regulations adopted by the Securities and Exchange Commission ("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 existing and emerging rules and regulations relating to privacy, cybersecurity and artificial intelligence ("AI") that may lead to increased compliance costs, reputation risk and/or changes in business practices, and challenges with properly managing the use of AI that could result in reputational harm, competitive harm and legal liability;
- Continued scrutiny and evolving expectations and regulations regarding environmental, social and governance 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;
- Increasing or sustained higher 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 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 benefits, including riders on certain of our annuity products and secondary guarantees on certain variable universal life insurance 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 and 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 or failure of the telecommunication, information technology or other operational systems of the Company or the third parties on whom we rely or failure to safeguard the confidentiality or privacy of sensitive data on such systems, including from cyberattacks or other breaches in security of such 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 and adversely affect our businesses and 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 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 "Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in our 2025 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 products and solutions through our four business segments:

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

We also have Other Operations, which includes the financial results for operations that are not directly related to the business segments. See "Part I – Item 1. Business" in our 2025 Form 10-K for a discussion of our business segments and products.

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

current operating fundamentals or future performance of the business segments, and, in most instances, decisions regarding these items do not necessarily relate to the operations of the individual segments.

We provide information about our business 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 2025 Form 10-K.

On July 30, 2026, we entered into a reinsurance transaction with Talcott Financial Group designed to advance our strategy to shift our liability mix and grow sustainable free cash flow. For more information, see Note 19.

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 2025 Form 10-K.

Summary of Critical Accounting Estimates

The MD&A included in our 2025 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 2025 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 June 30, 2026:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Priced by third-party pricing services	\$ 953	\$ 81,413	\$ 84	\$ 82,450
Priced by independent broker quotations	–	–	8,385	8,385
Priced by matrices	–	17,300	–	17,300
Priced by other methods ⁽¹⁾	–	–	522	522
Total	\$ 953	\$ 98,713	\$ 8,991	\$ 108,657
Percent of total	1%	91%	8%	100%

⁽¹⁾ 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 2025 Form 10-K and Note 13 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 2025 Form 10-K and Note 5 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 2025 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 disability and life waiver claims associated with our Group Protection segment. These reserves use actuarial assumptions primarily based on claim termination rates, mortality rates, offsets for other insurance including social security, morbidity, 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.

Additional Liabilities for Other Insurance Benefits

We previously issued UL-type contracts where we provided 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 by estimating 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 (“benefit ratio”). 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

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 Sheets.

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 June 30, 2026 and December 31, 2025, 2% and 4%, 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 June 30, 2026 and December 31, 2025, 13% and 14%, 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, primarily related to our Annuities segment, (in millions) were as follows:

	As of June 30, 2026	As of December 31, 2025
GLB NAR	\$ 1,548	\$ 1,505
GDB NAR	448	455
Total NAR	1,967	1,927

The change in the fair value of MRB assets and liabilities is reported in market risk benefit gain (loss) on 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”). The 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) on 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 13.

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

Assumption / Input	Actual Experience	Hypothetical Effect to MRB Liability	Hypothetical Effect to Net Income	Description of Assumption / Input
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 different 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 June 30, 2026, 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	\$ (825)	\$ 625
Interest Rates	-25 bps	+25 bps
Hypothetical effect to net income	\$ (375)	\$ 325

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 June 30, 2026, 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 universal life insurance (“UL”), *MoneyGuard*[®], variable universal life insurance (“VUL”), indexed universal life insurance (“IUL”), and investment-type annuity products (including registered index-linked annuities (“RILA”), individual and group fixed and fixed portion of variable annuities, fixed indexed deferred annuities and non-life contingent payout fixed annuities) 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 fixed indexed annuity and IUL 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[®] 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*[™] 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 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 7 in our 2025 Form 10-K.

Annual Assumption Review

During the third quarter of each year, we conduct our comprehensive review of the assumptions and projection models used in estimating MRBs, our reserves and embedded derivatives. For more information on our comprehensive review, see Note 1 in our 2025 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 United States of America generally accepted accounting principles 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 June 30, 2026, we had an approximate \$1.8 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 strategies, including holding these securities to recovery, were 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 2025 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” and Note 22 in our 2025 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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Net Income (Loss)				
Income (loss) from operations:				
Annuities	\$ 287	\$ 287	\$ 562	\$ 577
Life Insurance	57	32	98	16
Group Protection	147	173	259	274
Retirement Plan Services	49	37	92	71
Other Operations	(90)	(91)	(201)	(186)
Net annuity product features, pre-tax ⁽¹⁾	1,497	405	802	(687)
Net life insurance product features, pre-tax	(50)	(58)	(28)	(15)
Credit loss-related adjustments, pre-tax	(37)	(25)	(57)	(53)
Investment gains (losses), pre-tax	(197)	(81)	(239)	(183)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, pre-tax ⁽²⁾	(85)	14	94	(76)
Gains (losses) on other non-financial assets, pre-tax	—	—	(6)	—
Other items, pre-tax ⁽³⁾⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾	(12)	75	(123)	40
Income tax benefit (expense) related to the above pre-tax items	(234)	(69)	(93)	199
Net income (loss)	<u>\$ 1,332</u>	<u>\$ 699</u>	<u>\$ 1,160</u>	<u>\$ (23)</u>

- ⁽¹⁾ For the three months ended June 30, 2026 and 2025, includes changes in MRBs of \$1,450 million and \$932 million, respectively; changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits of \$(115) million and \$(605) million, respectively; and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products of \$162 million and \$78 million, respectively. For the six months ended June 30, 2026 and 2025, includes changes in MRBs of \$453 million and \$(370) million, respectively; changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits of \$62 million and \$(337) million, respectively; and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products of \$287 million and \$20 million, respectively.
- ⁽²⁾ Includes primarily changes in the fair value of the embedded derivative related to the fourth quarter 2023 reinsurance transaction. 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.
- ⁽³⁾ Includes certain legal accruals of \$(122) million for the six months ended June 30, 2026.
- ⁽⁴⁾ Includes severance expense related to initiatives to realign the workforce of \$(11) million and \$(2) million for the three months ended June 30, 2026 and 2025, respectively, and \$(18) million and \$(8) million for the six months ended June 30, 2026 and 2025, respectively.
- ⁽⁵⁾ Includes transaction, integration and other costs related to mergers, acquisitions, divestitures and certain other corporate initiatives of \$(18) million primarily related to the Bain Capital transaction for the three months ended June 30, 2025, and \$(20) million related to the sale of our wealth management business and \$(18) million primarily related to the Bain Capital transaction for the six months ended June 30, 2025.
- ⁽⁶⁾ Includes deferred compensation mark-to-market adjustment of \$(1) million and \$1 million for the three months ended June 30, 2026 and 2025, respectively, and \$17 million and \$(8) million for the six months ended June 30, 2026 and 2025, respectively.
- ⁽⁷⁾ Includes gain on early extinguishment of debt of \$94 million for the three and six months ended June 30, 2025.

Comparison of the Three Months Ended June 30, 2026 to 2025

Net income increased due primarily to the following:

- Higher gain in net annuity product features driven by the impact of capital markets.
- Improvement in our Life Insurance segment's income from operations.

The increase in net income was partially offset by the following:

- Higher investment losses driven by higher losses on certain investments associated with the fourth quarter 2023 reinsurance transaction.
- Unfavorable changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans in 2026 compared to favorable changes in 2025 driven by the fair value of the embedded derivative related to the fourth quarter 2023 reinsurance transaction.
- The impact of other items driven by a gain on extinguishment of debt in the second quarter of 2025.

Comparison of the Six Months Ended June 30, 2026 to 2025

Net income increased due primarily to the following:

- Gain in net annuity product features in 2026 compared to loss in 2025 driven by the impact of capital markets.
- Favorable changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans in 2026 compared to unfavorable changes in 2025 driven by the fair value of the embedded derivative related to the fourth quarter 2023 reinsurance transaction.
- Improvement in our Life Insurance segment's income from operations.

The increase in net income was partially offset by the following:

- The impact of other items driven by certain legal accruals in 2026 and a gain on extinguishment of debt in 2025.
- Higher investment losses driven by higher losses on certain investments associated with the fourth quarter 2023 reinsurance transaction.

Additional Information

For information on the fourth quarter 2023 reinsurance transaction, see Note 7.

RESULTS OF ANNUITIES

Income (Loss) from Operations

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Operating Revenues				
Insurance premiums ⁽¹⁾	\$ 36	\$ 28	\$ 54	\$ 50
Fee income	623	575	1,231	1,166
Net investment income	547	487	1,072	953
Other revenues ⁽²⁾	135	124	267	243
Total operating revenues	1,341	1,214	2,624	2,412
Operating Expenses				
Benefits and policyholder liability remeasurement ⁽¹⁾	47	32	71	60
Interest credited	513	439	1,008	858
Commissions and other expenses	442	405	872	816
Total operating expenses	1,002	876	1,951	1,734
Income (loss) from operations before taxes	339	338	673	678
Federal income tax expense (benefit)	52	51	111	101
Income (loss) from operations	\$ 287	\$ 287	\$ 562	\$ 577

⁽¹⁾ Insurance premiums include primarily our income annuities that have a corresponding offset in benefits and policyholder liability remeasurement. Benefits and policyholder liability remeasurement include primarily changes in income annuity reserves driven by insurance premiums.

⁽²⁾ Consists primarily of revenues attributable to interest income on deposit reinsurance assets 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 June 30, 2026 to 2025

Income from operations for this segment remained flat due primarily to higher fee income driven by higher average daily separate account balances, offset by the following:

- Higher commissions and other expenses driven by higher deferred acquisition costs (“DAC”) amortization, higher trail commissions resulting from higher average account balances and higher other costs pertaining to business operations.
- Lower net investment income, net of interest credited, in certain reinsured portfolios and lower investment income due to an allocation refinement, which more than offset impacts from higher average general account balances and improving portfolio yields from the current interest rate environment. The lower net investment income, net of interest credited, in certain reinsured portfolios had a corresponding increase in other revenues.

Comparison of the Six Months Ended June 30, 2026 to 2025

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

- Higher commissions and other expenses driven by higher DAC amortization, higher trail commissions resulting from higher average account balances and higher other costs pertaining to business operations.
- Lower net investment income, net of interest credited, in certain reinsured portfolios and lower investment income due to an allocation refinement, which more than offset impacts from higher average general account balances and improving portfolio yields from the current interest rate environment. The lower net investment income, net of interest credited, in certain reinsured portfolios had a corresponding increase in other revenues.
- Higher federal income tax expense due to an unfavorable tax credit true-up.

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

Additional Information

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 12% for the three and six months ended June 30, 2026, and 11% for the corresponding periods in 2025.

Our fixed annuities and RILA 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 and sustained higher 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 surrenders” and “Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk” in our 2025 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 2025 Form 10-K.

Fee Income

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Fee Income				
Mortality, expense and other assessments ⁽¹⁾	\$ 608	\$ 561	\$ 1,201	\$ 1,136
Surrender charges	12	12	25	26
DFEL:				
Deferrals	(3)	(4)	(7)	(8)
Amortization	6	6	12	12
Total fee income	<u>\$ 623</u>	<u>\$ 575</u>	<u>\$ 1,231</u>	<u>\$ 1,166</u>

⁽¹⁾ 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 separate account balances. Average daily separate 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:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Net Investment Income				
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	\$ 518	\$ 449	\$ 1,014	\$ 881
Commercial mortgage loan prepayment and bond make-whole premiums ⁽¹⁾	2	1	3	1
Surplus investments ⁽²⁾	27	37	55	71
Total net investment income	<u>\$ 547</u>	<u>\$ 487</u>	<u>\$ 1,072</u>	<u>\$ 953</u>
Interest Credited				
Amount provided to policyholders	\$ 510	\$ 436	\$ 1,002	\$ 852
Interest credited before DSI amortization	510	436	1,002	852
DSI amortization	3	3	6	6
Total interest credited	<u>\$ 513</u>	<u>\$ 439</u>	<u>\$ 1,008</u>	<u>\$ 858</u>

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

⁽²⁾ 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 annuities, the fixed portion of our variable annuities and our RILA contracts. We expect to earn a spread between what we earn on the underlying general account investments supporting the fixed annuities, fixed portion of the variable annuities and RILA contracts and what we credit to our policyholders’ accounts. 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:

	As of or For the Three Months Ended June 30,		As of or For the Six Months Ended June 30,	
	2026	2025	2026	2025
Separate Account Balance Information ⁽¹⁾				
Separate account deposits	\$ 1,228	\$ 1,273	\$ 2,583	\$ 2,831
Separate account net flows	(3,554)	(2,494)	(6,801)	(4,851)
Separate account balances	126,196	120,045	126,196	120,045
Average daily separate account balances	124,045	114,095	123,236	116,183
Average daily S&P 500 [®] Index ⁽²⁾	7,271	5,728	7,047	5,813
General Account Balance Information				
General account deposits	\$ 2,292	\$ 2,751	\$ 4,878	\$ 4,992
General account net flows	637	1,332	1,687	2,015
General account balances ⁽³⁾	56,094	47,748	56,094	47,748
Average general account balances ⁽³⁾	54,767	45,711	54,004	45,694

⁽¹⁾ Excludes the fixed portion of variable annuities and RILA indexed account balances.

⁽²⁾ We generally use the S&P 500 Index as a benchmark for the performance of our separate 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.

⁽³⁾ 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:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Commissions and Other Expenses				
Commissions:				
Deferrable	\$ 148	\$ 127	\$ 311	\$ 255
Non-deferrable	181	165	357	335
General and administrative expenses	135	126	268	251
Expenses associated with reserve financing and LOC expenses	6	8	11	14
Taxes, licenses and fees	8	8	20	21
Total expenses incurred	478	434	967	876
DAC deferrals	(168)	(144)	(354)	(291)
Total expenses incurred, excluding amortization	310	290	613	585
DAC, VOBA and other amortization	132	115	259	231
Total commissions and other expenses	<u>\$ 442</u>	<u>\$ 405</u>	<u>\$ 872</u>	<u>\$ 816</u>

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.

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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Operating Revenues				
Insurance premiums ⁽¹⁾	\$ 258	\$ 267	\$ 515	\$ 550
Fee income	683	688	1,359	1,386
Net investment income	573	606	1,220	1,180
Operating realized gain (loss)	—	(1)	—	(3)
Other revenues ⁽²⁾	58	42	106	75
Total operating revenues	1,572	1,602	3,200	3,188
Operating Expenses				
Benefits and policyholder liability remeasurement	894	956	1,869	1,958
Interest credited	293	289	585	576
Commissions and other expenses	321	323	640	652
Total operating expenses	1,508	1,568	3,094	3,186
Income (loss) from operations before taxes	64	34	106	2
Federal income tax expense (benefit)	7	2	8	(14)
Income (loss) from operations	\$ 57	\$ 32	\$ 98	\$ 16

⁽¹⁾ Includes term insurance premiums, which have a corresponding partial offset in benefits and policyholder liability remeasurement for changes in reserves. The decrease in insurance premiums for the six months ended June 30, 2026, was driven by the expiration of a 10-year assumed reinsurance treaty on March 31, 2025, which has a corresponding offset in benefits and policyholder liability remeasurement.

⁽²⁾ Consists primarily of revenues attributable to interest income on deposit reinsurance assets 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 June 30, 2026 to 2025

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

- Lower benefits and policyholder liability remeasurement driven by a decrease in change in reserves for UL-type contracts with secondary guarantees and more favorable mortality due to lower claims incidence and claims severity, partially offset by aging of the block.
- Lower commissions and other expenses driven by a reduction in expenses associated with reserve financing due to restructuring certain captive reinsurance subsidiaries in the fourth quarter of 2025.

The increase in income from operations for this segment was partially offset by the following:

- Lower net investment income, net of interest credited, driven by lower investment income on alternative investments, partially offset by growth in investments.
- Lower fee income on UL-type contracts with secondary guarantees, partially offset by higher deferred front-end loads (“DFEL”) amortization.

Comparison of the Six Months Ended June 30, 2026 to 2025

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

- Lower benefits and policyholder liability remeasurement driven by a decrease in change in reserves for UL-type contracts with secondary guarantees and more favorable mortality due to lower claims severity, partially offset by aging of the block.
- Higher net investment income, net of interest credited, driven by growth in investments.
- Lower commissions and other expenses driven by a reduction in expenses associated with reserve financing due to restructuring certain captive reinsurance subsidiaries in the fourth quarter of 2025.

The increase in income from operations for this segment was partially offset by lower fee income on UL-type contracts with secondary guarantees, partially offset by higher DFEL amortization.

Additional Information

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 and sustained higher 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 surrenders” and “Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk” in our 2025 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 2025 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:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Fee Income				
Cost of insurance assessments	\$ 511	\$ 537	\$ 1,023	\$ 1,084
Expense assessments	379	353	758	695
Surrender charges	11	11	19	21
DFEL:				
Deferrals	(312)	(294)	(626)	(573)
Amortization	94	81	185	159
Total fee income	<u>\$ 683</u>	<u>\$ 688</u>	<u>\$ 1,359</u>	<u>\$ 1,386</u>

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Sales by Product				
IUL/UL	\$ 23	\$ 28	\$ 52	\$ 52
MoneyGuard®	32	29	61	58
VUL	35	15	57	30
Term	13	15	29	28
Executive Benefits	113	34	146	50
Total sales	<u>\$ 216</u>	<u>\$ 121</u>	<u>\$ 345</u>	<u>\$ 218</u>
Net Flows				
Deposits	\$ 1,673	\$ 1,281	\$ 2,927	\$ 2,500
Withdrawals and deaths	(540)	(648)	(1,159)	(1,298)
Net flows	<u>\$ 1,133</u>	<u>\$ 633</u>	<u>\$ 1,768</u>	<u>\$ 1,202</u>
Policyholder Assessments				
	<u>\$ 1,331</u>	<u>\$ 1,350</u>	<u>\$ 2,678</u>	<u>\$ 2,699</u>
As of June 30,				
	2026	2025		
Account Balances ⁽¹⁾				
General account	\$ 21,563	\$ 21,300		
Separate account	31,515	24,987		
Total account balances	<u>\$ 53,078</u>	<u>\$ 46,287</u>		
In-Force Face Amount				
UL and other	\$ 362,618	\$ 360,617		
Term insurance	695,497	707,355		
Total in-force face amount	<u>\$ 1,058,115</u>	<u>\$ 1,067,972</u>		
As of June 30,				
	2026	2025		
Average General Account Balances ⁽¹⁾				
	<u>\$ 21,491</u>	<u>\$ 21,277</u>	<u>\$ 21,472</u>	<u>\$ 21,315</u>

⁽¹⁾ 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 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. Sales volumes can fluctuate given large case sizes within Executive Benefits.

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) and *MoneyGuard Market Advantage*SM (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:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Net Investment Income				
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	\$ 461	\$ 457	\$ 922	\$ 916
Commercial mortgage loan prepayment and bond make-whole premiums ⁽¹⁾	3	–	5	1
Surplus investments ⁽²⁾	56	51	114	91
Other investments ⁽³⁾	53	98	179	172
Total net investment income	<u>\$ 573</u>	<u>\$ 606</u>	<u>\$ 1,220</u>	<u>\$ 1,180</u>
Interest Credited				
	<u>\$ 293</u>	<u>\$ 289</u>	<u>\$ 585</u>	<u>\$ 576</u>

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

⁽²⁾ 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.

⁽³⁾ Includes primarily net investment income earned on our alternative investments portfolio. See “Consolidated Investments – Alternative Investments” below for more information on alternative investments.

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 Liability Remeasurement

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Benefits and Policyholder Liability Remeasurement				
Death claims direct and assumed	\$ 1,324	\$ 1,465	\$ 2,932	\$ 2,949
Death claims ceded	(554)	(690)	(1,275)	(1,300)
Reserves released on death	(160)	(154)	(367)	(344)
Net death benefits	610	621	1,290	1,305
Change in secondary guarantee life insurance product reserves	75	96	158	206
Change in <i>MoneyGuard</i> [®] reserves	156	160	317	312
Change in traditional product reserves	17	31	25	31
Other benefits ⁽¹⁾	36	48	79	104
Total benefits and policyholder liability remeasurement	\$ 894	\$ 956	\$ 1,869	\$ 1,958
Death claims per \$1,000 of in-force	2.30	2.32	2.43	2.43

⁽¹⁾ 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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Commissions and Other Expenses				
Commissions	\$ 112	\$ 111	\$ 224	\$ 210
General and administrative expenses	134	133	263	263
Expenses associated with reserve financing	17	26	33	51
Taxes, licenses and fees	31	31	68	70
Total expenses incurred	294	301	588	594
DAC and VOBA deferrals	(128)	(128)	(258)	(243)
Total expenses recognized before amortization	166	173	330	351
DAC and VOBA amortization	130	125	259	252
Amortization of deferred loss on business sold through reinsurance	24	24	49	47
Other intangible amortization	1	1	2	2
Total commissions and other expenses	\$ 321	\$ 323	\$ 640	\$ 652

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, 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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Operating Revenues				
Insurance premiums	\$ 1,420	\$ 1,386	\$ 2,819	\$ 2,757
Net investment income	98	94	194	183
Other revenues ⁽¹⁾	58	58	116	119
Total operating revenues	1,576	1,538	3,129	3,059
Operating Expenses				
Benefits and policyholder liability remeasurement	971	913	1,965	1,908
Interest credited	1	1	1	–
Commissions and other expenses	418	405	835	804
Total operating expenses	1,390	1,319	2,801	2,712
Income (loss) from operations before taxes	186	219	328	347
Federal income tax expense (benefit)	39	46	69	73
Income (loss) from operations	\$ 147	\$ 173	\$ 259	\$ 274

⁽¹⁾ 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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Income (Loss) from Operations by Product Line				
Life	\$ 60	\$ 41	\$ 101	\$ 50
Disability	91	135	165	229
Dental	(4)	(3)	(7)	(5)
Income (loss) from operations	\$ 147	\$ 173	\$ 259	\$ 274

Comparison of the Three and Six Months Ended June 30, 2026 to 2025

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

- Higher benefits and policyholder liability remeasurement driven by higher incidence and less favorable claims experience than expected in our disability business, partially offset by lower incidence in our life business.
- Higher commissions and other expenses due to higher other costs pertaining to business operations.

The decrease in income from operations was partially offset by the following:

- Higher insurance premiums due to growth in business in force.
- Higher net investment income driven by growth in business in force.

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 2025 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 2025 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 2025 Form 10-K.

Insurance Premiums

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Insurance Premiums by Product Line				
Life	\$ 556	\$ 542	\$ 1,110	\$ 1,084
Disability	816	798	1,612	1,581
Dental	48	46	97	92
Total insurance premiums	<u>\$ 1,420</u>	<u>\$ 1,386</u>	<u>\$ 2,819</u>	<u>\$ 2,757</u>
Sales by Product Line				
Life	\$ 83	\$ 104	\$ 180	\$ 205
Disability	65	70	110	118
Dental	7	13	15	21
Total sales	<u>\$ 155</u>	<u>\$ 187</u>	<u>\$ 305</u>	<u>\$ 344</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. Generally, we have higher sales during the fourth quarter of the year.

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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Net Investment Income				
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	\$ 77	\$ 72	\$ 151	\$ 143
Commercial mortgage loan prepayment and bond make-whole premiums ⁽¹⁾	1	—	2	—
Surplus investments ⁽²⁾	20	22	41	40
Total net investment income	<u>\$ 98</u>	<u>\$ 94</u>	<u>\$ 194</u>	<u>\$ 183</u>

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

⁽²⁾ 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 and Policyholder Liability Remeasurement

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Benefits and Policyholder Liability Remeasurement by Product Line				
Life	\$ 345	\$ 364	\$ 714	\$ 772
Disability	586	512	1,171	1,062
Dental	40	37	80	74
Total benefits and policyholder liability remeasurement by product line	<u>\$ 971</u>	<u>\$ 913</u>	<u>\$ 1,965</u>	<u>\$ 1,908</u>

Loss Ratios by Product Line

Life	62.2%	67.2%	64.5%	71.2%
Disability	71.9%	64.2%	72.6%	67.1%
Dental	82.0%	80.4%	81.8%	79.7%
Total	68.4%	65.9%	69.8%	69.2%

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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Commissions and Other Expenses				
Commissions	\$ 133	\$ 139	\$ 268	\$ 272
General and administrative expenses	238	227	468	449
Taxes, licenses and fees	36	34	75	72
Other	1	2	2	2
Total expenses incurred	408	402	813	795
DAC deferrals	(30)	(35)	(59)	(67)
Total expenses recognized before amortization	378	367	754	728
DAC and other intangible amortization	40	38	81	76
Total commissions and other expenses	\$ 418	\$ 405	\$ 835	\$ 804

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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Operating Revenues				
Fee income	\$ 93	\$ 80	\$ 179	\$ 160
Net investment income	260	252	520	503
Other revenues	—	(1)	—	(5)
Total operating revenues	353	331	699	658
Operating Expenses				
Interest credited	169	174	339	344
Commissions and other expenses	127	115	252	234
Total operating expenses	296	289	591	578
Income (loss) from operations before taxes	57	42	108	80
Federal income tax expense (benefit)	8	5	16	9
Income (loss) from operations	<u>\$ 49</u>	<u>\$ 37</u>	<u>\$ 92</u>	<u>\$ 71</u>

Comparison of the Three and Six Months Ended June 30, 2026 to 2025

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

- Higher net investment income, net of interest credited, driven by impacts to portfolio yields from the current interest rate environment, a decrease in crediting rates and higher investment income on prepayment and bond make-whole premiums.
- Higher fee income driven by higher average daily separate account and mutual fund balances.

The increase in income from operations was partially offset by higher commissions and other expenses driven by higher other costs pertaining to business operations and higher trail commissions resulting from higher average daily separate account balances.

In addition, for the six months ended June 30, 2026, income from operations increased due to higher other revenues due to an impact in the first quarter of 2025 related to a plan termination during the fourth quarter of 2024.

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 19% and 17% for the three and six months ended June 30, 2026, respectively, and 15% and 19%, respectively, for the corresponding periods in 2025.

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*® 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 11% and 12% as of June 30, 2026 and 2025, 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 and sustained higher 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 surrenders” and “Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk” in our 2025 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 2025 Form 10-K.

Fee Income

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Fee Income				
Annuity expense assessments	\$ 58	\$ 52	\$ 114	\$ 105
Mutual fund fees	31	27	60	54
Total expense assessments	89	79	174	159
Surrender charges	4	1	5	1
Total fee income	<u>\$ 93</u>	<u>\$ 80</u>	<u>\$ 179</u>	<u>\$ 160</u>

Our fee income is primarily composed of expense assessments that we charge to cover insurance, administrative, recordkeeping and other services and mutual fund fees earned for services we provide to our mutual fund programs. Fee income is primarily based on average account balances, including general, separate and mutual fund accounts, 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 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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Net Investment Income				
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	\$ 237	\$ 232	\$ 476	\$ 463
Commercial mortgage loan prepayment and bond make-whole premiums ⁽¹⁾	4	–	5	1
Surplus investments ⁽²⁾	19	20	39	39
Total net investment income	<u>\$ 260</u>	<u>\$ 252</u>	<u>\$ 520</u>	<u>\$ 503</u>
Interest Credited	<u>\$ 169</u>	<u>\$ 174</u>	<u>\$ 339</u>	<u>\$ 344</u>

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

⁽²⁾ 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 policyholders' accounts. 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:

	As of or For the Three Months Ended June 30,		As of or For the Six Months Ended June 30,	
	2026	2025	2026	2025
Separate Account Balance Information ⁽¹⁾				
Separate account deposits	\$ 442	\$ 531	\$ 1,008	\$ 1,148
Separate account net flows	(469)	(371)	(881)	(641)
Separate account balances	24,472	22,173	24,472	22,173
Average daily separate account balances	23,914	20,938	23,528	21,255
Average daily S&P 500 [®] Index ⁽²⁾	7,271	5,728	7,047	5,813
General Account Balance Information				
General account deposits	\$ 901	\$ 1,109	\$ 1,781	\$ 1,921
General account net flows	(569)	6	(968)	(512)
General account balances	23,419	23,700	23,419	23,700
Average general account balances	23,546	23,552	23,654	23,562
Mutual Fund Account Balance Information				
Mutual fund deposits	\$ 2,393	\$ 1,954	\$ 5,089	\$ 4,640
Mutual fund net flows	(1,387)	(220)	(789)	(1,615)
Average mutual fund account balances ⁽³⁾	80,884	67,244	79,867	67,955

⁽¹⁾ Excludes the fixed portion of variable annuities.

⁽²⁾ We generally use the S&P 500 Index as a benchmark for the performance of our separate 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.

⁽³⁾ 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.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Net Flows By Market				
Core Market ⁽¹⁾	\$ (56)	\$ 28	\$ (258)	\$ (51)
Mid-Large Market	(1,918)	(200)	(1,515)	(1,933)
Multi-Fund [®] and Other	(451)	(413)	(865)	(784)
Total net flows	\$ (2,425)	\$ (585)	\$ (2,638)	\$ (2,768)

⁽¹⁾ Formerly referred to as "Small Market."

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:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Commissions and Other Expenses				
Commissions:				
Deferrable	\$ 1	\$ 1	\$ 3	\$ 3
Non-deferrable	29	27	56	52
General and administrative expenses	91	83	181	168
Taxes, licenses and fees	5	4	12	11
Total expenses incurred	126	115	252	234
DAC deferrals	(3)	(5)	(8)	(9)
Total expenses recognized before amortization	123	110	244	225
DAC amortization	4	5	8	9
Total commissions and other expenses	\$ 127	\$ 115	\$ 252	\$ 234

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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Operating Revenues				
Insurance premiums	\$ —	\$ —	\$ 1	\$ 1
Net investment income ⁽¹⁾	63	25	115	69
Other revenues ⁽²⁾	21	16	26	24
Total operating revenues	84	41	142	94
Operating Expenses				
Benefits and policyholder liability remeasurement	9	7	17	11
Interest credited	48	13	90	27
Other expenses	63	56	131	123
Interest and debt expense	82	81	164	161
Total operating expenses	202	157	402	322
Income (loss) from operations before taxes	(118)	(116)	(260)	(228)
Federal income tax expense (benefit)	(28)	(25)	(59)	(42)
Income (loss) from operations	\$ (90)	\$ (91)	\$ (201)	\$ (186)

⁽¹⁾ Includes our institutional pension business, which has a corresponding offset in benefits and policyholder liability remeasurement for changes in reserves.

⁽²⁾ Includes certain third-party advisory fees, which has a partial offset in other expenses.

Comparison of the Three Months Ended June 30, 2026 to 2025

Loss from operations for Other Operations decreased modestly due primarily to the following:

- Higher other revenues due to the effect of market fluctuations on assets held as part of certain compensation plans.
- Higher net investment income, net of interest credited, driven by funding agreement activity.
- More favorable income tax benefits driven by favorable market impacts on tax preferred investment income and higher excess tax benefits associated with stock-based compensation.

The decrease in loss from operations was partially offset by higher other expenses associated with higher costs pertaining to business operations.

Comparison of the Six Months Ended June 30, 2026 to 2025

Loss from operations for Other Operations increased due primarily to the following:

- Lower net investment income, net of interest credited, related to lower portfolio yields and lower allocated investments driven by a decrease in excess capital retained by Other Operations, partially offset by funding agreement activity.
- Higher other expenses associated with higher costs pertaining to business operations.
- Higher interest and debt expense driven by an increase in average outstanding debt.

The increase in loss from operations was partially offset by the following:

- More favorable income tax benefits driven by higher excess benefits associated with stock-based compensation.
- Higher other revenues due to the effect of market fluctuations on assets held as part of certain compensation plans.

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.

For information on funding agreements, see Note 10.

Benefits and Policyholder Liability Remeasurement

Benefits are recognized when incurred for institutional pension products and disability income business. Policyholder liability remeasurement gains (losses) result from updates in cash flow assumptions and actual variance from expected experience used in the net premium ratio or benefit ratio calculation for future policy benefits associated with institutional pension products.

Other Expenses

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Other Expenses				
General and administrative expenses	\$ 60	\$ 57	\$ 122	\$ 125
Taxes, licenses and fees	2	3	5	5
Other	3	(2)	7	(3)
Total expenses incurred	65	58	134	127
DAC deferrals	(2)	(2)	(3)	(4)
Total other expenses	<u>\$ 63</u>	<u>\$ 56</u>	<u>\$ 131</u>	<u>\$ 123</u>

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 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 consolidated investment balances (in millions) were as follows:

	As of June 30, 2026	As of December 31, 2025	Percentage of Total Investments	
			As of June 30, 2026	As of December 31, 2025
Investments				
Fixed maturity AFS securities	\$ 95,085	\$ 93,448	66.4%	67.3%
Trading securities	1,515	1,676	1.1%	1.2%
Equity securities	456	636	0.3%	0.4%
Mortgage loans on real estate	23,406	22,472	16.3%	16.2%
Policy loans	2,596	2,626	1.8%	1.9%
Derivative investments	11,382	9,945	7.9%	7.2%
Other investments:				
Alternative investments	4,215	4,182	2.9%	3.0%
Alternative investments – reinsurance-related ⁽¹⁾	1,344	1,438	0.9%	1.0%
Company-owned life insurance	1,370	1,190	1.0%	0.9%
Other	1,941	1,295	1.4%	0.9%
Total investments	\$ 143,310	\$ 138,908	100.0%	100.0%

⁽¹⁾ Represents alternative investments that support reinsurance funds withheld and modified coinsurance agreements where the investment results are passed directly to the reinsurers. For more information, see Note 7 in our 2025 Form 10-K.

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 2025 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 June 30, 2026					
	Net		Gross Unrealized		Fair	%
	Amortized		Gains	Losses	Value	Fair
	Cost ⁽¹⁾					Value
Fixed Maturity AFS Securities						
Industry corporate bonds:						
Financial services	\$ 14,480	\$ 111	\$ 1,060	\$ 13,531	14.2%	
Basic industry	3,078	41	313	2,806	3.0%	
Capital goods	6,140	61	614	5,587	5.9%	
Communications	3,375	48	389	3,034	3.2%	
Consumer cyclical	5,713	40	503	5,250	5.5%	
Consumer non-cyclical	14,934	123	2,093	12,964	13.7%	
Energy	2,946	30	270	2,706	2.9%	
Technology	4,925	15	559	4,381	4.6%	
Transportation	3,485	33	323	3,195	3.4%	
Industrial other	2,607	10	432	2,185	2.3%	
Utilities	12,648	96	1,538	11,206	11.8%	
Government-related entities	1,250	17	211	1,056	1.1%	
Collateralized mortgage and other obligations (“CMOs”):						
Agency backed	1,074	2	122	954	1.0%	
Non-agency backed	366	28	4	390	0.4%	
Mortgage pass through securities (“MPTS”):						
Agency backed	634	6	31	609	0.7%	
Commercial mortgage-backed securities (“CMBS”):						
Non-agency backed	2,999	5	116	2,888	3.0%	
Asset-backed securities (“ABS”):						
Collateralized loan obligations (“CLOs”)	9,565	11	121	9,455	9.9%	
Other ⁽²⁾	9,512	80	149	9,443	9.9%	
Municipals:						
Taxable	2,402	12	381	2,033	2.1%	
Tax-exempt	35	1	2	34	0.0%	
Government:						
United States	1,001	3	42	962	1.0%	
Foreign	240	14	51	203	0.2%	
Hybrid and redeemable preferred securities	213	8	8	213	0.2%	
Total fixed maturity AFS securities	103,622	795	9,332	95,085	100.0%	
Trading Securities ⁽³⁾	1,609	36	130	1,515		
Equity Securities	444	27	15	456		
Total fixed maturity AFS, trading and equity securities	\$ 105,675	\$ 859	\$ 9,477	\$ 97,056		

As of December 31, 2025

	Net Amortized Cost ⁽¹⁾	Gross Unrealized		Fair Value	% Fair Value
		Gains	Losses		
Fixed Maturity AFS Securities					
Industry corporate bonds:					
Financial services	\$ 14,577	\$ 155	\$ 1,019	\$ 13,713	14.6%
Basic industry	3,180	51	324	2,907	3.1%
Capital goods	6,270	78	596	5,752	6.2%
Communications	3,328	54	376	3,006	3.2%
Consumer cyclical	5,765	61	467	5,359	5.7%
Consumer non-cyclical	14,952	154	2,043	13,063	14.0%
Energy	2,974	38	266	2,746	2.9%
Technology	5,064	27	537	4,554	4.9%
Transportation	3,552	41	315	3,278	3.5%
Industrial other	2,596	18	412	2,202	2.4%
Utilities	12,721	132	1,492	11,361	12.2%
Government-related entities	1,286	25	207	1,104	1.2%
CMOs:					
Agency backed	1,156	4	120	1,040	1.1%
Non-agency backed	400	29	3	426	0.5%
MPTS:					
Agency backed	675	12	31	656	0.7%
CMBS:					
Non-agency backed	2,586	15	99	2,502	2.7%
ABS:					
CLOs	8,619	6	126	8,499	9.1%
Other ⁽²⁾	7,743	131	91	7,783	8.3%
Municipals:					
Taxable	2,479	18	383	2,114	2.3%
Tax-exempt	35	–	2	33	0.0%
Government:					
United States	892	9	32	869	0.9%
Foreign	261	16	51	226	0.2%
Hybrid and redeemable preferred securities	241	21	7	255	0.3%
Total fixed maturity AFS securities	101,352	1,095	8,999	93,448	100.0%
Trading Securities ⁽³⁾	1,756	44	124	1,676	
Equity Securities	632	15	11	636	
Total fixed maturity AFS, trading and equity securities	\$ 103,740	\$ 1,154	\$ 9,134	\$ 95,760	

⁽¹⁾ Represents amortized cost, net of the allowance for credit losses.

⁽²⁾ Includes securities collateralized by consumer loans, equipment loans and other asset types.

⁽³⁾ 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 2025 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 ⁽¹⁾	Rating Agency Equivalent Designation ⁽¹⁾	As of June 30, 2026			As of December 31, 2025		
		Net Amortized Cost	Fair Value	% of Total	Net Amortized Cost	Fair Value	% of Total
Investment Grade Securities							
1	AAA / AA / A	\$ 64,019	\$ 58,265	61.2%	\$ 61,616	\$ 56,349	60.3%
2	BBB	36,492	33,815	35.5%	36,551	33,995	36.4%
Total investment grade securities		100,511	92,080	96.7%	98,167	90,344	96.7%
Below Investment Grade Securities							
3	BB	1,094	1,013	1.1%	1,025	955	1.0%
4	B	1,820	1,790	1.9%	1,970	1,966	2.1%
5	CCC and lower	152	150	0.2%	108	106	0.1%
6	In or near default	45	52	0.1%	82	77	0.1%
Total below investment grade securities		3,111	3,005	3.3%	3,185	3,104	3.3%
Total fixed maturity AFS securities		\$ 103,622	\$ 95,085	100.0%	\$ 101,352	\$ 93,448	100.0%
Total securities below investment grade as a percentage of total							
fixed maturity AFS securities		3.0%	3.2%		3.1%	3.3%	

⁽¹⁾ 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 of our total fixed maturity AFS securities portfolio was A as of June 30, 2026.

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 June 30, 2026, and December 31, 2025, 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 June 30, 2026, increased by \$333 million since December 31, 2025. For the six months ended June 30, 2026, we recognized \$209 million of gross losses on fixed maturity AFS securities, which were primarily related to sales that support our reinsurance funds withheld agreements where the investment results are passed directly to the reinsurers. For the six months ended June 30, 2025, we recognized \$149 million of gross

losses on fixed maturity AFS securities, which were primarily related to portfolio rebalancing and sales that support our reinsurance funds withheld agreements where the investment results are passed directly to the reinsurers.

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 June 30, 2026, 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 \$(32) million and \$(57) million of credit loss benefit (expense) on our fixed maturity AFS securities for the three and six months ended June 30, 2026, respectively, and \$(19) million and \$(47) million, respectively, for the corresponding periods in 2025. 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 3 and 17 herein and Note 1 in our 2025 Form 10-K.

As reported on the Consolidated Balance Sheets, we had \$153.5 billion of investments and cash and invested cash, which exceeded the liabilities for our future obligations under insurance policies and contracts, net of amounts recoverable from reinsurers and amounts on deposit with reinsurers, which totaled \$124.7 billion as of June 30, 2026. 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 \$27.1 billion as of June 30, 2026, 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 June 30, 2026, and December 31, 2025, the estimated fair value for all private placement securities was \$24.0 billion and \$23.2 billion, respectively, representing 17% of total investments.

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 2025 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 \$161 million and represented less than 1% of our total investment portfolio as of June 30, 2026. Fixed maturity AFS securities represented \$159 million, or 99%, and trading securities represented \$2 million, or 1%, of the subprime exposure as of June 30, 2026. The table below summarizes our investments in fixed maturity AFS securities backed by pools of residential mortgages (in millions) as of June 30, 2026:

	Agency		Non-Agency		Total	
	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value
Type						
RMBS	\$ 1,709	\$ 1,563	\$ 365	\$ 390	\$ 2,074	\$ 1,953
ABS home equity	—	—	157	192	157	192
Total by type ⁽¹⁾⁽²⁾	<u>\$ 1,709</u>	<u>\$ 1,563</u>	<u>\$ 522</u>	<u>\$ 582</u>	<u>\$ 2,231</u>	<u>\$ 2,145</u>
NAIC Designation						
1	\$ 1,709	\$ 1,563	\$ 413	\$ 468	\$ 2,122	\$ 2,031
2	—	—	88	87	88	87
3	—	—	8	7	8	7
4	—	—	9	16	9	16
5	—	—	4	4	4	4
6	—	—	—	—	—	—
Total by NAIC designation ⁽¹⁾⁽²⁾⁽³⁾	<u>\$ 1,709</u>	<u>\$ 1,563</u>	<u>\$ 522</u>	<u>\$ 582</u>	<u>\$ 2,231</u>	<u>\$ 2,145</u>
Total fixed maturity AFS securities backed by pools of						
residential mortgages as a percentage of total fixed maturity AFS securities					<u>2.2%</u>	<u>2.3%</u>
Total non-agency backed as a percentage of total fixed maturity AFS securities						
					<u>0.5%</u>	<u>0.6%</u>

⁽¹⁾ Does not include the amortized cost of trading securities totaling \$110 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 \$110 million in trading securities consisted of \$48 million agency and \$62 million non-agency.

⁽²⁾ Does not include the fair value of trading securities totaling \$104 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 \$104 million in trading securities consisted of \$47 million agency and \$57 million non-agency.

⁽³⁾ Based upon the rating designations determined and provided by the NAIC.

The market value of fixed maturity AFS and trading securities backed by subprime loans was \$170 million and represented less than 1% of our total investment portfolio as of December 31, 2025. Fixed maturity AFS securities represented \$168 million, or 99%, and trading securities represented \$2 million, or 1%, of the subprime exposure as of December 31, 2025. The table below summarizes our investments in fixed maturity AFS securities backed by pools of residential mortgages (in millions) as of December 31, 2025:

	Agency		Non-Agency		Total	
	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value
Type						
RMBS	\$ 1,831	\$ 1,696	\$ 400	\$ 426	\$ 2,231	\$ 2,122
ABS home equity	—	—	165	202	165	202
Total by type ⁽¹⁾⁽²⁾	<u>\$ 1,831</u>	<u>\$ 1,696</u>	<u>\$ 565</u>	<u>\$ 628</u>	<u>\$ 2,396</u>	<u>\$ 2,324</u>
NAIC Designation						
1	\$ 1,831	\$ 1,696	\$ 453	\$ 509	\$ 2,284	\$ 2,205
2	—	—	88	88	88	88
3	—	—	6	5	6	5
4	—	—	12	19	12	19
5	—	—	5	6	5	6
6	—	—	1	1	1	1
Total by NAIC designation ⁽¹⁾⁽²⁾⁽³⁾	<u>\$ 1,831</u>	<u>\$ 1,696</u>	<u>\$ 565</u>	<u>\$ 628</u>	<u>\$ 2,396</u>	<u>\$ 2,324</u>

Total fixed maturity AFS securities backed by pools of residential mortgages as a percentage of total fixed maturity AFS securities	<u>2.4%</u>	<u>2.5%</u>
Total non-agency backed as a percentage of total fixed maturity AFS securities	<u>0.6%</u>	<u>0.7%</u>

- ⁽¹⁾ Does not include the amortized cost of trading securities totaling \$68 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 \$68 million in trading securities consisted of \$30 million agency and \$38 million non-agency.
- ⁽²⁾ Does not include the fair value of trading securities totaling \$62 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 \$62 million in trading securities consisted of \$29 million agency and \$33 million non-agency.
- ⁽³⁾ Based upon the rating designations determined and provided by the NAIC.

None of these investments as of June 30, 2026, and December 31, 2025, included any direct investments in subprime lenders or mortgages. We are not aware of material exposure to subprime loans in our alternative investment portfolio as of June 30, 2026, and December 31, 2025.

The following summarizes our investments in fixed maturity AFS securities backed by pools of commercial mortgages (in millions) as of June 30, 2026:

Type	Multiple Property		Single Property		Total	
	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value
CMBS ⁽¹⁾⁽²⁾	\$ 2,547	\$ 2,442	\$ 452	\$ 446	\$ 2,999	\$ 2,888
NAIC Designation						
1	\$ 2,458	\$ 2,355	\$ 448	\$ 442	\$ 2,906	\$ 2,797
2	89	87	4	4	93	91
3	—	—	—	—	—	—
4	—	—	—	—	—	—
5	—	—	—	—	—	—
6	—	—	—	—	—	—
Total by NAIC designation ⁽¹⁾⁽²⁾⁽³⁾	\$ 2,547	\$ 2,442	\$ 452	\$ 446	\$ 2,999	\$ 2,888

Total fixed maturity AFS securities backed by pools of

commercial mortgages as a percentage of total fixed maturity AFS securities	2.9%	3.0%
---	------	------

- ⁽¹⁾ Does not include the amortized cost of trading securities totaling \$131 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 \$131 million in trading securities consisted of \$82 million of multiple-property CMBS and \$49 million of single-property CMBS.
- ⁽²⁾ Does not include the fair value of trading securities totaling \$117 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 \$117 million in trading securities consisted of \$75 million of multiple-property CMBS and \$42 million of single-property CMBS.
- ⁽³⁾ Based upon the rating designations determined and provided by the NAIC.

The following summarizes our investments in fixed maturity AFS securities backed by pools of commercial mortgages (in millions) as of December 31, 2025:

	Multiple Property		Single Property		Total	
	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value
Type						
CMBS ⁽¹⁾⁽²⁾	\$ 2,270	\$ 2,189	\$ 316	\$ 313	\$ 2,586	\$ 2,502
NAIC Designation						
1	\$ 2,204	\$ 2,124	\$ 316	\$ 313	\$ 2,520	\$ 2,437
2	66	65	—	—	66	65
3	—	—	—	—	—	—
4	—	—	—	—	—	—
5	—	—	—	—	—	—
6	—	—	—	—	—	—
Total by NAIC designation ⁽¹⁾⁽²⁾⁽³⁾	\$ 2,270	\$ 2,189	\$ 316	\$ 313	\$ 2,586	\$ 2,502

Total fixed maturity AFS securities backed by pools of

commercial mortgages as a percentage of total fixed maturity AFS securities	2.6%	2.7%
---	------	------

- ⁽¹⁾ Does not include the amortized cost of trading securities totaling \$113 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 \$113 million in trading securities consisted of \$64 million of multiple-property CMBS and \$49 million of single-property CMBS.
- ⁽²⁾ Does not include the fair value of trading securities totaling \$100 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 \$100 million in trading securities consisted of \$58 million of multiple-property CMBS and \$42 million of single-property CMBS.
- ⁽³⁾ Based upon the rating designations determined and provided by the NAIC.

The following summarizes our investments in ABS within fixed maturity AFS securities (in millions) as of June 30, 2026:

Type	CLOs		Other		Total	
	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value
ABS ⁽¹⁾⁽²⁾	\$ 9,565	\$ 9,455	\$ 9,512	\$ 9,443	\$ 19,077	\$ 18,898
NAIC Designation						
1	\$ 7,937	\$ 7,827	\$ 7,406	\$ 7,380	\$ 15,343	\$ 15,207
2	1,628	1,628	1,999	1,958	3,627	3,586
3	—	—	58	55	58	55
4	—	—	6	13	6	13
5	—	—	—	—	—	—
6	—	—	43	37	43	37
Total by NAIC designation ⁽¹⁾⁽²⁾⁽³⁾	\$ 9,565	\$ 9,455	\$ 9,512	\$ 9,443	\$ 19,077	\$ 18,898

⁽¹⁾ Does not include the amortized cost of trading securities totaling \$143 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 \$143 million in trading securities consisted of \$81 million of CLOs and \$62 million of Other ABS.

⁽²⁾ Does not include the fair value of trading securities totaling \$140 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 \$140 million in trading securities consisted of \$82 million of CLOs and \$58 million of Other ABS.

⁽³⁾ Based upon the rating designations determined and provided by the NAIC.

The following summarizes our investments in ABS within fixed maturity AFS securities (in millions) as of December 31, 2025:

Type	CLOs		Other		Total	
	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value
ABS ⁽¹⁾⁽²⁾	\$ 8,619	\$ 8,499	\$ 7,743	\$ 7,783	\$ 16,362	\$ 16,282
NAIC Designation						
1	\$ 7,708	\$ 7,589	\$ 5,905	\$ 5,960	\$ 13,613	\$ 13,549
2	911	910	1,715	1,700	2,626	2,610
3	—	—	36	36	36	36
4	—	—	6	14	6	14
5	—	—	2	2	2	2
6	—	—	79	71	79	71
Total by NAIC designation ⁽¹⁾⁽²⁾⁽³⁾	\$ 8,619	\$ 8,499	\$ 7,743	\$ 7,783	\$ 16,362	\$ 16,282

⁽¹⁾ Does not include the amortized cost of trading securities totaling \$274 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 \$274 million in trading securities consisted of \$138 million of CLOs and \$136 million of Other ABS.

⁽²⁾ Does not include the fair value of trading securities totaling \$271 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 \$271 million in trading securities consisted of \$137 million of CLOs and \$134 million of Other ABS.

⁽³⁾ Based upon the rating designations determined and provided by the NAIC.

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. The composition by industry categories of all fixed maturity AFS securities in an unrealized loss position (in millions) as of June 30, 2026, was as follows:

	Net Amortized Cost	% Net Amortized Cost	Gross Unrealized Losses	% Gross Unrealized Losses	Fair Value	% Fair Value
Healthcare	\$ 5,889	7.5%	\$ 1,185	12.7%	\$ 4,704	7.0%
Electric	6,802	8.8%	1,050	11.3%	5,752	8.5%
Technology	4,146	5.4%	560	6.0%	3,586	5.3%
Food and beverage	3,420	4.4%	467	5.0%	2,953	4.4%
Industrial – other	2,141	2.8%	439	4.7%	1,702	2.6%
Local authorities	2,020	2.6%	389	4.2%	1,631	2.4%
Pharmaceuticals	2,284	3.0%	283	3.0%	2,001	2.9%
Banking	4,627	6.0%	267	2.9%	4,360	6.4%
Diversified manufacturing	2,059	2.7%	266	2.9%	1,793	2.6%
ABS	8,523	11.0%	257	2.8%	8,266	12.2%
Natural gas	1,570	2.0%	246	2.6%	1,324	1.9%
Retail	1,490	1.9%	239	2.6%	1,251	1.8%
Chemicals	1,569	2.0%	198	2.1%	1,371	2.0%
Brokerage asset management	1,469	1.9%	196	2.1%	1,273	1.9%
Life insurance	1,327	1.7%	190	2.0%	1,137	1.7%
Property and casualty	1,274	1.6%	181	1.9%	1,093	1.6%
Aerospace and defense	1,287	1.7%	176	1.9%	1,111	1.6%
Transportation Services	1,804	2.3%	176	1.9%	1,628	2.4%
Utility – other	1,087	1.4%	172	1.8%	915	1.3%
Government sponsored	437	0.6%	157	1.7%	280	0.4%
Railroads	815	1.1%	144	1.5%	671	1.0%
Wirelines	908	1.2%	131	1.4%	777	1.1%
Midstream	1,352	1.7%	128	1.4%	1,224	1.8%
Consumer products	828	1.1%	121	1.3%	707	1.0%
Non-agency CMBS	2,318	3.0%	115	1.2%	2,203	3.2%
Wireless	747	1.0%	113	1.2%	634	0.9%
Integrated	602	0.8%	111	1.2%	491	0.7%
Industries with unrealized losses						
less than \$100 million	14,527	18.8%	1,375	14.7%	13,152	19.4%
Total by industry	<u>\$ 77,322</u>	<u>100.0%</u>	<u>\$ 9,332</u>	<u>100.0%</u>	<u>\$ 67,990</u>	<u>100.0%</u>
Total by industry as a percentage of total fixed maturity AFS securities	<u>74.6%</u>		<u>100.0%</u>		<u>71.5%</u>	

The composition by industry categories of all fixed maturity AFS securities in an unrealized loss position (in millions) as of December 31, 2025, was as follows:

	Net Amortized Cost	% Net Amortized Cost	Gross Unrealized Losses	% Gross Unrealized Losses	Fair Value	% Fair Value
Healthcare	\$ 5,546	8.1%	\$ 1,151	12.8%	\$ 4,395	7.4%
Electric	6,472	9.4%	1,018	11.3%	5,454	9.1%
Technology	3,643	5.3%	537	6.0%	3,106	5.2%
Food and beverage	3,387	4.9%	474	5.3%	2,913	4.9%
Industrial – other	1,973	2.9%	420	4.7%	1,553	2.6%
Local authorities	2,001	2.9%	392	4.4%	1,609	2.7%
Pharmaceuticals	2,056	3.0%	273	3.0%	1,783	3.0%
Diversified manufacturing	2,027	3.0%	261	2.9%	1,766	3.0%
Banking	3,660	5.3%	253	2.8%	3,407	5.7%
Natural gas	1,466	2.1%	241	2.7%	1,225	2.1%
Retail	1,414	2.1%	219	2.4%	1,195	2.0%
ABS	6,658	9.7%	214	2.4%	6,444	10.8%
Chemicals	1,602	2.3%	214	2.4%	1,388	2.3%
Property and casualty	1,219	1.8%	183	2.0%	1,036	1.7%
Brokerage asset management	1,418	2.1%	183	2.0%	1,235	2.1%
Life insurance	1,207	1.8%	178	2.0%	1,029	1.7%
Transportation services	1,752	2.5%	169	1.9%	1,583	2.7%
Aerospace and defense	1,139	1.7%	168	1.9%	971	1.6%
Utility – other	945	1.4%	166	1.8%	779	1.3%
Government-sponsored	443	0.6%	150	1.7%	293	0.5%
Railroads	808	1.2%	143	1.6%	665	1.1%
Wirelines	844	1.2%	142	1.5%	702	1.2%
Midstream	1,195	1.7%	128	1.4%	1,067	1.8%
Consumer products	754	1.1%	112	1.2%	642	1.1%
Wireless	742	1.1%	107	1.2%	635	1.1%
Integrated	542	0.8%	105	1.2%	437	0.7%
Non-agency CMBS	1,619	2.4%	98	1.1%	1,521	2.4%
Industries with unrealized losses						
less than \$100 million	12,135	17.6%	1,300	14.4%	10,835	18.2%
Total by industry	<u>\$ 68,667</u>	<u>100.0%</u>	<u>\$ 8,999</u>	<u>100.0%</u>	<u>\$ 59,668</u>	<u>100.0%</u>
Total by industry as a percentage of total fixed maturity AFS securities	<u>67.8%</u>		<u>100.0%</u>		<u>63.9%</u>	

Mortgage Loans on Real Estate

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

	As of June 30, 2026			
	Commercial	Residential	Total	%
Credit Quality Indicator				
Current	\$ 17,596	\$ 5,740	\$ 23,336	99.0%
Delinquent ⁽¹⁾	68	81	149	0.6%
Foreclosure	3	95	98	0.4%
Total mortgage loans on real estate before allowance	17,667	5,916	23,583	100.0%
Allowance for credit losses	(111)	(66)	(177)	
Total mortgage loans on real estate	<u>\$ 17,556</u>	<u>\$ 5,850</u>	<u>\$ 23,406</u>	

	As of December 31, 2025			
	Commercial	Residential	Total	%
Credit Quality Indicator				
Current	\$ 17,611	\$ 4,864	\$ 22,475	99.2%
Delinquent ⁽¹⁾	29	60	89	0.4%
Foreclosure	—	90	90	0.4%
Total mortgage loans on real estate before allowance	17,640	5,014	22,654	100.0%
Allowance for credit losses	(113)	(69)	(182)	
Total mortgage loans on real estate	<u>\$ 17,527</u>	<u>\$ 4,945</u>	<u>\$ 22,472</u>	

⁽¹⁾ Includes certain mortgage loans on real estate that support our modified coinsurance agreements, where the investment results are passed directly to the reinsurers. As of June 30, 2026, and December 31, 2025, the fair value of such commercial mortgage loans on real estate that were in delinquent status was \$20 million.

As of June 30, 2026, there were specifically identified impaired commercial and residential mortgage loans with an aggregate carrying value of \$48 million and \$86 million, respectively, or less than 1% of total mortgage loans on real estate. As of December 31, 2025, there were specifically identified impaired commercial and residential mortgage loans with an aggregate carrying value of \$67 million and \$85 million, respectively, or less than 1% of total mortgage loans on real estate.

The total outstanding principal and interest on commercial mortgage loans that were two or more payments delinquent, excluding foreclosures, as of June 30, 2026, and December 31, 2025, was \$76 million and \$40 million, respectively, or less than 1% of total mortgage loans on real estate. The total outstanding principal and interest on residential mortgage loans that were three or more payments delinquent, excluding foreclosures, as of June 30, 2026, and December 31, 2025, was \$79 million and \$58 million, respectively, or less than 1% of total mortgage loans on real estate.

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

	As of June 30, 2026	As of December 31, 2025
Segment		
Annuities	\$ 11,216	\$ 10,181
Life Insurance	3,306	3,327
Group Protection	1,672	1,650
Retirement Plan Services	5,227	5,332
Other Operations	1,985	1,982
Total mortgage loans on real estate	<u>\$ 23,406</u>	<u>\$ 22,472</u>

The composition of commercial mortgage loans (in millions) by property type, geographic region and state is shown below as of June 30, 2026:

	Carrying Value	%		Carrying Value	%
Property Type			State		
Industrial	\$ 5,283	30.1%	CA	\$ 4,739	27.0%
Apartment	5,102	29.1%	TX	1,950	11.1%
Office building	3,054	17.3%	FL	941	5.4%
Retail	2,895	16.5%	PA	872	5.0%
Other commercial	946	5.4%	NY	848	4.8%
Mixed use	174	1.0%	AZ	762	4.3%
Hotel/motel	102	0.6%	WA	669	3.8%
Total	<u>\$ 17,556</u>	<u>100.0%</u>	MD	640	3.6%
Geographic Region			GA	632	3.6%
Pacific	5,723	32.5%	NC	598	3.4%
South Atlantic	3,731	21.3%	TN	535	3.0%
Middle Atlantic	2,188	12.5%	UT	505	2.9%
West South Central	2,088	11.9%	NJ	468	2.7%
Mountain	1,548	8.8%	VA	371	2.1%
East North Central	951	5.4%	OR	315	1.8%
East South Central	631	3.6%	SC	311	1.8%
West North Central	352	2.0%	WI	280	1.6%
New England	344	2.0%	All other states	2,120	12.1%
Total	<u>\$ 17,556</u>	<u>100.0%</u>	Total	<u>\$ 17,556</u>	<u>100.0%</u>

The composition of commercial mortgage loans (in millions) by property type, geographic region and state is shown below as of December 31, 2025:

	Carrying Value	%		Carrying Value	%
Property Type			State		
Apartment	\$ 5,362	30.6%	CA	\$ 4,828	27.5%
Industrial	5,202	29.7%	TX	1,785	10.2%
Office building	3,017	17.2%	FL	924	5.3%
Retail	2,828	16.1%	PA	879	5.0%
Other commercial	853	4.9%	AZ	865	4.9%
Mixed use	162	0.9%	NY	852	4.9%
Hotel/motel	103	0.6%	WA	658	3.9%
Total	<u>\$ 17,527</u>	<u>100.0%</u>	MD	643	3.7%
Geographic Region			GA	632	3.6%
Pacific	5,798	33.1%	NC	571	3.3%
South Atlantic	3,631	20.6%	TN	517	2.9%
Middle Atlantic	2,152	12.3%	UT	439	2.5%
West South Central	1,925	11.0%	NJ	421	2.4%
Mountain	1,591	9.1%	VA	385	2.2%
East North Central	1,053	6.0%	OH	316	1.8%
East South Central	615	3.5%	OR	312	1.8%
West North Central	414	2.4%	IL	301	1.7%
New England	348	2.0%	All other states	2,199	12.4%
Total	<u>\$ 17,527</u>	<u>100.0%</u>	Total	<u>\$ 17,527</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:

	As of June 30, 2026			
	Commercial	Residential	Total	%
Principal Repayment Year				
2026	\$ 693	\$ 439	\$ 1,132	4.8%
2027	1,858	564	2,422	10.3%
2028	2,210	86	2,296	9.8%
2029	2,083	69	2,152	9.2%
2030	1,869	77	1,946	8.3%
2031 and thereafter	8,991	4,544	13,535	57.6%
Total	<u>\$ 17,704</u>	<u>\$ 5,779</u>	<u>\$ 23,483</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 June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Annuities	\$ 1	\$ 3	\$ 4	\$ 6
Life Insurance	47	94	168	163
Group Protection	2	2	4	3
Retirement Plan Services	2	2	5	4
Total ⁽¹⁾	<u>\$ 52</u>	<u>\$ 101</u>	<u>\$ 181</u>	<u>\$ 176</u>

⁽¹⁾ Includes net investment income on the alternative investments supporting the required statutory surplus of our insurance businesses, not including alternative investments that support reinsurance funds withheld and modified coinsurance agreements where the investment results are passed directly to the reinsurers.

As of June 30, 2026, and December 31, 2025, alternative investments included investments in 375 and 384 different partnerships, respectively, and the portfolio represented approximately 3% of total investments. These amounts do not include alternative investments that support funds withheld and modified coinsurance reinsurance agreements where the investment results are passed directly to the reinsurers. 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.

Net Investment Income

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Net Investment Income				
Fixed maturity AFS securities	\$ 1,141	\$ 1,069	\$ 2,257	\$ 2,128
Trading securities	20	25	40	51
Equity securities	5	3	8	5
Mortgage loans on real estate	282	260	554	510
Policy loans	26	25	53	51
Cash and invested cash	76	50	155	109
Commercial mortgage loan prepayment and bond make-whole premiums ⁽¹⁾	10	5	15	7
Other investments ⁽²⁾	114	128	246	234
Investment income	1,674	1,565	3,328	3,095
Investment expense	(49)	(94)	(98)	(161)
Net investment income	<u>\$ 1,625</u>	<u>\$ 1,471</u>	<u>\$ 3,230</u>	<u>\$ 2,934</u>

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

⁽²⁾ Includes primarily investment income on alternative investments. See “Alternative Investments” above for additional information.

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Interest Rate Yield				
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	4.34 %	4.08%	4.24 %	4.11 %
Commercial mortgage loan prepayment and bond make-whole premiums	0.03%	0.02%	0.02%	0.01 %
Other investments	0.33%	0.39%	0.35 %	0.35 %
Net investment income yield on invested assets	<u>4.70%</u>	<u>4.49%</u>	<u>4.61 %</u>	<u>4.47 %</u>

We earn investment income on our general account investments supporting our liabilities associated with investment-type annuities (including RILA, individual and group fixed and fixed portion of variable annuities, fixed indexed deferred annuities and non-life contingent payout fixed annuities), UL, *MoneyGuard*®, VUL, IUL and funding agreement products. The profitability of our 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 policyholder account balance. The net investment income and the interest rate yield tables above 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 and other 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 subsidiaries' capital position, as discussed further below. 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 subsidiaries' capital position, which may cause them to retain more capital. This in turn may pressure our subsidiaries' 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 "Forward-Looking Statements – Cautionary Language" above and "Part I – Item 1A. Risk Factors" in our 2025 Form 10-K.

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 obligations under insurance policies and contracts, 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 \$(420) million and \$741 million for the six months ended June 30, 2026 and 2025, respectively. Cash flows from operating activities will fluctuate based on the timing of insurance premiums received and benefit payments to policyholders, as well as other business activities including cash payments on certain derivatives used to hedge exposure to product-related risks.

Holding Company Sources and Uses of Liquidity and Capital

The primary sources of liquidity and capital at the holding company level are dividends, return of capital 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:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Cash Dividends and Return of Capital from Subsidiaries				
The Lincoln National Life Insurance Company	\$ 310	\$ 170	\$ 580	\$ 400
Total cash dividends and return of capital from subsidiaries	\$ 310	\$ 170	\$ 580	\$ 400
Interest from Subsidiaries				
Interest on inter-company notes	\$ 33	\$ 34	\$ 64	\$ 69

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 or common 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 2025 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 2025 Form 10-K.

Subsidiaries' Capital

Our insurance subsidiaries must maintain certain regulatory capital levels. Under RBC requirements, regulatory compliance is determined by the ratio of a company's total adjusted capital, as defined by the NAIC, to its company action level of RBC (known as the “RBC ratio”), also as defined by the NAIC. 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 2025 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 subject to the NAIC RBC framework 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 letters of credit (“LOCs”), debt financing, excess of loss structures with third-party reinsurers, as well as other financing strategies to finance certain reserves. For information on the LOCs, see LOCs in Note 13 in our 2025 Form 10-K. Our captive reinsurance and reinsurance subsidiaries have also issued long-term notes of \$3.0 billion to finance a portion of the excess reserves associated with our term and UL products with secondary guarantees as of June 30, 2026; of this amount, \$2.5 billion involve exposure to variable interest entities. For information on these long-term notes issued by our captive reinsurance and reinsurance subsidiaries, see Note 4 in our 2025 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 for variable annuity guaranteed benefit riders and guaranteed benefits on VUL policies, as well as certain components of the NAIC RBC calculation that are impacted by such guaranteed benefits, are sensitive to changes in the equity markets and interest rates, and such statutory reserves and our RBC levels are also 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 variable annuity 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. The Lincoln National Life Insurance Company (“LNL”) also uses a partial hedge and a third-party reinsurance agreement to mitigate potential capital volatility from guaranteed benefits on VUL policies. Market conditions greatly influence the ultimate capital required due to its effect on the valuation of reserves and supporting derivatives.

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, as well as our captive reinsurance or 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 VUL separate accounts. When the market value of our separate account assets increases, the statutory surplus within our insurance subsidiaries also increases, all else equal. Contrarily, when the market value of our separate account assets decreases, the statutory surplus within our insurance subsidiaries also decreases, all else equal, 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.

For the three and six months ended June 30, 2025, LNC made \$805 million in cash capital contributions to subsidiaries, including \$800 million to LNL using proceeds from the Bain Capital transaction. For more information on the Bain Capital transaction, see “Issuance of Common Stock” below and Note 15 herein.

LNC made \$5 million in cash capital contributions to subsidiaries for the three and six months ended June 30, 2026.

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 six months ended June 30, 2026, were as follows:

	Beginning Balance	Issuances	Maturities, Repayments and Refinancing	Change in Fair Value Hedges	Other Changes ⁽¹⁾	Ending Balance
Short-Term Debt						
Current maturities of long-term debt ⁽²⁾	\$ 400	\$ –	\$ –	\$ –	\$ –	\$ 400
Long-Term Debt						
Senior notes	4,728	–	–	2	2	4,732
Term loans ⁽³⁾	150	250	(150)	–	–	250
Subordinated notes	801	500	–	–	(5)	1,296
Capital securities	187	–	–	–	–	187
Total long-term debt	\$ 5,866	\$ 750	\$ (150)	\$ 2	\$ (3)	\$ 6,465

⁽¹⁾ Includes the non-cash reclassification of long-term debt to current maturities of long-term debt, premium (discount) associated with debt issuances, accretion (amortization) of discounts and premiums, amortization of debt issuance costs and amortization of adjustments from discontinued hedges, as applicable.

⁽²⁾ As of June 30, 2026, consisted of \$400 million principal amount of our 3.625% Senior Notes due December 12, 2026.

⁽³⁾ On March 30, 2026, we refinanced our \$150 million term loan due 2027 into a \$250 million term loan due March 30, 2031.

On June 29, 2026, we completed the issuance and sale of \$500 million aggregate principal amount of our 6.800% Subordinated Notes due July 15, 2056. We intend to use the net proceeds from the offering for general corporate purposes, which may include the repurchase and/or redemption of shares of our outstanding Series C and/or Series D preferred stock, both of which will be redeemable at their stated value on or after December 1, 2027. For more information about our preferred stock, see Note 18 in our 2025 Form 10-K.

LNC made interest payments to service debt to third parties of \$76 million and \$156 million for the three and six months ended June 30, 2026, respectively, compared to \$77 million and \$160 million for the three and six months ended June 30, 2025.

For additional information about our short-term and long-term debt and our credit facility, see Note 12 herein and Note 13 in our 2025 Form 10-K.

Preferred Stock

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Series C preferred stock dividends	\$ —	\$ —	\$ 23	\$ 23
Series D preferred stock dividends	11	11	23	23
Total preferred stock dividends	<u>\$ 11</u>	<u>\$ 11</u>	<u>\$ 46</u>	<u>\$ 46</u>

For additional information on preferred stock, see Note 15 herein and Note 18 in our 2025 Form 10-K.

Issuance of Common Stock

On June 5, 2025, we closed our stock sale transaction pursuant to the Purchase Agreement with Bain Capital Prairie, LLC, a newly formed subsidiary of Bain Capital, under which we agreed to sell shares representing 9.9% of our outstanding common stock on a post-issuance basis to the Buyer. Under the final terms, we sold approximately 18.8 million shares of our common stock for aggregate consideration of \$825 million. For additional information on the Bain Capital transaction, see Note 15.

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:

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2026	2025	2026	2025
Dividends to common stockholders	\$ 86	\$ 77	\$ 172	\$ 154
Repurchase of common stock	—	—	—	—
Total cash returned to common stockholders	<u>\$ 86</u>	<u>\$ 77</u>	<u>\$ 172</u>	<u>\$ 154</u>

Alternative Sources of Liquidity

Inter-Company Cash Management Program

To meet short-term liquidity needs that arise in the ordinary course of business, we utilize an inter-company cash management program between LNC and participating subsidiaries whereby participating subsidiaries can borrow cash from or lend cash to LNC. Loans under the inter-company 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. As of June 30, 2026, LNC had \$148 million of outstanding borrowings from the cash management program related primarily to liquidity management and had no outstanding lending into the cash management program.

Facility Agreement for Senior Notes Issuance

On May 20, 2025, LNC entered into a 30-year facility agreement (the "Trust II Facility Agreement") with Belrose Funding Trust II, a Delaware statutory trust ("Trust II"), in connection with Trust II's sale of \$1.0 billion of its Pre-Capitalized Trust Securities Redeemable May 15, 2055 (the "2055 P-Caps") in a private placement pursuant to Rule 144A under the Securities Act of 1933, as amended. Trust II invested the proceeds from the sale of the 2055 P-Caps in a portfolio of principal and interest strips of U.S. Treasury securities (the "Trust II Eligible Assets"). The Trust II Facility Agreement provides LNC the right to issue to Trust II, and to require Trust II to purchase from LNC, on one or more occasions, up to an aggregate principal amount outstanding at any one time of \$1.0 billion of LNC's 6.792% Senior Notes due 2055 (the "6.792% senior notes") in exchange for a corresponding amount of the Trust II Eligible Assets. LNC may direct Trust II to grant all or a portion of the issuance right to one or more assignees (who are LNC's consolidated subsidiaries or persons to whom LNC or any such consolidated subsidiary has an obligation or liability) (each, an "Issuance Right Assignee") who may cause a corresponding portion of the 6.792% senior notes to be issued to Trust II and receive the corresponding Trust II Eligible Assets that would otherwise have been delivered to LNC pursuant to the exercise of the issuance right. The 6.792% senior notes will not be issued unless and until the issuance right is exercised. In return, LNC pays Trust II a semi-annual facility fee at a rate of 1.888% per year (applied to the unexercised portion of the issuance right) and reimburses Trust II for its expenses.

For additional information on the facility agreement for senior notes issuances, see Note 13 in our 2025 Form 10-K.

Federal Home Loan Bank

Our primary insurance subsidiary, 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 as an alternative source of liquidity, and to issue funding agreements, both of which 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 June 30, 2026, LNL had a Board-approved maximum borrowing capacity of \$7.0 billion under the FHLBI facility with no outstanding liquidity borrowings and \$1.6 billion of outstanding funding agreements. Liquidity borrowings are reported within payables for collateral on investments and funding agreements are reported within policyholder account balances 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 a Board-approved 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 June 30, 2026, LLANY had no outstanding borrowings under this facility. For additional information on borrowings under this facility, see "Payables for Collateral on Investments" in Note 3. For additional information on funding agreements issued to FHLBI, see Note 10.

Repurchase Agreements and Securities Lending Programs

Our insurance and reinsurance subsidiaries had access to \$2.6 billion through committed repurchase agreements, of which none was utilized as of June 30, 2026. Our insurance subsidiaries, by virtue of their general account fixed-income investment holdings, can also access liquidity through securities lending programs and uncommitted repurchase agreements. As of June 30, 2026, our insurance subsidiaries had securities pledged under securities lending agreements with a carrying value of \$181 million, and none pledged under uncommitted repurchase agreements. 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 June 30, 2026, we were in a net collateral payable position of \$9.0 billion. In the event of adverse changes in fair value of our derivative instruments, we may need to return, post or pledge collateral to counterparties. If we do not have sufficient high quality securities or cash to provide as collateral to counterparties, we have alternative sources of liquidity. In addition to the liquidity from repurchase agreements and FHLB facilities discussed above, we also have a five-year revolving credit facility discussed in Note 12 herein. For additional information, see "Credit Risk" in Note 5.

Ratings

Financial Strength Ratings

See “Part I – Item 1. Business – Financial Strength Ratings” in our 2025 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 2025 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 and/or certain repurchase agreements may be triggered, which could negatively affect overall liquidity. For the majority of our derivative counterparties, there is a termination event if the long-term credit ratings of LNC drop below BBB-/Baa3 (S&P/Moody’s) or if the financial strength ratings of LNL drop below BBB-/Baa3 (S&P/Moody’s). For certain repurchase agreements, there is a termination event if the long-term credit ratings of LNC drop below BBB-/Baa3 (S&P/Moody’s) or if the financial strength ratings of LNL drop below BBB+/Baa1 (S&P/Moody’s). 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 – 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 2025 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, through an integrated asset-liability management process. 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 2025 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 June 30, 2026, 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 consolidated civil actions captioned *EFG Bank AG, Cayman Branch, et al. v. The Lincoln National Life Insurance Company; 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*, previously disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025 (“2025 Form 10-K”) and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026. The parties fully executed a final settlement agreement and release dated May 19, 2026, in settlement of all claims in all three cases. The cases were dismissed by stipulation on May 22, 2026.

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 2025 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 June 30, 2026 (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 ⁽¹⁾	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾
4/1/26 – 4/30/26	–	\$ –	–	\$ 714
5/1/26 – 5/31/26	–	–	–	714
6/1/26 – 6/30/26	–	–	–	714

⁽¹⁾ 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 June 30, 2026, 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 June 30, 2026, 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 130, which is incorporated herein by reference.

LINCOLN NATIONAL CORPORATION
Exhibit Index for the Report on Form 10-Q
For the Quarter Ended June 30, 2026

4.1	Third Supplemental Subordinated Indenture, dated as of June 29, 2026, to Subordinated Indenture, dated as of August 11, 2021, between the Company and The Bank of New York Mellon, as trustee, is incorporated by reference to Exhibit 4.2 to the Company's Form 8-K (File No. 1-6028) filed with the Securities and Exchange Commission ("SEC") on June 29, 2026.
4.2	Form of 6.800% Fixed-to-Fixed Reset Rate Subordinated Note due 2056 (included in the Third Supplemental Subordinated Indenture, dated as of June 29, 2026) is incorporated by reference to Exhibit 4.3 to the Company's Form 8-K (File No. 1-6028) filed with the SEC on June 29, 2026.
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).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LINCOLN NATIONAL CORPORATION

By: /s/ Christopher Neczypor

Christopher Neczypor
Executive Vice President and Chief Financial Officer

By: /s/ Adam Cohen

Adam Cohen
Senior Vice President, Chief Accounting Officer and Treasurer

Dated: July 30, 2026