UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

(Mark One)

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the fiscal year ended December 31, 2024
OR

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

LINCOLN NATIONAL CORPORATION
(Exact name of registrant as specified in its charter)

Indiana	**35-1140070**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
150 N. Radnor-Chester Road, Suite A305, Radnor, Pennsylvania	**19087**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (484) 583-1400

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

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

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ☐ No ☒

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).
Yes ☐ No ☒

The aggregate market value of the shares of the registrant's common stock held by non-affiliates (based upon the closing price of these shares on the New York Stock Exchange) as of the last business day of the registrant's most recently completed second fiscal quarter was $4.6 billion. Shares of common stock held by each executive officer and director and each entity that owns 10% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. The determination of affiliate status is not necessarily a conclusive determination for other purposes. As of February 13, 2025, 170,403,822 shares of common stock of the registrant were outstanding.

Documents Incorporated by Reference:

Selected portions of the Proxy Statement for the Annual Meeting of Shareholders, scheduled for May 22, 2025, have been incorporated by reference into Part III of this Form 10-K.

Lincoln National Corporation

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PART I

The "Business" section and other parts of this Form 10-K contain forward-looking statements that involve inherent risks and uncertainties. Statements that are not historical facts, including statements about our beliefs and expectations, and containing words such as "believes," "estimates," "anticipates," "expects" or similar words are forward-looking statements. Our actual results may differ materially from the projected results discussed in the forward-looking statements. Factors that could cause such differences include, but are not limited to, those discussed in "Item 1A. Risk Factors" and in the "Forward-Looking Statements – Cautionary Language" in "Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") of the Form 10-K. The consolidated financial statements and the accompanying notes to the consolidated financial statements ("Notes") are presented in "Part II – Item 8. Financial Statements and Supplementary Data."

Item 1. Business

OVERVIEW

Lincoln National Corporation ("LNC," which also may be referred to as "Lincoln," "we," "our" or "us") is a holding company that operates multiple insurance and retirement businesses through subsidiary companies. Through our business segments, we sell a wide range of wealth accumulation, wealth protection, group protection and retirement income products and solutions. LNC was organized under the laws of the state of Indiana in 1968. We currently maintain our principal executive offices in Radnor, Pennsylvania. "Lincoln Financial" is the marketing name for LNC and its subsidiary companies.

We provide products and services and report results through four business segments as follows:

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

We also have Other Operations, which includes the financial data for operations that are not directly related to the business segments.

The results of Lincoln Financial Distributors ("LFD"), our wholesale distributor are included in the segments for which it distributes products. LFD distributes our individual life insurance and annuity products, retirement plan products and services and corporate-owned universal life insurance and variable universal life insurance ("COLI") and bank-owned universal life insurance and variable universal life insurance ("BOLI") products and services. The distribution occurs through financial intermediaries, including consultants, brokers, planners, agents, financial advisers, third-party administrators ("TPAs"), financial institutions and other intermediaries. Group Protection distributes its products and services primarily through employee benefit brokers, TPAs and other employee benefit firms. As of December 31, 2024, LFD had approximately 440 internal and external wholesalers (including sales and relationship managers).

The results through May 6, 2024, of Lincoln Financial Network ("LFN"), our former retail distributor, are included in the business segments for which it distributed products. See "Sale of Wealth Management Business" below for more information.

In addition to the discussion that follows, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 19 for additional information regarding each of our business segments and Other Operations.

Sale of Wealth Management Business

On May 6, 2024, we closed the sale of the subsidiaries of Lincoln that comprised its wealth management business operated through LFN to Osaic Holdings, Inc. ("Osaic"), pursuant to the Stock Purchase Agreement entered into between LNC and Osaic on December 14, 2023 (the "Agreement"). Pursuant to the Agreement, we sold our ownership interests in the following subsidiaries: Lincoln Financial Securities Corporation, Lincoln Financial Advisors Corporation, California Fringe Benefit and Insurance Marketing Corporation, LFA, Limited Liability Company and LFA Management Corporation. For additional information, see Note 1.

BUSINESS SEGMENTS AND OTHER OPERATIONS

ANNUITIES

Overview

The Annuities segment provides tax-deferred investment growth and lifetime wealth accumulation and protection opportunities for its clients by offering variable annuities, fixed (including indexed) annuities and registered index-linked annuities ("RILA").

Annuities have several features that are attractive to customers. Annuities are unique in that policyholders can select a variety of payout alternatives to provide an income flow for life. Many annuity contracts also include guarantee features (living and death benefits) that are not found in any other investment vehicle and that, we believe, make annuities attractive especially in times of economic uncertainty. In addition, growth on the underlying principal in annuities is typically granted tax-deferred treatment, thereby deferring the tax consequences of the growth in value until withdrawals are made from the accumulation values, potentially at lower tax rates occurring during retirement.

Products

In general, an annuity is a contract between an insurance company and an individual in which the insurance company, after receipt of one or more premium payments, agrees to pay an amount of money either in one lump sum or on a periodic basis (i.e., annually, semi-annually, quarterly or monthly), beginning on a certain date and continuing for a period of time as specified in the contract or as requested. The payments may be made on either a guaranteed or non-guaranteed basis. Periodic payments can begin within 12 months after the premium is received (referred to as an immediate annuity) or at a future date in time (referred to as a deferred annuity). This retirement vehicle helps protect an individual from outliving their money.

The following discusses our annuity product offerings:

Variable Annuities

A variable annuity provides the contract holder the ability to direct their account balance into one or more variable accounts ("variable funds") offered through the separate accounts of our insurance companies where the investment risk is borne entirely by the contract holder ("separate account balance"). The value of the variable portion of the contract holder's account is driven by the performance of the underlying variable funds chosen by the contract holder. Certain variable annuity products permit a contract holder to allocate a portion of their account balance into a fixed account that is backed by the general account of our insurance companies where the contract holder account balance is credited with an interest rate in accordance with the contract ("general account balance"). We expect to earn a spread between what we earn on the underlying general account investments supporting the contract holders' general account balance and what we credit to our contract holders' general account balance.

Our variable funds include non-managed risk funds as well as the Managed Risk Strategies fund options. The Managed Risk Strategies funds are a series of funds that embed volatility risk management and, with some funds, capital protection strategies inside the funds themselves. These funds seek to reduce equity market volatility risk for both the contract holder and us.

We charge contract holders mortality and expense assessments on their separate account balance to cover insurance and administrative expenses. These assessments are a function of the rates priced into the product and the average daily separate account balance. Average daily separate account balances are driven by net flows and variable fund returns. In addition, for some contracts, we impose surrender charges, which are typically applicable to withdrawals during the early years of the annuity contract, with a declining level of surrender charges over time.

We offer guaranteed benefit riders with certain of our variable annuity products, such as a guaranteed death benefit ("GDB"), a guaranteed withdrawal benefit ("GWB"), a guaranteed income benefit ("GIB") and a combination of such benefits.

The GDB features offered include those where we contractually guarantee to the contract holder that upon death, depending on the particular product, we will return no less than: the current contract value; the total deposits made to the contract, adjusted to reflect any partial withdrawals or, for certain products, adjusted to only reflect partial withdrawals over the specified level rate; the highest contract value on a specified anniversary date adjusted to reflect any partial withdrawals following the contract anniversary; or an earnings enhancement on gains in the contract.

We offer the optional *Lincoln ProtectedPay*[SM] lifetime income suite, which provides a GWB and includes: Secure Core, Secure Core with Estate Lock, Secure Plus and Secure Max, and Select Core, Select Core with Estate Lock, Select Plus and Select Max. All provide contract holders with protected lifetime income that is based on a maximum rate of the income base that grows annually for a specified period of time at the greater of a specified simple rate or account balance growth. The riders provide higher income if the contract holder delays

withdrawals. The Secure Core and Select Core riders offer the option of GWBs and GIBs that provide a specified level rate of protected income. The Secure Plus and Secure Max riders and Select Plus and Select Max riders provide contract holders with protected lifetime income up to a specified maximum rate of the income base and a lower specified maximum rate of the income base if the account balance falls to zero. Contract holders under the Secure riders are subject to the allocation of their account balance to our Managed Risk Strategies fund options and certain fixed-income options. Contract holders under the Select riders are subject to restrictions on the allocation of their account balance within the various investment choices. Secure Core with Estate Lock and Select Core with Estate Lock offer an integrated GDB where the death benefit of the total deposits made to the contract is only adjusted to reflect any amount of partial withdrawals that is over the specified level rate of protected GWB income. The death benefit is reduced to zero if the account balance is reduced to zero.

We also offer the American Legacy® Target Date Income variable annuity with an optional Target Date Income Benefit rider, which combines target date investing with a protected lifetime income. Contract holders who elect the Target Date Income Benefit are automatically allocated to the Target Date Fund based on their year of birth. The protected lifetime income is based on a percentage rate of income for their age at the time of purchase of the optional rider, which will grow at the greater of a specified simple rate (available each year a withdrawal is not taken for a specified period of time) or account balance growth.

In addition, we offer the *i4LIFE*® Advantage Select GIB and *i4LIFE* Advantage Secure GIB riders. These riders allow variable annuity contract holders access to and control over their account balance during a portion of the income distribution phase of their contract. In general, GIB is an optional feature available with the *i4LIFE* Advantage rider that guarantees regular income payments will not fall below the greater of a minimum income floor set at benefit issue and 65% (for the Select product) or 75% (for the Secure product) of the highest income payment on a specified anniversary date (reduced for any subsequent withdrawals). Contract holders under the *i4LIFE* Advantage Secure GIB rider are subject to the allocation of their account balance to our Managed Risk Strategies fund options and certain fixed-income options.

We also offer the 4LATER® Select Advantage rider. This rider provides a minimum income base used to determine the GIB floor when a client begins income payments under the *i4LIFE* Advantage Select GIB rider. The 4LATER Select Advantage rider provides growth during the accumulation phase through both an enhancement to the income base each year a withdrawal is not taken for a specified period of time and an annual step-up of the income base to the current contract value. Contract holders under the 4LATER Select Advantage rider are subject to restrictions on the allocation of their account balance within the various investment choices.

We design and actively manage the features and structure of our guaranteed benefit riders to maintain a competitive suite of products consistent with profitability and risk management goals. We use a variety of hedging strategies to mitigate the risks to the statutory capital of our insurance subsidiaries associated with our guaranteed benefit riders. For more information on our hedging program, see "Introduction – Summary of Critical Accounting Estimates – Market Risk Benefits" in the MD&A. For information regarding risks related to our guaranteed benefits and hedging strategies, see "Item 1A. Risk Factors – Market Conditions – Changes in the equity markets, interest rates and/or volatility affect the profitability of our products with guaranteed benefits; therefore, such changes may have a material adverse effect on our business and profitability," and "Item 1A. Risk Factors – Market Conditions – Our hedging strategies may not be fully effective to offset the changes in the carrying value of the guarantees on certain of our products, which could result in volatility in our results of operations and financial condition under GAAP and in the capital levels of our insurance and reinsurance subsidiaries."

Fixed Annuities

A fixed annuity preserves the principal value of the contract while guaranteeing a minimum interest rate to be credited to the accumulation value. Our fixed annuity product offerings consist of traditional fixed-rate and fixed indexed deferred annuities, as well as fixed-rate immediate and deferred income annuities with various payment options, including lifetime income. Fixed annuity contracts are backed by the general account of our insurance companies where we bear the investment risk. To protect from premature withdrawals, we impose surrender charges. Surrender charges are typically applicable during the early years of the contract, with a declining level of surrender charges over time. On most policies, within the surrender charge period, we also have a market value adjustment provision that protects us against disintermediation risk in the case of rapidly rising interest rates. We expect to earn a spread between what we earn on the underlying general account investments supporting the fixed annuity product line and what we credit to our contract holders' general account balance.

We offer single and flexible premium fixed deferred annuities. Single premium fixed deferred annuities are contracts that allow only a single premium to be paid. Flexible premium fixed deferred annuities are contracts that allow multiple premium payments, subject to contractual limits, on either a scheduled or non-scheduled basis.

Our fixed indexed annuities allow the contract holder to choose between a fixed interest crediting rate and an indexed interest crediting rate, which is based on the performance of the S&P 500® Index, the S&P 500 Daily Risk Control 5%™ Index, the S&P 500 Daily Risk Control 10%™ Index, the J.P. Morgan First Trust Balanced Capital Strength 6℠ Index, the J.P. Morgan First Trust Balanced Capital

Strength 5℠ Index, the BlackRock Dynamic Allocation Index, or the Fidelity AIM℠ Dividend Index. The indexed interest credit is guaranteed never to be less than zero.

We use derivatives to hedge the equity market risk associated with our fixed indexed annuity products. For more information on our hedging program, see "Summary of Critical Accounting Estimates – Derivatives" in the MD&A.

RILA

We have two RILA products, *Lincoln Level Advantage*® ("LLA") and *Lincoln Level Advantage 2*® ("LLA2"). *Lincoln Level Advantage* provides the contract holder the ability to direct the investment of premium deposits into one or more indexed accounts and/or variable funds offered through the product. The index interest crediting rate for an indexed account is based, in part, on the performance of an index. The available indices are the S&P 500® Index, the Russell 2000® Index, the MSCI EAFE, the Capital Strength Net Fee Index℠, the First Trust American Leadership Index™ and the NASDAQ-100 Index®. A contract holder's separate account balance varies with the performance of the underlying variable funds chosen by the contract holder.

In 2024, we introduced LLA2, a new version of LLA that provides one or more indexed accounts. LLA2 offers the *SecureLock*+℠ feature, which enables the contract holder to capture gains and reset the growth potential and downside protection for an indexed account by locking in the interim value intra term. The available indices are the S&P 500® Index, the Russell 2000® Index, the MSCI EAFE, the Capital Strength Net Fee Index℠, the First Trust American Leadership Index™, the Capital Group Growth ETF Index and the Capital Group Global Growth ETF Index.

We charge contract holders mortality and expense assessments and administrative fees (for LLA) on their separate account balances to cover insurance and administrative expenses. These assessments are a function of the rates priced into the product and the average daily separate account balance. In addition, for some contracts, we impose surrender charges, which are typically applicable during the early years of the annuity contract, with a declining level of surrender charges over time.

We offer a GDB rider where we contractually guarantee to the contract holder that upon death, depending on the particular product, we will return no less than the current contract value or the total deposits made to the contract, adjusted to reflect any partial withdrawals.

We also offer the *i4LIFE*® Advantage rider on LLA. This rider allows annuity contract holders access and control during a portion of the income distribution phase of their contract. This added flexibility allows the contract holder to access the account balance for transfers and additional withdrawals.

We use derivatives to hedge the equity market risk associated with our indexed variable annuity products. For more information on our hedging program, see "Summary of Critical Accounting Estimates – Derivatives" in the MD&A.

Distribution

The Annuities segment distributes its individual fixed and variable annuity products through LFD. LFD's distribution channels give the Annuities segment access to its target markets. LFD distributes the segment's products to a large number of financial intermediaries, including wire/regional firms, independent financial planners, financial institutions, registered investment advisers and managing general agents.

Competition

The annuities market is very competitive and consists of many companies, with no one company dominating the market for all products. The Annuities segment competes with numerous other financial services companies. The main factors upon which entities in this market compete are distribution channel access and the quality of wholesalers, investment performance, cost, breadth of product portfolio and features, speed to market, brand recognition, financial strength ratings, crediting rates and client service.

LIFE INSURANCE

Overview

The Life Insurance segment focuses on the creation and protection of wealth for its clients by providing life insurance products, including term insurance, both single (including universal life insurance ("UL"), COLI and BOLI) and survivorship versions of indexed universal life insurance ("IUL") and variable universal life insurance ("VUL") products, linked-benefit products (which are UL and VUL with riders providing for long-term care costs), and critical illness and long-term care riders, which can be attached to IUL or VUL policies. Some of our products include secondary guarantees, which are discussed more fully below.

In general, the Life Insurance segment's sources of revenue include premium payments, cost of insurance assessments, expense and fee charges and investment income. In turn, this segment incurs expenses, which include paying death claims, long-term care claims, and surrender benefits, crediting interest, and accruing reserves for future claim payments, as well as other expenses related to the business. The difference between revenue earned and expenses incurred is the profit for the Life Insurance business. Profitability, including fluctuations from period to period, is impacted by factors such as changes in sales of products, mortality experience (the frequency and severity of mortality claims paid during a given period), persistency and investment income. The impact of each factor varies by product type. Generally, this segment has higher sales during the second half of the year with the fourth quarter being the strongest.

Products

We offer four categories of life insurance products, consisting of:

UL and IUL

UL products provide life insurance with account balances that earn rates of return solely based on company-declared interest rates. Policyholder account balances are invested in the general account investment portfolio of our insurance companies where we bear the investment risk. Our fixed IUL products function similarly to a traditional UL policy, with the added flexibility of allowing policyholders to have portions of their account balances earn credits based on the performance of indices such as the S&P 500® Index. These products include Lincoln WealthPreserve® IUL and Lincoln WealthAccumulate® IUL. In 2025, we expect to replace these products with new IUL products that incorporate additional index options and features.

In a UL contract, policyholders typically have flexibility in the timing and amount of premium payments and the amount of death benefit, provided there is sufficient account balance to cover all policy charges for cost of insurance and expenses for the coming period. Under certain policyholder options and market conditions, the death benefit amount may increase or decrease. Premiums received on a UL product, net of expense loads and charges, are added to the policyholder's account balance and accrued with interest. The client has access to their account balance (or a portion thereof), less surrender charges and policy loan payoffs, through contractual liquidity features such as loans, partial withdrawals and full surrenders. Loans and withdrawals reduce the death benefit amount payable and are limited to certain contractual maximums (some of which are required under state law), and interest is charged on all loans. Our UL contracts assess surrender charges against the policies' account balances for full or partial surrenders and certain policy changes that occur during the contractual surrender charge period. Depending on the product selected, surrender charge periods can range from 0 to 25 years.

Our Lincoln Premier℠ BOLI UL product is a UL-type product purchased by a bank that insures the lives of the bank's employees.

We offer a survivorship version of our individual IUL products, Lincoln WealthPreserve® SIUL. This product insures two lives with a single policy and pays death benefits upon the second death.

A UL policy with a lifetime secondary guarantee can stay in force, even if the base policy cash value is zero, as long as secondary guarantee requirements have been met. The secondary guarantee requirement is based on the payment of a required minimum premium or on the evaluation of a reference value within the policy, calculated in a manner similar to the base policy account balance, but using different expense charges, cost of insurance charges and credited interest rates. The parameters for the secondary guarantee requirement are listed in the contract. As long as the policyholder pays the minimum premium or funds the policy to a level that keeps this calculated reference value positive, the policy is guaranteed to stay in force. The reference value has no actual monetary value to the policyholder; it is only a calculated value used to determine whether or not the policy will lapse should the base policy cash value be less than zero. During 2022, we discontinued new sales of UL products with lifetime secondary guarantees, but we still have an in-force block of such products that we continue to administer.

VUL

VUL products are UL products that provide the policyholder the ability to direct their account balance into one or more variable funds offered through the separate accounts of our insurance companies where the investment risk is borne entirely by the policyholder. The value of the variable portion of the policyholder's account balance is driven by the performance of the underlying variable funds chosen by the policyholder. In addition, VUL products offer a fixed account option that is backed by the general account of our insurance subsidiaries where the policyholder's account balance is credited with interest rates as specified in the contract. As with fixed UL products, policyholders have access, within contractual maximums, to account balances through loans, withdrawals and surrenders. Surrender charges are assessed during the surrender charge period, ranging from 0 to 20 years depending on the product.

Our single life VUL offerings include the *Lincoln AssetEdge*® VUL and Lincoln Premier℠ Private Placement VUL products. Private Placement life insurance is individually owned by qualified purchasers or accredited investors.

We also offer a survivorship version of our *Lincoln AssetEdge*® VUL product. This product insures two lives with a single policy and pays death benefits upon the second death.

Our Lincoln Premier℠ VUL BOLI and COLI products and Lincoln Corporate Exec℠ COLI products are also VUL-type products. COLI products are owned by a corporation and insure the lives of the corporation's employees.

During 2024, we discontinued new sales of VUL products with lifetime secondary guarantees, but we still have an in-force block of such products that we continue to administer. A VUL policy with a lifetime secondary guarantee can stay in force, even if the base policy cash value is zero, as long as secondary guarantee requirements have been met.

Our secondary guarantee benefits maintain the flexibility of a UL or VUL policy, which allow a policyholder to take loans or withdrawals. Although loans and withdrawals are likely to shorten the time period of the secondary guarantee, the guarantee is not automatically or completely forfeited. Additional premium may be deposited to extend the length of the guarantee. For additional information on our reserves on UL and VUL products with secondary guarantees, see Note 12.

Linked-Benefit Life Products and Products with Critical Illness Riders

Lincoln *MoneyGuard*®, our linked-benefit life product group, combines UL or VUL with long-term care insurance through the use of a rider or riders. The policy rider allows the policyholder to accelerate death benefits on a tax-free basis in the event of a qualified long-term care need, reducing the remaining death benefit, and, once the death benefit is exhausted, offers access to an additional pool of dollars that can be used for qualified long-term care expenses. Certain policies also provide a reduced death benefit to the policyholder's beneficiary if the death benefit has been fully accelerated as long-term care benefits during the policyholder's life. Riders on MoneyGuard products guarantee to the policyholder that upon death, as long as secondary guarantee requirements have been met, the death benefit or long-term care expenses will be payable even if the account balance equals zero.

Some life products provide for critical illness or long-term care insurance by the use of riders attached to IUL or VUL policies. These riders allow the policyholder to accelerate death benefits on a tax-free basis in the event of a qualified condition.

Term Life Insurance

Term life insurance provides a fixed death benefit for a scheduled period of time. Our term life insurance products give the policyholder the option to convert into a UL, IUL or VUL product. Scheduled policy premiums are required to be paid at least annually. These products include *Lincoln TermAccel*® Level Term and Lincoln *LifeElements*® Level Term.

Distribution

The Life Insurance segment's products are sold through LFD. LFD provides the Life Insurance segment with access to financial intermediaries in the following primary distribution channels: wire/regional firms; independent planner firms; financial institutions; and managing general agents/independent marketing organizations. LFD distributes BOLI/COLI products and services to banks and mid- to large-sized corporations, primarily through intermediaries who specialize in one or both of these markets and who are serviced through a network of internal and external LFD sales professionals.

Competition

The life insurance market is very competitive and consists of many companies with no one company dominating the market for all products. Principal competitive factors include product features, price, underwriting and issue process, customer service and insurers' financial strength. With our broad distribution network, we compete in the three primary needs of life insurance: death benefit protection, accumulation and linked benefits (MoneyGuard). In addition, we use automated underwriting within a defined criteria as well as LincXpress®, a streamlined issue process, both of which are seen as marketplace competitive advantages.

Underwriting

In the context of life insurance, underwriting is the process of evaluating medical and non-medical information about an individual and determining the effect these factors statistically have on mortality. This process of evaluation is often referred to as risk classification. No one can accurately predict how long any individual will live, but certain risk factors can affect life expectancy and are evaluated during the underwriting process.

Claims Administration

Claims service is handled primarily in-house, and claims examiners are assigned to each claim notification based on coverage amount, type of claim and the experience of the examiner. Claims meeting certain criteria are referred to senior claims examiners. A formal quality assurance program is carried out to ensure the consistency and effectiveness of claims examining activities. A network of in-house legal counsel, compliance officers, medical personnel and an anti-fraud investigative unit also support claims examiners. A special team of

claims examiners, in conjunction with claims management, focus on more complex claims matters such as claims incurred during the contestable period, beneficiary disputes and litigated claims. Long-term care claims are handled primarily by a third-party administrator.

GROUP PROTECTION

Overview

The Group Protection segment offers group non-medical insurance products and services, including short- and long-term disability insurance and administration services, statutory disability and paid family medical leave administration and absence management services, term life, accident, critical illness and hospital indemnity products, and dental and vision products to the employer marketplace through various forms of employee-paid and employer-paid plans. Group Protection markets its products and services to employer groups of all sizes, from small companies with fewer than 100 employees to large employers with 10,000 or more employees.

Products

Disability Insurance and Administrative Services

We offer insured coverage for, as well as administrative services for employer self-funded, short- and long-term employer-sponsored group and voluntary disability insurance, which protects an employee against loss of wages due to illness or injury. Short-term disability insurance generally provides weekly benefits for up to 26 weeks following a short waiting period, ranging from 1 to 30 days. Long-term disability insurance provides benefits following a longer waiting period, usually between 90 and 180 days, and provides benefits for a longer period, usually up to normal (Social Security) retirement age. The monthly benefits provided are subject to reduction when Social Security benefits are also paid. We also provide insured coverage for, as well as administrative services for employer self-funded, state-specific statutory disability and paid family leave programs.

Absence Management

We offer a robust portfolio of absence management services to help employers manage their state and federal family medical and company leave programs (paid and unpaid), as well as accommodation services that help employers identify accommodations that could be made to help claimants return to work (e.g., assistive devices, ergonomic assessments, etc.). Our comprehensive and compliant solutions, with ease of intake, provide coordinated and integrated management expertise to handle both leave and disability events.

Life Insurance

We offer employer-sponsored group term life insurance products including basic, optional, and voluntary term life insurance to employees and their dependents. Additional benefits may be provided in the event of a covered individual's accidental death or dismemberment.

Accident, Critical Illness and Hospital Indemnity Insurance

We offer employer-sponsored group accident insurance products for employees and their covered dependents. This product is predominantly purchased on an employee-paid basis. Accident insurance provides scheduled benefits for over 30 types of benefit triggers related to accidental causes, including sports-related injuries, and is available for non-occupational accidents exclusively or on a 24-hour coverage basis.

We also offer employer-sponsored group critical illness insurance to employees and their covered dependents. This product is also predominantly purchased on an employee-paid basis. The coverage provides for lump sum payouts upon the occurrence of one of the specified critical illness benefit triggers covered within a critical illness insurance policy. This product also includes benefits and services that assist employees and their family members in the prevention, early detection and treatment of critical illness events.

Finally, we also offer hospital indemnity insurance as part of our suite of supplemental health solutions. Similar to our employer-sponsored group accident and critical illness insurance, hospital indemnity is offered to employees and their covered dependents and is predominantly purchased on an employee-paid basis. Hospital indemnity insurance provides scheduled benefits for hospital admission and daily confinement, as well as over 20 benefit triggers related to hospitalization due to an accident and/or illness.

Dental and Vision

We offer a variety of employer-sponsored group dental insurance plans, which cover a portion of the cost of eligible dental procedures for employees and their dependents. Products offered include: indemnity coverage, which does not distinguish benefits based on a dental provider's participation in a network arrangement; Preferred Provider Organization ("PPO") products, on an insured and administrative services only basis, that do reflect the dental provider's participation in the PPO network arrangement, including an agreement with

network fee schedules; a Dental Health Maintenance Organization product that limits benefit coverage to a closed panel of network providers; an in-network-only option that limits benefit coverage to providers in certain states; and self-funded options for groups with more than 200 employees.

We also offer comprehensive employer-sponsored fully insured vision plans with a wide range of benefits for protecting employees' and their covered dependents' sight and vision health. All plans provide access to a national network of providers, with in and out-of-network benefits.

Distribution

The Group Protection segment's products are marketed primarily through a national distribution system. The managers and marketing representatives develop business through employee benefit brokers, consultants, and other employee benefit firms that work with employers to provide access to our products.

Competition

The group protection marketplace is very competitive. Principal competitive factors include product features, price, quality of customer service and claims management, technological capabilities, quality and efficiency of distribution and financial strength ratings. In this market, the Group Protection segment competes nationally with a number of major companies and regionally with other companies offering all or some of the products within our product set. In addition, there is competition in attracting brokers to actively market our products and attracting and retaining sales representatives to sell our products. Key competitive factors in attracting brokers include product offerings and features, financial strength, support services and compensation.

Underwriting

The Group Protection segment's underwriters evaluate the risk characteristics of each employer group. Generally, the relevant characteristics evaluated include employee census information (such as age, gender, income and occupation), employer industry classification, geographic location, benefit design elements and other factors. The segment employs detailed underwriting policies, guidelines and procedures designed to assist the underwriter to properly assess and quantify risks. Individual underwriting techniques (including evaluation of individual medical history information) may be used on certain covered individuals selecting benefit amounts that are above guarantee issue limits set forth in the insurance policies. For voluntary and other forms of employee paid coverages, minimum participation requirements are used to obtain a better spread of risk and minimize the risk of anti-selection.

Claims Administration

Claims for the Group Protection segment are managed by claim specialists. Claims are evaluated for eligibility and payment of benefits pursuant to the group insurance contract or self-insured plan and in compliance with federal and state laws and regulations. Efficient and accurate disability claims management is especially important to customer service satisfaction and segment results. Financial results can be impacted by both the incidence and the length of approved disability claims. The segment employs a variety of clinical experts, including employee and contract medical professionals and rehabilitation specialists, to evaluate medically supported functional capabilities and to assist in the development of return-to-work plans. The accuracy and speed of life claims are important customer service and risk management factors. Some life policies include a waiver of premium provision in the event of the insured's disability. Dental claims management focuses on assisting plan administrators and members with the rising costs of insurance by utilizing tools to optimize dental claims payment accuracy through advanced claims review and validation, improved data analysis, enhanced clinical review of claims and provider utilization monitoring.

RETIREMENT PLAN SERVICES

Overview

The Retirement Plan Services segment provides employers with retirement plan products and services, primarily in the defined contribution retirement plan marketplace. Defined contribution plans are a popular employee benefit offered by employers large and small across a wide spectrum of industries. While our focus is employer-sponsored defined contribution plans, we also serve the defined benefit plan and individual retirement account ("IRA") markets on a limited basis. We provide a variety of plan investment vehicles, including individual and group variable annuities, group fixed annuities and mutual fund-based programs. We also offer a broad array of plan services including plan recordkeeping, compliance testing, participant education and trust and custodial services through our affiliated trust company, Lincoln Financial Group Trust Company.

Products and Services

The Retirement Plan Services segment currently brings three primary offerings to the employer-sponsored market: LINCOLN DIRECTOR℠ group variable annuity, LINCOLN ALLIANCE® program and *Multi-Fund*® variable annuity. The LINCOLN ALLIANCE program is a mutual fund-based record-keeping platform. These offerings primarily cover the 403(b), 401(k) and 457 plan marketplaces. The 403(b) plans are available to educational institutions, not-for-profit healthcare organizations and certain other not-for-profit entities. 401(k) plans are generally available to for-profit entities, and 457 plans are available to not-for-profit entities and state and local government entities. The investment options for our products encompass the spectrum of asset classes with varying levels of risk and include both equity and fixed income.

LINCOLN DIRECTOR℠ group variable annuity is primarily a 401(k) defined contribution retirement plan solution available to small businesses, typically those with plans having less than $10 million in account balances. The LINCOLN DIRECTOR product offers participants a broad array of investment options from several fund families and a fixed account backed by the general account of our insurance companies where we bear the investment risk. We earn revenue through asset charges and/or separate account charges, which are used to pay our fees for recordkeeping services, and receive fees from the underlying mutual fund companies for the services we provide. We also expect to earn a spread between what we earn on the underlying general account investments supporting the fixed account and what we credit to our contract holders' account balances. Through the LINCOLN DIRECTOR product, as well the LINCOLN ALLIANCE® product discussed below, we also offer our proprietary YourPath® portfolios, a series of target-date portfolios for employer-sponsored retirement plans. These target-date portfolios are managed along multiple risk-based paths to support a more personalized investment approach based upon financial circumstances and risk tolerance. These target-date portfolios are also available with an income solution in the form of a GWB.

The LINCOLN ALLIANCE program is a defined contribution retirement plan solution aimed at small, mid-large and large market employers, typically those that have defined contribution plans with $10 million or more in account balance. The target market is primarily healthcare providers, public sector employers, corporations and educational institutions. The program bundles our traditional fixed annuity products with the employer's choice of mutual funds, along with recordkeeping, plan compliance services and customized employee education services. The program allows the use of any mutual fund or collective investment trust (if applicable). We earn fees for our recordkeeping and educational services and other services that we provide to plan sponsors and participants. We also expect to earn a spread between what we earn on the underlying general account investments supporting the fixed account and what we credit to our contract holders' account balances.

Multi-Fund® variable annuity is a defined contribution retirement plan solution with fully bundled administrative services and investment choices for small- to mid-sized healthcare, education, governmental and not-for-profit employers sponsoring 403(b), 457(b) and 401(a)/(k) plans. The product is available to the employer through the Multi-Fund group variable annuity contract or directly to the individual participant through the Multi-Fund Select variable annuity contract. We earn mortality and expense charges, investment income on the fixed account and surrender charges from this product. We also receive fees for services that we provide to funds in the underlying separate accounts.

Additionally, we offer other products and services that complement our primary offerings:

- The *Lincoln Next Step*® series of products is a suite of mutual fund-based IRAs available exclusively for participants in Lincoln-serviced retirement plans and their spouses. The products can accept rollovers and transfers from other providers as well as ongoing contributions. The *Lincoln Next Step* IRA product has an annual account charge and offers an array of mutual fund investment options provided by approximately 20 fund families all offered at net asset value. The *Lincoln Next Step Select* IRA has an annual record keeping charge and offers an even wider array of mutual fund investment options from over 20 families, all at net asset value. We earn 12b-1 and service fees on the mutual funds within the product.

- Through a group annuity contract, we offer a series of products intended to fulfill future needs of retirement security for our clients. By offering a GWB inside a retirement plan, we provide plan sponsors a solution that gives participants the ability to participate in the market and receive guaranteed income for life while still maintaining access to their plan account balance. These products are available both to retirement plans where we provide plan recordkeeping services and those where we do not.

- Through a group annuity contract, we offer fixed return products to retirement plans and other institutional contract holders where we do not provide plan recordkeeping services. The fixed annuity is used within small, mid-large and large employer plan sponsors or institutional investors. The contract provides a conservative investment option for those seeking stability. In certain contract designs, we expect to earn a spread between what we earn on the underlying general account investments supporting the fixed account and what we credit to our contract holders' account balances. In others, we earn a fee on assets in the underlying custodial account.

Distribution

Retirement Plan Services products are primarily distributed through our internal wholesale distribution teams registered with LFD. These teams distribute these products primarily through unaffiliated advisers, consultants, banks, wirehouses and individual planners. We remain focused on wholesaler productivity, increasing relationship management expertise and growing the number of broker-dealer relationships.

Competition

The retirement plan marketplace is very competitive and comprised of many providers with no one company dominating the market for all products. As stated above, we compete with numerous other financial services corporations in the small, mid and large employer-size markets. The main factors upon which entities in this market compete are product strength, technology, service model delivery, participant education models, quality of wholesale distribution access to intermediary firms and brand recognition. Our key differentiator is our technology enabled people-connected service model, which leverages digitally focused tools with personalized support and has been shown to drive positive outcomes for plan sponsors and participants.

OTHER OPERATIONS

Other Operations includes the financial results for operations that are not directly related to the business segments and primarily consists of: investments related to the excess capital in our insurance subsidiaries; corporate investments; interest expense associated with debt; expenses associated with corporate strategic initiatives; expenses associated with benefit plans; the results of certain disability income business; our run-off Institutional Pension business in the form of group annuity contracts; and, beginning in 2025, activities related to funding agreement-backed notes ("FABN"). See "Introduction – Executive Summary – Significant Operational Matters" in the MD&A for additional information on our FABN program.

REINSURANCE

Our reinsurance strategy is designed to protect our insurance subsidiaries against the severity of losses on individual claims and unusually serious occurrences in which a number of claims produce an aggregate extraordinary loss. Although reinsurance does not discharge the insurance subsidiaries from their primary liabilities to their policyholders for losses insured under the insurance policies, it does make the assuming reinsurer liable to the insurance subsidiaries for the reinsured portion of the risk. Because we bear the risk of nonpayment by one or more of our reinsurers, we primarily cede reinsurance to well-capitalized, highly rated unaffiliated reinsurers. We also utilize inter-company reinsurance agreements to manage our statutory capital position as well as our hedge program for variable annuity guarantees. These inter-company agreements do not have an effect on the consolidated financial statements.

In 2024, Lincoln Pinehurst Reinsurance Company (Bermuda) Limited ("LPINE"), a wholly owned subsidiary of LNC, began operating as a Class E Bermuda-based life and annuity reinsurance company. For more information about LPINE, see "Introduction – Executive Summary – Significant Operational Matters" in the MD&A.

As of December 31, 2024, the policy for our reinsurance program was to retain no more than $20 million on a single insured life, with the retention on most policies being significantly below that. For more information, see Note 7.

Some portions of our annuity and life businesses have been reinsured on either a coinsurance or a modified coinsurance basis with other companies. In a coinsurance program, the reinsurer shares proportionally in all financial terms of the reinsured policies (i.e., premiums, expenses, claims, etc.) based on their respective percentage of the risk. In a modified coinsurance program, we as the ceding company retain the reserves, as well as the assets backing those reserves, and the reinsurer shares proportionally in all financial terms of the reinsured policies based on their respective percentage of the risk.

In addition, we acquire other reinsurance to cover products other than as discussed above with retentions and limits that management believes are appropriate for the circumstances. For example, we use reinsurance to cover larger life and disability claims in our Group Protection business.

We obtain reinsurance from a diverse group of reinsurers, and we monitor concentration and financial strength ratings of our principal reinsurers. Fortitude Reinsurance Company Ltd. ("Fortitude Re"), Protective Life Insurance Company, Security Life of Denver Insurance Company (a subsidiary of Resolution Life that we refer to herein as "Resolution Life"), Commonwealth Annuity and Life Insurance Company (a subsidiary of Global Atlantic) and Athene Holding Ltd. ("Athene") represent our largest reinsurance exposures. For more information regarding our reinsurance arrangements and exposure, see "Reinsurance" in the MD&A and Note 7. For risks involving reinsurance, see "Item 1A. Risk Factors – Operational Matters – We face risks of non-collectability of reinsurance and increased reinsurance rates, which could materially affect our results of operations."

INVESTMENTS

An important component of our financial results is the return on investments. Our investment strategy is to balance the need for current income with prudent risk and capital management, with an emphasis on generating sufficient current income to meet our obligations. This approach requires the evaluation of risk and expected return of each asset class utilized, while still meeting our income objectives. This approach also permits us to be more effective in our asset-liability management because decisions can be made based upon both the economic and current investment income considerations affecting assets and liabilities. Investments made by our insurance subsidiaries must comply with the insurance laws and regulations of the states of domicile.

Derivatives are used primarily for hedging purposes. Hedging strategies are employed for a number of reasons including, but not limited to, hedging certain portions of our exposure to changes in interest rate fluctuations, credit risks, foreign exchange risks, equity risks and the market-implied volatilities associated with guaranteed benefit riders available in our variable annuity products. Our variable annuity hedge program focuses on generating sufficient income to fund future claims with a goal of maximizing distributable earnings and explicitly protecting capital. This aligns with our increased strategic focus on maximizing the economic value as measured by distributable earnings, which is achieved by managing risks to capital generation due to market volatility. For additional information on our investments, including carrying values by category, quality ratings and net investment income, see "Consolidated Investments" in the MD&A, as well as Notes 1 and 3. For additional information on our variable annuity hedging program, see "Introduction – Summary of Critical Accounting Estimates – Market Risk Benefits" in the MD&A.

FINANCIAL STRENGTH RATINGS

The Nationally Recognized Statistical Ratings Organizations rate the financial strength of our insurance subsidiaries.

Rating agencies rate insurance companies based on financial strength and the ability to pay claims, factors more relevant to policyholders than investors. We believe that the ratings assigned by nationally recognized, independent rating agencies are material to our operations. There may be other rating agencies that also rate our insurance companies that we do not disclose in our reports.

The insurer financial strength rating scales of AM Best, Fitch Ratings ("Fitch"), Moody's Investors Service ("Moody's") and S&P Global Ratings ("S&P") are characterized as follows:

- AM Best – A++ to D
- Fitch – AAA to C
- Moody's – Aaa to C
- S&P – AAA to D

As of February 13, 2025, the financial strength ratings of our insurance subsidiaries, as published by the principal rating agencies that rate us, were as follows:

	AM Best	Fitch	Moody's	S&P
The Lincoln National Life Insurance Company ("LNL")	A	A+	A2	A+
	(3rd highest of 16)	(5th highest of 19)	(6th highest of 21)	(5th highest of 21)
Lincoln Life & Annuity Company of New York ("LLANY")	A	A+	A2	A+
	(3rd highest of 16)	(5th highest of 19)	(6th highest of 21)	(5th highest of 21)
First Penn-Pacific Life Insurance Company ("FPP")	A	A+	A2	A-
	(3rd highest of 16)	(5th highest of 19)	(6th highest of 21)	(7th highest of 21)

A downgrade of the financial strength rating of one of our insurance subsidiaries could affect our competitive position in the insurance industry and make it more difficult for us to market our products, as potential customers may select companies with higher financial strength ratings. See also "Item 1A. Risk Factors – Covenants and Ratings – A downgrade in our financial strength or credit ratings could limit our ability to market products, increase the number or value of policies being surrendered and/or hurt our relationships with creditors."

Our insurer financial strength ratings are all on outlook stable. All of our ratings are subject to revision or withdrawal at any time by the rating agencies, and therefore, no assurance can be given that our insurance subsidiaries can maintain these ratings. Each rating should be

evaluated independently of any other rating. Ratings are not recommendations to buy our securities. See "Liquidity and Capital Resources – Ratings" in the MD&A for a discussion of our credit ratings.

REGULATORY

Insurance Regulation

Our insurance subsidiaries, like other insurance companies, are subject to regulation and supervision by the states, territories and countries in which they are licensed to do business. The extent of such regulation varies, but generally has its source in statutes that delegate regulatory, supervisory and administrative authority to supervisory agencies. The U.S. federal government does not directly regulate the insurance industry. In the United States, this power is vested in state insurance departments.

In supervising and regulating insurance companies, state insurance departments, charged primarily with protecting policyholders and the public rather than investors, enjoy broad authority and discretion in applying applicable insurance laws and regulation for that purpose.

LNL and FPP are domiciled in Indiana and their principal insurance regulatory authority is the Indiana Department of Insurance ("IDOI"). LLANY is domiciled in New York and its principal insurance regulatory authority is the New York Department of Financial Services ("NYDFS"). Our Bermuda-based reinsurance subsidiary, LPINE, and our Barbados-based reinsurance subsidiary, Lincoln National Reinsurance Company (Barbados) Limited, are regulated by the Bermuda Monetary Authority ("BMA") and the Barbados Financial Services Commission, respectively, each of which enforces standards related to solvency, capital adequacy and other regulatory requirements.

The insurance departments of the domiciliary jurisdictions exercise principal regulatory jurisdiction over our insurance subsidiaries. The extent of regulation by the jurisdiction varies, but, in general, most jurisdictions have laws and regulations governing standards of solvency, adequacy of reserves, reinsurance, capital adequacy, licensing of companies and agents to transact business, prescribing and approving policy forms, regulating premium rates for some lines of business, prescribing the form and content of financial statements and reports, regulating the type and amount of investments permitted and standards of business conduct.

State insurance laws and regulations also include provisions governing marketplace activity of life and annuity insurers, including provisions governing the form and content of disclosure to consumers, such as advertising, illustrations, sales practices and complaint handling. Regulators enforce these provisions through market conduct examinations, with a focus in recent years on improper annuity and life insurance sales practices, improper illustration of certain life insurance policies and annuities, race-based underwriting or sales practices, misleading sales presentations and product suitability.

As part of their regulatory oversight process, state insurance departments also conduct periodic examinations, generally once every three to five years, of the books, records, accounts and business practices of insurers domiciled in their states. Examinations are generally carried out in cooperation with the insurance regulators of other states under guidelines promulgated by the National Association of Insurance Commissioners ("NAIC"). During 2024, the IDOI, along with insurance regulators of New York, South Carolina and Vermont, conducted a coordinated risk-focused financial examination covering the five-year period ended December 31, 2022. This routine five-year examination of all our U.S. domestic insurance companies found no material deficiencies. State and federal insurance and securities regulatory authorities and other state law enforcement agencies and Attorneys General also, from time to time, make inquiries and conduct examinations or investigations regarding the compliance by our company, as well as other companies in our industry, with, among other things, insurance laws and securities laws. Our captive reinsurance and reinsurance subsidiaries are subject to periodic financial examinations by their respective domiciliary insurance regulators. We have not received any material adverse findings resulting from insurance department examinations of our insurance, reinsurance and captive reinsurance subsidiaries conducted during the three-year period ended December 31, 2024.

State insurance laws and regulations require our U.S. insurance companies to file financial statements with state insurance departments everywhere they do business, and the operations of our U.S. insurance companies and accounts are subject to examination by those departments at any time. Our U.S. insurance companies prepare statutory financial statements in accordance with accounting practices and procedures prescribed or permitted by these departments. The NAIC has approved a series of statutory accounting principles ("SAP") that have been adopted, in some cases with minor modifications, by virtually all state insurance departments. Changes in these SAP can significantly affect our capital and surplus.

Insurance company regulation is discussed further in this section under "Insurance Holding Company Regulation."

Current and Recent NAIC Topics

Interest Maintenance Reserve

In August 2023, the NAIC approved temporary guidance to allow companies to admit a portion of net negative interest maintenance reserves ("IMR") as an asset under certain conditions, up to a capital and surplus percentage limit. This guidance became effective for periods ending September 30, 2023 and will sunset on December 31, 2025. This guidance has had the effect of increasing our statutory capital, corresponding to an approximate 10 percentage-point increase to our estimated risk-based capital ("RBC") ratio as of December 31, 2024. The NAIC is continuing work towards a long-term solution.

Group Capital Calculation

The NAIC has developed and adopted a Group Capital Calculation ("GCC") based on an RBC aggregation methodology to serve as an individual tool to help state regulators evaluate potential risks within and across insurance groups. The NAIC's amendments to the Model Holding Company Act and Regulation in 2020 adopted the GCC Template and Instructions and implemented the annual filing requirement with an insurance group's lead state regulator. In 2024, Indiana amended the holding company provisions within its Insurance Code to adopt the GCC for use in the IDOI's monitoring of insurance holding companies' solvency. The GCC filing requirement will take effect beginning January 1, 2026.

Reinsurance

The NAIC has proposed a new actuarial guideline to require asset adequacy testing ("AAT") for ceded reinsurance. AAT is under consideration as a tool to help U.S. regulators gain deeper insights into the assets and reserves supporting ceded business. We cannot predict what changes, if any, this proposal may ultimately have on our businesses.

Regulation of Insurer Investments

The NAIC is undertaking a comprehensive review of the existing regulatory framework for the oversight and regulation of insurer investments, including evaluating the appropriate risk-based capital treatment of asset-backed securities. We cannot predict what changes, if any, these activities may ultimately have on our businesses.

Life and Annuities Reserves

The NAIC is also considering modifications to the economic scenario generator used to calculate life and annuity reserves according to the Valuation Manual (e.g., VM-20 and VM-21) and the required capital for these life and annuity contracts, which could affect the level and volatility of statutory reserves and required capital for products in scope. These modifications are expected to be implemented by January 1, 2026, at the earliest. In addition, the NAIC is also considering expanding principle-based reserving to fixed annuities (VM-22), which could affect the level of reserves required for such products. We cannot fully anticipate the effects these modifications may have on our business.

We are monitoring all potential changes and evaluating the potential impact they could have on our product offerings, financial condition and results of operations.

See also "Item 1A. Risk Factors – Legislative, Regulatory and Tax – Our businesses are heavily regulated and changes in regulation and in supervisory and enforcement policies may affect our insurance subsidiary capital requirements, reduce our profitability, limit our growth or otherwise adversely affect our business, results of operations and financial condition." For more information on statutory reserving and our use of captive reinsurance structures, see "Liquidity and Capital Resources – Holding Company Sources and Uses of Liquidity and Capital – Subsidiaries' Capital" in the MD&A.

Insurance Holding Company Regulation

LNC and its insurance subsidiaries are subject to regulation pursuant to the insurance holding company laws of the states of Indiana and New York. These insurance holding company laws generally require an insurance holding company and insurers that are members of such insurance holding company's system to register with the insurance department authorities, to file with it certain reports disclosing information, including their capital structure, ownership, management, financial condition and certain inter-company transactions, including material transfers of assets and inter-company business agreements, and to report material changes in that information. These laws also require that inter-company transactions be fair and reasonable and, under certain circumstances, prior approval of the insurance departments must be received before entering into an inter-company transaction. Further, these laws require that an insurer's policyholders' surplus following any dividends or distributions to shareholder affiliates is reasonable in relation to the insurer's outstanding liabilities and adequate for its financial needs.

In general, under state holding company regulations, no person may acquire, directly or indirectly, a controlling interest in our capital stock unless such individual, corporation or other entity has obtained prior approval from the applicable insurance commissioner for such acquisition of control. Pursuant to such laws, in general, any person acquiring, controlling or holding the power to vote, directly or indirectly, 10% or more of the voting securities of an insurance company, is presumed to have "control" of such company. This presumption may be rebutted by a showing that control does not exist in fact. The insurance commissioner, however, may find that "control" exists in circumstances in which a person owns or controls a smaller amount of voting securities. To obtain approval from the insurance commissioner of any acquisition of control of an insurance company, the proposed acquirer must file with the applicable commissioner an application containing information regarding: the identity and background of the acquirer and its affiliates; the nature, source and amount of funds to be used to carry out the acquisition; the financial statements of the acquirer and its affiliates; any potential plans for disposition of the securities or business of the insurer; the number and type of securities to be acquired; any contracts with respect to the securities to be acquired; any agreements with broker-dealers; and other matters.

Other jurisdictions in which our insurance subsidiaries are licensed to transact business may have similar or additional requirements for prior approval of any acquisition of control of an insurance or reinsurance company licensed or authorized to transact business in those jurisdictions. Additional requirements in those jurisdictions may include re-licensing or subsequent approval for renewal of existing licenses upon an acquisition of control. In addition, laws that govern the holding company structure also govern payment of dividends to us by our insurance subsidiaries. See "Liquidity and Capital Resources – Holding Company Sources and Uses of Liquidity and Capital – Restrictions on Subsidiaries' Dividends" in the MD&A for a discussion of restrictions on subsidiaries' dividends and other payments.

Risk-Based Capital

The NAIC has adopted RBC requirements for life insurance companies to evaluate the adequacy of statutory capital and surplus in relation to investment and insurance risks. The requirements provide a means of measuring the minimum amount of statutory surplus appropriate for an insurance company to support its overall business operations based on its size and risk profile. There are five major risks involved in determining the requirements:

Category	Name	Description
Asset risk – affiliates	C-0	Risk of declining value of insurance subsidiaries and risk from off-balance sheet and other miscellaneous accounts
Asset risk – others	C-1	Risk of assets' default of principal and interest or fluctuation in fair value
Insurance risk	C-2	Risk of underestimating liabilities from business already written or inadequately pricing business to be written in the future
Interest rate risk, health credit risk and market risk	C-3	Risk of losses due to changes in interest rate levels, risk that health benefits prepaid to providers become the obligation of the health insurer once again and risk of loss due to changes in market levels associated with variable products with guarantees
Business risk	C-4	Risk of general business

A company's risk-based statutory surplus is calculated by applying factors and performing calculations relating to various asset, premium, claim, expense and reserve items. Regulators can then measure adequacy of a company's statutory surplus by comparing it to the RBC determined by the formula. 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.

Accordingly, factors that have an impact on the total adjusted capital of our insurance subsidiaries, such as the permitted practices discussed above or changes in actuarial assumptions that cause us to increase our reserves, will also affect their RBC levels. Four levels of regulatory attention may be triggered if the RBC ratio is insufficient:

- "Company action level" – If the RBC ratio is between 75% and 100%, then the insurer must submit a plan to the regulator detailing corrective action it proposes to undertake;
- "Regulatory action level" – If the RBC ratio is between 50% and 75%, then the insurer must submit a plan, but a regulator may also issue a corrective order requiring the insurer to comply within a specified period;
- "Authorized control level" – If the RBC ratio is between 35% and 50%, then the regulatory response is the same as at the "Regulatory action level," but, in addition, the regulator may take action to rehabilitate or liquidate the insurer; and
- "Mandatory control level" – If the RBC ratio is less than 35%, then the regulator must rehabilitate or liquidate the insurer.

As of December 31, 2024, the RBC ratios of LNL, LLANY and FPP reported to their respective states of domicile and the NAIC all exceeded the "company action level." We believe that we will be able to maintain the RBC ratios of our insurance subsidiaries in excess of "company action level" through prudent underwriting, claims handling, investing and capital management. However, no assurances can be given that developments affecting the insurance subsidiaries, many of which could be outside of our control, will not cause the RBC

ratios to fall below the "company action level" or below our targeted levels, which are significantly higher than the "company action level." These developments may include, but may not be limited to: changes to the manner in which the RBC ratio is calculated; new regulatory requirements for calculating reserves, such as principles-based reserving; economic conditions leading to higher levels of impairments of securities in our insurance subsidiaries' general accounts; and an inability to finance life reserves such as through the issuance of letters of credit ("LOCs") supporting inter-company reinsurance structures.

See "Item 1A. Risk Factors – Liquidity and Capital Position – A decrease in the capital and surplus of our insurance subsidiaries may result in a downgrade to our credit and insurer financial strength ratings" and "Item 1A. Risk Factors – Legislative, Regulatory and Tax – Our businesses are heavily regulated and changes in regulation and in supervisory and enforcement policies may affect our insurance subsidiary capital requirements, reduce our profitability, limit our growth or otherwise adversely affect our business, results of operations and financial condition."

Guaranty Associations and Similar Arrangements

State laws require insurance companies doing business within their jurisdictions to participate in various types of guaranty associations or other similar arrangements. These guaranty associations and arrangements provide certain levels of protection to policyholders from losses under insurance policies issued by insurance companies that become impaired or insolvent. Typically, these guaranty associations levy assessments up to a prescribed limit on a member insurer's proportionate share of the business in the relevant jurisdiction of all member insurers in the lines of business in which the impaired or insolvent insurer is engaged. Some states permit member insurers to recover assessments that they paid through full or partial premium tax offsets, usually over a period of years. See "State Guaranty Fund Assessments" in Note 17 for information regarding amounts accrued for expected assessments and the related expected reductions in future state premium taxes.

Privacy, Artificial Intelligence and Cybersecurity Regulation

We collect, process and maintain personal information from individuals who interact with our business, which subjects us to numerous privacy laws and regulations. These laws require, among other things, that we institute certain policies and procedures in our business to safeguard this information from improper use or disclosure; disclose our collection, processing, use and sharing practices to individuals; allow individuals, in certain circumstances, to access, correct, and delete their personal information; and, in some cases, allow individuals to opt out of certain data sharing practices. We must also promptly notify and report certain types of incidents involving this data. The laws and regulations vary by jurisdiction, and it is expected that additional laws and regulations will continue to be enacted. The NAIC is currently considering revisions to the Privacy of Consumer Financial and Health Information Regulation Model Law that may be completed in 2025. See also "Item 1A. Risk Factors – Legislative, Regulatory and Tax – Compliance with existing and emerging privacy laws and regulations could result in increased compliance costs and/or lead to changes in business practices and policies, and any failure to protect the confidentiality of personal information could adversely affect our reputation and have a material adverse effect on our business, financial condition and results of operations."

With the rise of innovation and technology in the financial and insurance sectors, state and federal regulators and policymakers and the NAIC are increasingly focused on the use of "big data," including artificial intelligence ("AI"), machine learning and automatic decision-making, across various business practices such as underwriting, sales and marketing and in claims processing. In August 2020, members of the NAIC unanimously adopted guiding principles on AI to inform and articulate general expectations for businesses, professionals and stakeholders across the insurance industry as they implement AI tools to facilitate operations. In December 2023, the NAIC adopted a model bulletin on the use of AI by insurers, which was intended to remind insurance carriers that decisions impacting consumers that are made or supported by advanced analytical and computational technologies, including AI, must comply with all applicable insurance laws and regulations, including unfair trade practices. The bulletin also sets forth state insurance regulators' expectations on how insurers should govern the use of such technologies by or on behalf of the insurer to make or support such decisions. Additionally, in October 2023, the White House issued an Executive Order on the Safe, Secure and Trustworthy Development and Use of Artificial Intelligence, which directs federal agencies and departments to create standards and regulations for the use or oversight of AI. See also "Item 1A. Risk Factors – Legislative, Regulatory and Tax – Compliance with existing and emerging rules and regulations governing the use of AI could result in increased compliance costs and/or lead to changes in business practices and policies, and challenges with properly managing the use of AI could result in reputational harm, competitive harm, and legal liability."

We are also subject to information security laws and regulations that impose governance and compliance obligations applicable to our business. For example, in 2017, the NYDFS enacted a regulation establishing cybersecurity requirements for financial services companies (the "NYDFS Cybersecurity Regulation"). The NYDFS Cybersecurity Regulation included specific technical safeguards as well as requirements regarding governance, incident planning, training, data management, system testing and regulator notification in the event of certain cybersecurity events. In November 2023, the NYDFS adopted amendments to the NYDFS Cybersecurity Regulation. The key changes included enhanced governance requirements, additional controls, requirements for more regular risk and vulnerability assessments, as well as more robust incident planning, updated notification requirements and updated training requirements.

While we employ robust and tested privacy and information security programs, as legislatures and regulators establish further laws and regulations for addressing privacy and cybersecurity, we may need to amend our policies and adapt our internal procedures. See also "Item 1A. Risk Factors – Legislative, Regulatory and Tax – Compliance with existing and emerging privacy laws and regulations could result in increased compliance costs and/or lead to changes in business practices and policies, and any failure to protect the confidentiality of personal information could adversely affect our reputation and have a material adverse effect on our business, financial condition and results of operations." For information regarding cybersecurity risks, see "Item 1A. Risk Factors – Operational Matters – Our information systems may experience interruptions, breaches in security and/or a failure of disaster recovery systems that could result in a loss or disclosure of confidential information, damage to our reputation, impairment of our ability to conduct business effectively and increased expenses" and "Item 1A. Risk Factors – Operational Matters – We are subject to third-party information system and other operational risks due to our reliance on third-party vendors and suppliers and the outsourcing of certain of our business operations."

Securities, Broker-Dealer and Investment Adviser Regulation

In addition to being registered under the Securities Act of 1933, some of our separate accounts as well as mutual funds that we sponsor are registered as investment companies under the Investment Company Act of 1940, and the shares of certain of these entities are qualified for sale in some or all states and the District of Columbia. We also have one subsidiary, LFD, that is registered as a broker-dealer under the Securities Exchange Act of 1934, as amended ("Exchange Act") and is subject to federal and state regulation, including, but not limited to, the Financial Industry Regulation Authority's ("FINRA") net capital rules. In addition, we have one subsidiary that is a registered investment adviser under the Investment Advisers Act of 1940. Employees registered or associated with our investment adviser or broker-dealer subsidiaries are subject to federal securities laws and to examination requirements and regulation by state and federal securities regulators. The SEC and other governmental agencies and self-regulatory organizations, as well as state securities commissions in the U.S., have the power to conduct administrative proceedings that can result in censure, fines, the issuance of cease-and-desist orders or suspension and termination or limitation of the activities of the regulated entity or its employees. In recent years, there has been increased scrutiny by these bodies across the industry, which has included more extensive examinations, regular sweep inquiries and more detailed review of disclosure documents. Certain of our subsidiaries have been, and may continue to be, the subject of such inquiries and examinations. For more information about regulatory and litigation matters generally, see Note 17.

Standard of Conduct Regulation

As a result of overlapping efforts by the Department of Labor ("DOL"), the NAIC, individual states and the SEC to impose fiduciary-like requirements in connection with the sale of annuities, life insurance policies and securities, which are each discussed in more detail below, there have been a number of proposed or adopted changes to the laws and regulations that govern the distribution of our products.

DOL Fiduciary Advice Rule

In 2016, the DOL released the DOL Fiduciary Rule, which became effective in 2017 and substantially expanded the range of activities considered to be fiduciary investment advice under the Employee Retirement Income Security Act of 1974 ("ERISA") and the Internal Revenue Code. The DOL Fiduciary Rule was subsequently vacated by the U.S. Court of Appeals for the Fifth Circuit (the "Fifth Circuit") in March 2018, and in June 2018, the Fifth Circuit issued a mandate stating that the original definition of "fiduciary," including the original five-part test, would apply going forward.

On April 23, 2024, the DOL finalized new regulations that redefined the meaning of "investment advice fiduciary," substantially expanding the range of activities considered to be fiduciary investment advice under ERISA. The final rule also amended the applicable prohibited transaction exemptions that allow investment advice fiduciaries to be paid compensation. As finalized, these revisions would potentially apply to almost all sales to retirement plan participants and IRA investors, resulting in more extensive disclosure and other compliance obligations as well as increased potential legal exposure for those involved in sales activities that would be newly treated as fiduciary advice. The final rule was set to become effective on September 23, 2024, while the changes to the prohibited transaction exemptions were to have a one-year phase-in from the effective date. Based on lawsuits challenging the new rule brought in two separate Texas District Courts in the Fifth Circuit, in July 2024, a stay was issued delaying the implementation of the new rule until further notice. As a result, it is uncertain at this time whether these changes will have a material impact on our business.

SEC Regulation Best Interest

In 2019, the SEC approved "Regulation Best Interest," including a new standard of conduct for broker-dealers under the Exchange Act, which requires broker-dealers and their representatives to act in the best interest of retail customers when making recommendations of any securities transaction, without putting their financial interests ahead of the interests of retail customers. The final rule includes guidance on what constitutes a "recommendation" and a definition of who would be a "retail customer" in addition to provisions setting forth certain required disclosures, policies and procedures to identify conflicts of interest, and customer-specific best interest obligations.

In addition, the SEC approved the use of a new disclosure document, the customer or client relationship summary, or Form CRS. Form CRS is intended to provide retail investors with information about the nature of their relationship with their investment professional and

supplements other more detailed disclosures, including existing Form ADV for advisers and the new disclosures under Regulation Best Interest for broker-dealers. Regulation Best Interest and Form CRS became effective as of September 10, 2019, with a transition period for compliance through June 30, 2020, as of which date broker-dealers were required to be compliant.

Finally, the SEC issued interpretative guidance regarding an investment adviser's fiduciary obligation under the Advisers Act. The guidance indicates that investment advisers have a fiduciary duty to their clients that includes both a duty of care and a duty of loyalty and further describes an investment adviser's responsibilities under these fiduciary duties.

State Law Standard of Conduct Rules and Regulations

In addition to the SEC and DOL rules, the NAIC and several states, including Massachusetts, Nevada, New Jersey and New York, have either enacted or proposed laws and regulations requiring investment advisers, broker-dealers and/or agents to meet a higher standard of care and provide additional disclosures when providing advice to their clients. The recently enacted state laws and regulations have resulted in, and upon adoption by other states such laws and regulations may result in, additional requirements related to the sale of our products. Additional disclosure and other requirements could adversely affect our business by causing us to reevaluate or change certain business practices or otherwise.

If any new rules are implemented that are more onerous than Regulation Best Interest, or are not coordinated with Regulation Best Interest, the impact on our business could be substantial. While we continue to monitor and evaluate the various proposals, we cannot predict what other proposals may be made, or what new legislation or regulation may be introduced or become law. Therefore, until such time as final rules or laws are in place, the potential impact on our business is uncertain.

Financial Reform Legislation

Since it was enacted in 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank Act") has imposed considerable reform in the financial services industry. The ongoing implementation continues to present challenges and uncertainties for financial market participants. Additional provisions of the Dodd-Frank Act include, among other things, the creation of a new Consumer Financial Protection Bureau to protect consumers of certain financial products; and changes to certain corporate governance rules. The Federal Insurance Office established under the Dodd-Frank Act issues annually a wide-ranging report on the state of insurance regulation in the U.S., together with a series of recommendations on ways to monitor and improve the regulatory environment. The ultimate impact of these recommendations on our business is undeterminable at this time.

As financial services regulatory reform continues to evolve in the U.S. and abroad, and the marketplace continues to respond, the extent to which our derivatives costs and strategies may change and the extent to which those changes may affect the range or pricing of our products remains uncertain. For example, The European Market Infrastructure Regulation and matching U.K. rules impose initial margin requirements on our over-the-counter derivatives with EU- and U.K.-regulated swap providers. Beginning in 2026, these swap providers may be subject to margin requirements with respect to equity options, which may require us to post and collect additional initial margin. Until the application of initial margin requirements is complete, the impact of these provisions on liquidity and capital resources remains uncertain. See "Item 1A. Risk Factors – Legislative, Regulatory and Tax – Implementation of the provisions of the European Market Infrastructure Regulation relating to the regulation of derivatives transactions subject us to margin requirements, the impact of which remains uncertain."

Other Federal Legislation

Tax Legislation

In August 2022, the Inflation Reduction Act of 2022 established a new 15% corporate alternative minimum tax for corporations whose average adjusted net income for any consecutive three-year period beginning after December 31, 2022, exceeds $1.0 billion. The Inflation Reduction Act of 2022 also established a 1% excise tax on stock repurchases made by publicly traded corporations. Both provisions became effective for tax years beginning after December 31, 2022. Numerous forms of guidance on both provisions were published in the following years by the Internal Revenue Service and U.S. Treasury. While we have determined that we were not within the scope of the corporate alternative minimum tax for 2023 or 2024, we will continue to evaluate the potential impact of this new alternative minimum tax on our business, results of operations and financial condition in future periods.

Key provisions of the Tax Cuts and Jobs Act of 2017 ("TCJA") are set to expire or revert at the end of 2025. Without action by the federal government to amend or extend the TCJA, the expiration or reversion of these provisions would result in across-the-board tax increases on individual taxpayers and automatic increases in certain business taxes under current law. We will continue to actively monitor developments with respect to the TCJA and be actively engaged with regulators and policymakers including the Trump Administration to ensure the impacts of tax policy changes on our business and our customers are well understood.

Outside of potential tax law changes, the uncertainty of federal funding and the future of the Social Security Disability Insurance ("SSDI") program can have a substantial impact on the entire group benefit market because SSDI benefits are a direct offset to the benefits paid under group disability policies. Congress alleviated some of this uncertainty by passing the Bipartisan Budget Act of 2015. The 2024 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, published by the Social Security Administration, projects that the SSDI reserves will not be depleted until 2035.

Health Care Reform Legislation

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, which was subsequently amended by the Health Care and Education Reconciliation Act. This legislation, as well as subsequent state and federal laws and regulations, includes provisions that provide for additional taxes to help finance the cost of these reforms and substantive changes and additions to health care and related laws, which could potentially impact some of our lines of business. We continue to monitor any efforts by the government to repeal or replace provisions of the Patient Protection and Affordable Care Act and the effect those efforts may have on our businesses.

Patriot Act

The USA PATRIOT Act of 2001 includes anti-money laundering and financial transparency laws as well as various regulations applicable to broker-dealers and other financial services companies, including insurance companies. Financial institutions are required to collect information regarding the identity of their customers, watch for and report suspicious transactions, respond to requests for information by regulatory authorities and law enforcement agencies and share information with other financial institutions. As a result, we are required to maintain certain internal compliance practices, procedures and controls.

SECURE Act

In December 2019, President Trump signed into law the Setting Every Community Up for Retirement Enhancement Act (the "SECURE Act"). Most of the provisions of the SECURE Act were effective for plan years beginning after December 31, 2019. Among other things, the provisions of the SECURE Act make it easier for employers to offer lifetime income options in defined contribution retirement plans, facilitate the ability of small employers to offer access to retirement savings vehicles to their employees and increase opportunities for workers to save by enhancing retirement plan automatic enrollment and escalation features. Congress continued to build on the value created by the SECURE Act by passing SECURE Act 2.0 on December 29, 2022. This legislation also helps increase plan adoption and savings opportunities, while also making the offering of lifetime income in plans more feasible. We believe that the financial services industry will continue to benefit from the adoption of these legislative changes through continued or increased savings in retirement and annuity solutions, including through the utilization of Lincoln's suite of offerings.

ERISA Considerations

ERISA is a comprehensive federal statute that applies to U.S. employee benefit plans sponsored by private employers and labor unions. Plans subject to ERISA include pension and profit-sharing plans and welfare plans, including health, life and disability plans. ERISA provisions include reporting and disclosure rules, standards of conduct that apply to plan fiduciaries and prohibitions on transactions known as "prohibited transactions," such as conflict-of-interest transactions and certain transactions between a benefit plan and a party in interest. ERISA also provides for a scheme of civil and criminal penalties and enforcement. Our insurance, plan administrative services and other businesses provide services to employee benefit plans subject to ERISA, including services where we may act as an ERISA fiduciary. In addition, because certain of our businesses provide products and services to ERISA plans, transactions with those plans are subject to ERISA's prohibited transaction rules, which may affect our ability to enter into transactions, or the terms on which transactions may be entered into, with such plans, even if the business entering into the transaction is unrelated to the business giving rise to party-in-interest status. See also "Securities, Broker-Dealer and Investment Adviser Regulation – DOL Fiduciary Advice Rule" above.

Environmental Considerations

Federal, state and local environmental laws and regulations apply to our ownership and operation of real property. Inherent in owning and operating real property are the risks of hidden environmental liabilities and the costs of any required clean-up. Under the laws of certain states, contamination of a property may give rise to a lien on the property to secure recovery of the costs of clean-up, which could adversely affect our commercial mortgage lending. In several states, this lien has priority over the lien of an existing mortgage against such property. In addition, in some states and under the federal Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA"), we may be liable, as an "owner" or "operator," for costs of cleaning-up releases or threatened releases of hazardous substances at a property mortgaged to us. We also risk environmental liability when we foreclose on a property mortgaged to us. Federal legislation provides for a safe harbor from CERCLA liability for secured lenders that foreclose and sell the mortgaged real estate, provided that certain requirements are met. However, there are circumstances in which actions taken could still expose us to CERCLA liability. Application of various other federal and state environmental laws could also result in the imposition of liability on us for costs associated with environmental hazards.

We routinely conduct environmental assessments for real estate we acquire for investment and before taking title through foreclosure to real property collateralizing mortgages that we hold. Although unexpected environmental liabilities can always arise, based on these environmental assessments and compliance with our internal procedures, we believe that any costs associated with compliance with environmental laws and regulations or any clean-up of properties would not have a material adverse effect on our results of operations.

In addition, certain of our regulators and individual states have proposed or adopted, or may propose or adopt, environmental, social and governance ("ESG") rules or standards that would apply to our business. For example, in March 2024, the SEC adopted extensive rule changes, which have been stayed pending the outcome of litigation challenges, that would require companies to include certain climate-related disclosures in their registration statements and periodic reports filed with the SEC, and in October 2023, the Governor of California signed two bills into law that were further amended in September 2024 and, beginning in 2026, will require significant climate-related disclosures (in some cases beyond the disclosures required by the SEC's rule) by large entities doing business in that state. See "Item 1A. Risk Factors – Legislative, Regulatory and Tax – Increasing scrutiny and evolving expectations from investors, customers, regulators and other stakeholders regarding ESG matters may adversely affect our reputation or otherwise adversely impact our business and results of operations" and "Item 1A. Risk Factors – Legislative, Regulatory and Tax – Climate change and climate change regulation may adversely affect our investment portfolio and financial condition."

Intellectual Property

We rely on a combination of copyright, trademark, patent and trade secret laws to establish and protect our intellectual property. We have implemented a patent strategy designed to protect innovative aspects of our products and processes which we believe distinguish us from competitors. We currently own several issued U.S. patents.

We have an extensive portfolio of trademarks and service marks that we consider important in the marketing of our products and services, including, among others, the trademarks of the Lincoln National and Lincoln Financial names, the Lincoln logo and the combination of these marks. Trademark registrations may be renewed indefinitely subject to continued use and registration requirements. We regard our trademarks as valuable assets in marketing our products and services and intend to protect them against infringement and dilution.

HUMAN CAPITAL MANAGEMENT

As of December 31, 2024, we had a total of 9,783 employees. Our mission is to provide financial protection and security to our customers and their families by offering products and services across our four core businesses. We believe that every move we make, including how we manage talent, shapes the future we share with our customers, communities and investors. Accordingly, each of our employees has access to important resources designed to, among other things, help them improve their well-being, understand the value of their work, develop their careers and thrive. From the moment our employees become part of Lincoln, they're empowered to live and act with integrity, accountability and passion in their communities, relationships and daily interactions with colleagues and clients. Our enterprise strategy is driven by continued focus on this unique employee culture, including the following key areas:

Employee Feedback and Employee Engagement

We actively listen to our employees in a variety of ways, including enterprise-wide and department-specific engagement surveys and focus groups, and we gather feedback on an ongoing basis. The Company conducts a comprehensive, company-wide engagement survey every two years, and often conducts department-specific pulse surveys in the alternate years, to inform our human resources strategy, measure progress and adjust plans, as necessary. We focus on equipping our managers to foster employee development and strengthen their voices. We support our managers through tools, resources and development programs to help them be the best leaders possible. We have also created tools to help managers develop and execute on targeted action plans to address areas of opportunity for their work groups.

Talent and Development

Our talent strategy supports Lincoln's ability to identify, develop, engage, retain and reward the talent we need for success in a competitive environment of constant change. Our employees work together with their managers to learn new skills, create an annual individual development plan and shape their careers. Their collaborative efforts are backed by a variety of resources we make available, which provide tools and resources to help employees discover, assess, plan and invest in their careers. Get CAREER FIT is an enterprise-wide program to support all employees in creating a specific and targeted development plan. This boot-camp style program includes expert advice, exercises and tools to clarify career aspirations and define specific steps to achieve success. As part of the program, managers attend virtual instructor-led training to support their effectiveness in having development conversations with their direct reports.

Our vision is to foster a premier learning culture, one that enhances leadership effectiveness, accelerates employee development and helps drive business performance. Employees can access a range of learning and development opportunities including numerous instructor-led, self-paced and curated courses. We have partnered with Harvard Business Publishing, a subsidiary of Harvard Business School, to offer

courses specifically designed for our mid-level employees and senior level leaders. All Lincoln employees can also access open online courses offered through third-party providers, including TED@Work and Harvard Business Publishing. Our Learner Experience Platform serves as the front door to all of our learning content, courses and programs.

Total Rewards and Employee Well-Being

We invest in our employees' futures by offering market-competitive compensation and a broad range of health and wellness programs as well as retirement savings, financial health and protection plans. Our employees receive a personalized Your Total Rewards statement that provides a comprehensive look at their direct and indirect compensation – the total investment that we make in them.

We offer paid time off and various flexible work arrangements, as part of a hybrid work model that was informed by direct feedback from our workforce. In addition, we offer benefits and wellness programs focusing on the physical, emotional, social and financial well-being of our employees. For eligible employees, such programs include:

- a subsidized medical plan with domestic partner eligibility, plus optional dental and vision, a health savings account with a company contribution and a healthcare flexible spending account;
- a well-being program that provides access to personal health coaches, health screenings and flu shots, discounts and reimbursements for programs that promote health;
- an employee assistance program that provides counseling, work/life resources and tools to manage well-being;
- our employee 401(k) plan with a non-discretionary core company contribution, company matching contribution and other convenient features;
- dedicated Lincoln Financial Retirement Consultants to evaluate employee retirement readiness and help them map out ways to improve their readiness, in addition to an independent financial wellness advisor for complete financial well-being assistance;
- hospital indemnity, accident and critical illness insurance coverages, short- and long-term disability plans and company-provided life insurance;
- fertility, pregnancy and parenting support, plus paid parental leave and adoption assistance programs;
- a dependent care flexible spending account and back-up dependent care;
- access to Homework Connection, which provides one-on-one, on-demand homework help to students at no cost to employees;
- weight management, diabetes and hypertension prevention and care; and
- virtual care for musculoskeletal conditions or telemedicine.

AVAILABLE INFORMATION

We file annual, quarterly and current reports, proxy statements and other documents with the SEC under the Exchange Act. The SEC maintains a website that contains reports, proxy and information statements and other information regarding issuers, including LNC, that file electronically with the SEC. The public can obtain any documents that we file with the SEC at www.sec.gov.

We also make available, free of charge, on or through our website, www.LincolnFinancial.com, our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, including exhibits, and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

The information contained on our website is not included as part of, or incorporated by reference into, this report.

Item 1A. Risk Factors

You should carefully consider the risks described below before investing in our securities. The risks and uncertainties described below 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.

Market Conditions

Weak conditions in the global capital markets and the economy generally may materially adversely affect our business and results of operations.

Our results of operations are materially affected by conditions in the global capital markets and the economy generally, both in the U.S. and elsewhere around the world. Major central bank policy actions, inflation, recessionary conditions and political policy uncertainty remain key challenges for markets and our business. These macro-economic conditions have in the past and may in the future have an adverse effect on us given our credit and equity market exposure. In the event of extreme prolonged market events, such as the global credit crisis and recession that occurred during 2008 and 2009, we could incur significant losses. Even in the absence of a market downturn, we are exposed to substantial risk of loss and ratings downgrades due to market volatility.

Factors such as consumer spending, business investment, domestic and foreign government spending, the volatility and strength of the capital markets, the potential for inflation or deflation and uncertainty over domestic and foreign government actions all affect the business and economic environment and, ultimately, the amount and profitability of our business. In an economic downturn characterized by inflation, recessionary conditions, higher unemployment, lower disposable income, lower corporate earnings, lower business investment and lower consumer spending, the demand for our financial and insurance products could be adversely affected. In addition, we have at times experienced, and in the future could experience, an elevated incidence of claims and/or changes in the rate of lapses or surrenders of policies or other changes in consumer behavior as a result of financial stress. Our contract holders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. Adverse changes in the economy have in the past and could in the future affect earnings negatively and could have a material adverse effect on our business, results of operations and financial condition.

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.

Interest rate fluctuations and/or a sustained period of low interest rates could negatively affect our profitability. Some of our products, principally fixed annuities and UL, including linked-benefit UL, have interest rate guarantees that expose us to the risk that changes in interest rates will reduce our spread, or the difference between the amounts that we are required to pay under the contracts and the amounts we are able to earn on our general account investments intended to support our obligations under the contracts. Spreads are an important component of our net income. Declines in our spread or instances where the returns on our general account investments are not enough to support the interest rate guarantees on these products could have a material adverse effect on our businesses or results of operations. In addition, low rates increase the cost of providing variable annuity living benefit guarantees, which could negatively affect our variable annuity profitability.

In periods when interest rates are declining or remain at low levels, we may have to reinvest the cash we receive as interest or return of principal on our investments in lower yielding instruments reducing our spread. Moreover, borrowers may prepay fixed-income securities, commercial mortgages and mortgage-backed securities in our general account in order to borrow at lower market rates, which exacerbates this risk. Lowering interest crediting rates helps to mitigate the effect of spread compression on some of our products. However, because we are entitled to reset the interest rates on our fixed-rate annuities only at limited, pre-established intervals, and since many of our contracts have guaranteed minimum interest or crediting rates, our spreads could still decrease. For additional information on our guaranteed crediting rates, see "Item 7A. Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk – Interest Rate Risk on Fixed Insurance Businesses – Falling Rates."

Generally, a decline in market interest rates could also reduce our return on investments that do not support particular policy obligations. During periods of sustained lower interest rates, our recorded policy liabilities may not be sufficient to meet future policy obligations and may need to be strengthened, thereby reducing net income in the affected reporting period. Accordingly, declining interest rates or sustained low-interest rates may materially affect our results of operations, financial condition and cash flows and significantly reduce our profitability. In addition, a decline in or sustained period of low market interest rates may make it more challenging for us to pass certain asset adequacy tests related to statutory reserves, given the required conservatism of some of the regulations with which we must comply. To meet these requirements, we may be required to post asset adequacy reserves, which, depending on the size of the reserve, could materially affect our financial results.

Increases in interest rates and sustained high 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.

Throughout 2022 and into 2023, the Federal Reserve increased the federal funds rate target range to combat inflation, reaching a range of 5.25% to 5.50% in July 2023. Although the Federal Reserve has announced three rate decreases since that time, with the most recent cut made in December 2024 to a target range of 4.25% to 4.50%, interest rates still remain relatively high. In periods of increasing or high interest rates, such as that we have been experiencing the last couple of years, while higher interest rates will lead to higher yields on our asset portfolios, such increases in yield may be more than offset by increases in crediting rates necessary to keep our interest-sensitive products competitive and potentially higher borrowing costs, thus lowering our spreads. In such a scenario, we may have to accept a lower spread and thus lower profitability or face a decline in sales and greater loss of existing contracts and related assets.

An increase in market interest rates could also have a material adverse effect on the value of our investment portfolio and capital position, for example, by decreasing the estimated fair values of the fixed-income securities that comprise a substantial portion of our investment portfolio. This decline in the fair value of fixed-income securities can have an adverse impact on our capital position, particularly from a GAAP perspective, as the decline in fair value of fixed-income securities may not be offset by a corresponding decline in the value of liabilities due to higher interest rates. An increase in interest rates could also result in decreased fee income associated with a decline in the value of variable annuity and VUL account balances invested in fixed-income funds. In addition, statutory capital requirements for certain fixed annuity and single premium life insurance products incorporate stochastic projections that can result in increased capital requirements, particularly as interest rates increase, which may affect our reported RBC ratio.

Increases in interest rates or sustained high interest rates, have in the past and may in the future, cause increased surrenders and withdrawals of insurance products. In periods of high or increasing interest rates, policy loans and surrenders and withdrawals of life insurance policies and annuity contracts may increase as contract holders seek to buy products with perceived higher returns. This process may lead to a flow of cash out of our businesses. For example, during 2024, our Annuities business experienced an increased outflow rate primarily due to an increase in full surrenders as a result of the elevated interest rate environment and strong equity markets. These outflows may require investments to be sold at a time when the prices of those assets are lower because of the increase in market interest rates, which may result in realized investment losses that reduce our capital position. A sudden demand among consumers to change product types or withdraw funds could lead us to sell assets at a loss to meet the demand for funds. Furthermore, unanticipated increases in terminations may accelerate amortization of our deferred acquisition costs ("DAC") and value of business acquired ("VOBA") assets, which would reduce net income.

Because the equity markets impact the profitability and expected profitability of many of our products, changes in equity markets may significantly affect our business and profitability.

The fee income that we earn on certain products, including variable annuities, is based primarily upon account balances, and the fee income that we earn on VUL policies is partially based upon account balances. Because strong equity markets result in higher account balances, strong equity markets positively affect our net income through increased fee income. Conversely, a weakening of the equity markets results in lower fee income, which in turn may have a material adverse effect on our results of operations and capital resources.

Changes in the equity markets, interest rates and/or volatility affect the profitability of our products with guaranteed benefits; therefore, such changes may have a material adverse effect on our business and profitability.

Certain of our variable annuity and fixed indexed annuity products include optional guaranteed benefit riders, including GDB (variable annuity only) and guaranteed living benefit riders. The fair value of these guaranteed benefit riders is impacted by changes in equity markets, interest rates, volatility, foreign exchange rates and credit spreads. Accordingly, strong equity markets, increases in interest rates and decreases in volatility will generally decrease the guaranteed benefit riders liability and would result in an increase to our earnings. Conversely, a decrease in the equity markets along with a decrease in interest rates and an increase in volatility will generally result in an increase to the guaranteed benefit riders liability and would result in a decrease to our earnings.

Certain of our VUL products include secondary guarantees. We accrue additional liabilities for these secondary guarantees, and these liabilities are impacted by changes in equity markets. Accordingly, strong equity markets generally decrease these additional liabilities. Conversely, a decrease in the equity markets will generally increase these additional liabilities. We use a hedge to partially mitigate the risk related to equity market volatility and are evaluating other solutions, but there can be no guarantee that our hedge or other solutions will be fully effective to mitigate this risk.

Our hedging strategies may not be fully effective to offset the changes in the carrying value of the guarantees on certain of our products, which could result in volatility in our results of operations and financial condition under GAAP and in the capital levels of our insurance and reinsurance subsidiaries.

We use a variety of hedging strategies to mitigate the risks to the capital of our insurance and reinsurance subsidiaries associated with certain guarantees on our variable products. However, the hedging strategies may not be fully effective to offset the changes in the carrying value of these guarantees, as our hedging strategies hedge risks on a basis that does not correspond to their anticipated or actual

impact upon our results of operations or financial condition under GAAP. Changes from period to period in the valuation of these guarantees, and in the amount of our obligations effectively hedged, will result in volatility in our results of operations and financial condition under GAAP and in the capital levels of our insurance and reinsurance subsidiaries. Estimates and assumptions we make in connection with hedging activities may fail to reflect or correspond to our actual long-term exposure from our guarantees.

Legislative, Regulatory and Tax

Our businesses are heavily regulated and changes in regulation and in supervisory and enforcement policies may affect our insurance subsidiary capital requirements, reduce our profitability, limit our growth or otherwise adversely affect our business, results of operations and financial condition.

Our insurance subsidiaries are subject to extensive supervision and regulation in the states, territories and countries in which they are licensed to do business. The insurance departments of the domiciliary jurisdiction exercise principal regulatory jurisdiction over our insurance subsidiaries. The extent of regulation by the jurisdiction varies, but, in general, most jurisdictions have laws and regulations governing standards of solvency, adequacy of reserves, reinsurance, capital adequacy, licensing of companies and agents to transact business, prescribing and approving policy forms, regulating premium rates for some lines of business, prescribing the form and content of statutory financial statements and reports, regulating the type and amount of investments permitted, and standards of business conduct. In addition, state insurance holding company laws impose restrictions on certain inter-company transactions and limitations on the amount of dividends that insurance subsidiaries can pay. See "Item 1. Business – Regulatory – Insurance Regulation" for more information.

Insurance regulators and the NAIC regularly re-examine existing laws and regulations applicable to insurance companies and their products. Changes in these laws and regulations, or in interpretations thereof, sometimes lead to changes in business practices or additional expense, statutory reserves and/or RBC requirements for the insurer and, thus, could have a material adverse effect on our financial condition and results of operations. For example, in August 2023, the NAIC approved temporary guidance to allow companies to admit a portion of net negative IMR as an asset under certain conditions, up to a capital and surplus percentage limit. This guidance, which will sunset on December 31, 2025, has had the effect of increasing our statutory capital, as well our estimated RBC ratio as of December 31, 2024. If the NAIC does not implement a long-term solution, our statutory capital and RBC ratio could be adversely affected. In addition, the NAIC is considering modifications to the economic scenario generator used to calculate annuity and life reserves according to the Valuation Manual (e.g., VM-20 and VM-21) and the required capital for these annuity and life contracts, which could affect the level and volatility of statutory reserves and required capital for products in scope. The economic scenarios are a key input in the statutory reserve and required capital calculations for certain products, such as variable annuities. If the NAIC adopts an economic scenario generator that produces scenarios with characteristics that differ significantly from what the current economic scenario generator prescribed in these calculations would produce under the same circumstances, this could have a significant impact on the statutory reserves and required capital for products in scope upon adoption as well as affect how the statutory reserves and required capital for these products respond to changes in market conditions. The NAIC is also considering expanding principles-based reserving to fixed annuities (VM-22), which could affect the level of reserves required for such products. We are monitoring all potential changes and evaluating the potential impact they could have on our product offerings and financial condition and results of operations. See "Item 1. Business – Regulatory – Insurance Regulation – Current and Recent NAIC Topics" for a discussion of additional changes under consideration and recent changes implemented by the NAIC.

Although we endeavor to maintain all required licenses and approvals, our businesses may not fully comply with the wide variety of applicable laws and regulations or the relevant authority's interpretation of the laws and regulations, which may change from time to time. Also, regulatory authorities have relatively broad discretion to grant, renew or revoke licenses and approvals. If we do not have the requisite licenses and approvals or do not comply with applicable regulatory requirements, the insurance regulatory authorities could preclude or temporarily suspend us from carrying on some of or all our activities or impose substantial fines. Further, insurance regulatory authorities have relatively broad discretion to issue orders of supervision, which permit such authorities to supervise the business and operations of an insurance company. As of December 31, 2024, no insurance regulatory authority had imposed on us any material fines or revoked or suspended any of our licenses to conduct insurance business in any jurisdiction or issued an order of supervision with respect to our insurance subsidiaries that would have a material adverse effect on our results of operations or financial condition.

Compliance with existing and emerging privacy laws and regulations could result in increased compliance costs and/or lead to changes in business practices and policies, and any failure to protect the confidentiality of personal information could adversely affect our reputation and have a material adverse effect on our business, financial condition and results of operations.

Complying with the numerous privacy laws and regulations to which we are subject and other existing, emerging and changing privacy requirements could cause us to incur substantial costs or require us to change our business practices and policies. Non-compliance could result in monetary penalties or significant legal liability. For more information, see "Item 1. Business – Regulatory – Privacy, Artificial Intelligence and Cybersecurity Regulation."

Many of the employees and associates who conduct our business have access to, and routinely process, personal information (including confidential information from consumers, clients and individuals with whom we have a business relationship) through a variety of media,

including information technology systems. Although we rely on various internal processes and controls to protect the confidentiality of personal information that is accessible to, or in the possession of, our employees and our associates, including service providers, distribution partners, independent agents and others, a breach in the security of our information technology systems, a breach in the security of our associate's information technology systems, or intentional or unintentional actions by an employee or associate could result in the disclosure or misappropriation of individuals' personal information.

State and federal laws and regulations also require us to disclose our data collection and sharing practices to individuals who interact with us and to provide certain individuals with access to certain pieces of their personal information, the right to request correction of their information, the right to request deletion of their information, and the right to opt out of certain tracking, sharing and processing. We rely on various internal processes and associates to report our practices accurately and to respond appropriately to consumer and customer requests. We cannot predict what, if any, actions from U.S. state and federal regulators may be taken if we fail to maintain these processes or if we or our associates fail to comply with our policies or procedures. If we or our associates fail to comply with applicable processes, policies, procedures and controls, misappropriation or intentional or unintentional inappropriate disclosure or misuse of individuals' personal information, or violation of applicable state or federal laws, could occur. Such an event could materially damage our reputation or lead to regulatory, civil or criminal investigations and penalties, which, in turn, could have a material impact on our business, financial condition and results of operations.

See also "Operational Matters – Our information systems may experience interruptions, breaches in security and/or a failure of disaster recovery systems that could result in a loss or disclosure of confidential information, damage to our reputation, impairment of our ability to conduct business effectively and increased expense," and "– We are subject to third-party information system and other operational risks due to our reliance on third-party vendors and suppliers and the outsourcing of certain of our business operations" below.

Compliance with existing and emerging rules and regulations governing the use of AI could result in increased compliance costs and/or lead to changes in business practices and policies, and challenges with properly managing the use of AI could result in reputational harm, competitive harm and legal liability.

With the rise of innovation and technology in the financial and insurance sectors, state and federal regulators and policymakers and the NAIC are increasingly focused on the use of "big data," including AI, machine learning, and automatic decision-making, across various business practices such as underwriting, sales and marketing, and in claims processing. See "Item 1. Business – Regulatory – Privacy, Artificial Intelligence and Cybersecurity Regulation" for more information. We cannot predict how existing and emerging guidance, rules and regulations governing the use of AI will be interpreted or applied, or what, if any, actions may be taken regarding AI, but any applicable regulations and limitations could result in increased compliance costs and/or lead to changes in business practices and policies, which could have a material impact on our business, financial condition and results of operations.

In addition, if the data sets, processes, or outputs that AI systems produce are or are alleged to be deficient, inaccurate, unfairly biased, lacking in transparency or explainability, or do not meet evolving legal requirements, our business, financial condition, and results of operations may be adversely affected. AI also presents emerging ethical issues and if our use of AI becomes controversial, we may experience brand or reputational harm, competitive harm, or legal liability. These same risks may affect us if a third-party service provider uses AI. Our use or our service provider's use of AI systems could also result in cybersecurity incidents that may involve the personal information of end users of such applications. Any such cybersecurity incidents could adversely affect our reputation and business, financial condition and results of operations. For additional information regarding cybersecurity risks, see "Operational Matters – Our information systems may experience interruptions, breaches in security and/or a failure of disaster recovery systems that could result in a loss or disclosure of confidential information, damage to our reputation, impairment of our ability to conduct business effectively and increased expenses," and "– We are subject to third-party information system and other operational risks due to our reliance on third-party vendors and suppliers and the outsourcing of certain of our business operations" below.

Increasing scrutiny and evolving expectations from investors, customers, regulators and other stakeholders regarding ESG matters may adversely affect our reputation or otherwise adversely impact our business and results of operations.

Certain existing or potential investors, customers, regulators and other stakeholders evaluate our business or other practices according to a variety of ESG standards and expectations. Certain of our regulators have proposed or adopted, or may propose or adopt, ESG rules or standards that would apply to our business. For example, in March 2024, the SEC adopted extensive rule changes, which have been stayed pending the outcome of litigation challenges, that would require companies to include certain climate-related disclosures in their registration statements and periodic reports filed with the SEC, and in October 2023, the Governor of California signed two bills into law that were further amended in September 2024 and, beginning in 2026, will require significant climate-related disclosures (in some cases beyond the disclosures required by the SEC's rule) by large entities doing business in that state. ESG-related rules, guidance and policies may impose additional costs, cause changes to our corporate governance and risk management practices and expose the industry to new or additional risks.

Our practices may be judged by ESG standards that are continually evolving and not always clear. Prevailing ESG standards and expectations may also reflect contrasting or conflicting values or agendas. We may fail to meet our ESG-related commitments or targets, and our policies and processes to evaluate and manage ESG standards in coordination with other business priorities may not prove

completely effective or satisfy investors, customers, regulators or others. We may face adverse regulatory, investor, customer, media or public scrutiny leading to business, reputational or legal challenges, which could adversely affect our reputation or otherwise adversely affect our business and results of operations, including but not limited to the ability to sell products, policyholder retention and increased cost of financing.

Federal or state regulatory actions could result in substantial fines, penalties or prohibitions or restrictions on our business activities that could materially adversely affect our business, results of operations or financial condition.

Our broker-dealer and investment adviser subsidiaries as well as our variable annuities and variable life insurance products, are subject to regulation and supervision by the SEC, FINRA and/or state securities regulators. Applicable laws and regulations generally grant supervisory agencies and self-regulatory organizations broad administrative powers, including the power to limit or restrict the subsidiaries from carrying on their businesses in the event that they fail to comply with such laws and regulations. The foregoing regulatory or governmental bodies, as well as state insurance regulators, the DOL and others, have the authority to review our products and business practices and those of agents and advisers that distribute our products, as well as of our registered representatives, associated persons and employees. These regulatory or governmental bodies may bring regulatory or other legal actions against us if, in their view, our practices, or those of our agents or employees, are improper. In recent years, there has been increased scrutiny by these bodies across the industry, which has included more extensive examinations, regular sweep inquiries and more detailed review of disclosure documents. Certain of our subsidiaries have been, and may continue to be, the subject of these examinations and inquiries. These or future regulatory actions could result in substantial fines, penalties or prohibitions or restrictions on our business activities that could materially adversely affect our business, results of operations or financial condition.

Changes to laws or regulations could adversely affect our distribution model and sales of our products and may result in additional disclosure and other requirements related to the sale and delivery of our products and services, which may adversely affect our business, results of operations or financial condition.

As a result of overlapping efforts by the DOL, the NAIC, individual states and the SEC to impose fiduciary-like requirements in connection with the sale of annuities, life insurance policies and securities, there have been a number of proposed or adopted changes to the laws and regulations that govern the manner in which our products are distributed. Changes to the laws and regulations that govern the standards of conduct that apply to the sale of our products, as well as the firms that distribute our products, or that govern the structure of the products we sell could adversely affect our operations and profitability. Such changes could increase our regulatory and compliance burden, including additional disclosure and other requirements, resulting in increased costs, or could limit the type, amount or structure of products that we sell. Additionally, our ability to react to rapidly changing economic conditions and the dynamic, competitive market for our products will depend on the continued efficacy of provisions we have incorporated into our product design allowing frequent and contemporaneous revisions of key pricing elements, as well as our ability to work collaboratively with regulators. Changes in regulatory approval processes, rules and other dynamics in the regulatory process could adversely impact our ability to react to such changing conditions.

We cannot predict the impact that any changes to "best interest" or fiduciary standards may have on our business, financial condition or results of operations. Compliance with new or changed rules or legislation in this area may increase our regulatory burden and that of our distribution partners, require changes to our business practices and product offerings, and increase litigation risk, which could adversely affect our results of operations or financial condition. For example, if any new rules are implemented that are more onerous than Regulation Best Interest, or are not coordinated with Regulation Best Interest, the impact on our business could be substantial. While we continue to monitor and evaluate the various proposals, we cannot predict what other proposals may be made, or what new legislation or regulation may be introduced or become law. Therefore, until such time as final rules or laws are in place, the potential impact on our business is uncertain.

See "Item 1. Business – Regulatory – Securities, Broker-Dealer and Investment Adviser Regulation" for more information regarding Regulation Best Interest and other standard of conduct regulations.

Changes in tax law or the interpretation of or application of existing tax laws could impact our tax costs and the products that we sell.

Changes in tax laws or interpretations of such laws could increase our corporate taxes and negatively impact our results of operations and financial condition. Federal, state and local tax authorities may enact changes in tax law, issue new regulations or other pronouncements or issue interpretations of existing tax laws that could increase our current tax burden and impose new taxes on our business, or authorities who have not imposed taxes in the past may impose taxes. Any attempts to avoid or mitigate such new taxes or interpretations may not be successful and could result in an increase to our tax liability. Guidance on previously enacted tax law changes could impact our interpretations of existing law and also have an impact on our business. See Note 17 for a discussion of our current tax assessment proceeding.

In August 2022, the Inflation Reduction Act of 2022 established a new 15% corporate alternative minimum tax for corporations whose average adjusted net income for any consecutive three-year period beginning after December 31, 2022, exceeds $1.0 billion. This provision became effective for tax years beginning after December 31, 2022. While we have determined that we were not within the scope

of the corporate alternative minimum tax for 2023 or 2024, we will continue to evaluate the potential impact of this new alternative minimum tax on our business, results of operations and financial condition in future periods.

See also "Item 1. Business – Regulatory – Other Federal Legislation – Tax Legislation."

Legal and regulatory actions are inherent in our businesses and could result in financial losses or harm our businesses.

We are, and in the future may be, subject to legal and regulatory actions in the ordinary course of our business. Pending legal and regulatory actions include proceedings relating to aspects of our businesses and operations that are specific to us and proceedings that are typical of the businesses in which we operate. Some of these legal proceedings have been brought on behalf of various alleged classes of complainants. In certain of these matters, the plaintiffs are seeking large and/or indeterminate amounts, including punitive or exemplary damages. Substantial legal liability in these or future legal or regulatory actions could have a material financial effect or cause significant harm to our reputation, which in turn could materially harm our business prospects. See Note 17 for a description of legal and regulatory proceedings and actions.

Climate change and climate change regulation may adversely affect our investment portfolio and financial condition.

Climate change and climate change regulation may affect the prospects of companies and other entities whose securities we hold or our willingness to continue to hold their securities. Climate change could also impact our counterparties and other third parties, including, among others, reinsurers and derivatives counterparties. Additionally, the value of investments, including real estate investments we hold, and the broader market indices could be adversely affected, which may impact our product profitability and the ability to write new business. Although we have performed, and will continue to perform, climate change scenario analyses with respect to the investments in portions of our general account, we cannot accurately predict the long-term impacts on us or our portfolio from climate change or related regulation.

Implementation of the provisions of the European Market Infrastructure Regulation relating to the regulation of derivatives transactions subjects us to margin requirements, the impact of which remains uncertain.

We use derivatives transactions to mitigate many types of risk in our business. The European Market Infrastructure Regulation and matching U.K. rules impose initial margin requirements on our over-the-counter derivatives with EU- and U.K.-regulated swap providers. Beginning in 2026, these swap providers may be subject to margin requirements with respect to equity options, which may require us to post and collect additional initial margin. Until the application of initial margin requirements is complete, the impact of these provisions on liquidity and capital resources remains uncertain.

Changes in accounting standards issued by the Financial Accounting Standards Board or other standard-setting bodies may adversely affect our financial statements.

Our financial statements are prepared in accordance with GAAP as identified in the Financial Accounting Standards Board ("FASB") *Accounting Standards Codification*™ ("ASC"). From time to time, we are required to adopt new or revised accounting standards or guidance that are incorporated into the FASB ASC. It is possible that future accounting standards we are required to adopt could change the current accounting treatment that we apply to the consolidated financial statements and that such changes could have a material adverse effect on our financial condition and results of operations.

In addition, our domestic insurance subsidiaries are subject to SAP and specific state insurance regulations, and LPINE is subject to regulations established by the BMA. Any changes in the method for calculating reserves for our annuity and life insurance products under SAP or applicable state insurance regulations, or changes in the method for calculating reserves or capital for our products under the BMA's regulations, may result in increased reserve requirements.

The NAIC and the BMA also adopt changes to their regulations from time to time, which, depending on the scope of the change, could materially affect our financial condition and results of operations. See "Item 1. Business – Regulatory – Insurance Regulation."

Anti-takeover provisions could delay, deter or prevent our change in control, even if the change in control would be beneficial to LNC shareholders.

We are an Indiana corporation subject to Indiana state law. Certain provisions of Indiana law could interfere with or restrict takeover bids or other change in control events affecting us. Under Indiana law, directors may, in considering the best interests of a corporation, consider the effects of any action on shareholders, employees, suppliers and customers of the corporation and the communities in which offices and other facilities are located, and other factors the directors consider pertinent. One statutory provision prohibits, except under specified circumstances, LNC from engaging in any business combination with any shareholder who owns 10% or more of our common stock (which shareholder, under the statute, would be considered an "interested shareholder") for a period of five years following the time that such shareholder became an interested shareholder, unless such business combination is approved by the Board of Directors prior to such person becoming an interested shareholder.

In addition to the anti-takeover provisions of Indiana law, there are other factors that may delay, deter or prevent our change in control. As an insurance holding company, we are regulated as an insurance holding company and are subject to the insurance holding company acts of the states in which our insurance company subsidiaries are domiciled. The insurance holding company acts and regulations restrict the ability of any person to obtain control of an insurance company without prior regulatory approval. Under those statutes and regulations, without such approval (or an exemption), no person may acquire any voting security of a domestic insurance company, or an insurance holding company which controls an insurance company, or merge with such a holding company, if as a result of such transaction such person would "control" the insurance holding company or insurance company. "Control" is generally defined as the direct or indirect power to direct or cause the direction of the management and policies of a person and is presumed to exist if a person directly or indirectly owns or controls 10% or more of the voting securities of another person.

Liquidity and Capital Position

Adverse capital and credit market conditions may affect our ability to meet liquidity needs, access to capital and cost of capital.

In the event that our current sources of liquidity do not satisfy our needs, we may have to seek additional financing. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the volume of trading activities, the overall availability of credit to the financial services industry, our credit ratings and credit capacity, as well as the possibility that customers or lenders could develop a negative perception of our long- or short-term financial prospects if we incur large investment losses or if the level of our business activity decreases due to a market downturn. Similarly, our access to funds may be impaired if regulatory authorities or rating agencies take negative actions against us. See "Liquidity and Capital Resources – Ratings" in the MD&A for a description of our credit ratings. Our internal sources of liquidity may prove to be insufficient, and in such case, we may not be able to successfully obtain additional financing on favorable terms, or at all.

Disruptions, uncertainty or volatility in the capital and credit markets may also limit our access to capital required to operate our business, most significantly our insurance operations. Such market conditions may limit our ability to replace, in a timely manner, maturing liabilities; satisfy statutory capital requirements; generate fee income and market-related revenue to meet liquidity needs; and access the capital necessary to grow our business. As such, we may be forced to delay raising capital, issue shorter term securities than we prefer or bear an unattractive cost of capital which could decrease our profitability and significantly reduce our financial flexibility. Our results of operations, financial condition, cash flows and statutory capital position could be materially adversely affected by disruptions in the financial markets.

Because we are a holding company with no direct operations, the inability of our subsidiaries to pay dividends to us in sufficient amounts would harm our ability to meet our obligations.

Our insurance subsidiaries are subject to certain insurance department regulatory restrictions related to the transfer of funds and payment of dividends to LNC, including statutory limitations on the amount of dividends that can be paid. In addition, payments of dividends and advances or repayment of funds to us by our insurance subsidiaries are restricted by the applicable laws of their respective jurisdictions requiring that our insurance subsidiaries hold a specified amount of minimum reserves in order to meet future obligations on their outstanding policies. In order to meet their claims-paying obligations, our insurance subsidiaries regularly monitor their reserves to ensure we hold sufficient amounts to cover actual or expected contract and claims payments. At times, we may determine that reserves in excess of the minimum may be needed to ensure sufficiency. See "Liquidity and Capital Resources – Holding Company Sources and Uses of Liquidity and Capital – Restrictions on Subsidiaries' Dividends" in the MD&A for additional information regarding these restrictions and requirements.

Changes in, or reinterpretations of, these laws can constrain the ability of our subsidiaries to pay dividends or to advance or repay funds to us in sufficient amounts and at times necessary to meet our debt obligations and corporate expenses. Requiring our insurance subsidiaries to hold additional reserves has the potential to constrain their ability to pay dividends to the holding company.

The earnings of our insurance subsidiaries impact our insurance subsidiaries' surplus. Lower earnings constrain the growth in our insurance subsidiaries' capital, and therefore, can constrain the payment of dividends and advances or repayment of funds to us. In addition, the amount of surplus that our insurance subsidiaries could pay as dividends is constrained by the amount of surplus they hold to maintain their financial strength ratings, to provide an additional layer of margin for risk protection and for future investment in our businesses. As a result, to the extent our subsidiaries are unable or are materially restricted from being able to pay dividends to us in sufficient amounts, our ability to meet our obligations could be materially affected.

A decrease in the capital and surplus of our insurance subsidiaries may result in a downgrade to our credit and insurer financial strength ratings.

In any particular year, statutory surplus amounts and RBC ratios may increase or decrease depending on a variety of factors, including the amount of statutory income or losses generated by our insurance subsidiaries (which itself is sensitive to equity market and credit market conditions), the amount of additional capital our insurance subsidiaries must hold to support business growth, changes in reserving requirements, such as principles-based reserving, our inability to obtain reserve relief, changes in equity market levels, the value of certain

fixed-income and equity securities in our investment portfolio, the value of certain derivative instruments that do not get hedge accounting treatment, changes in interest rates and foreign currency exchange rates, as well as changes to the NAIC RBC formulas. The RBC ratio is also affected by the product mix of the in-force book of business (i.e., the amount of business without guarantees is not subject to the same level of reserves as the business with guarantees). In extreme scenarios of equity market declines, the amount of additional statutory reserves that we are required to hold for our VUL guarantees and variable annuity guarantees may increase at a rate greater than the rate of change of the markets. Increases in reserves reduce the statutory surplus used in calculating our RBC ratios. Most of these factors are outside of our control. Our credit and insurer financial strength ratings are significantly influenced by the statutory surplus amounts and RBC ratios of our insurance company subsidiaries. The RBC ratio of LNL is an important factor in the determination of the credit and financial strength ratings of LNC and its subsidiaries, and changes in statutory capital and RBC ratios have in the past influenced, and may in the future influence, ratings agency decisions to downgrade certain ratings and/or revise their ratings outlooks. See "Item 1. Business – Financial Strength Ratings" and "Liquidity and Capital Resources – Ratings" in the MD&A for more information on our ratings and ratings outlooks.

In addition, rating agencies may implement changes to their internal models that have the effect of increasing or decreasing the amount of statutory capital we must hold in order to maintain our current ratings. For example, in November 2023, S&P implemented changes to its insurer RBC capital adequacy model, which altered the amount of statutory capital we are required to hold in certain scenarios in order to maintain our current ratings. To the extent that our statutory capital resources are deemed to be insufficient to maintain a particular rating by one or more rating agencies, we may seek to raise additional capital through public or private equity or debt financing, which may be on terms not as favorable as in the past.

Alternatively, if we were not to raise additional capital in such a scenario, either at our discretion or because we were unable to do so, our financial strength and credit ratings might be downgraded by one or more rating agencies. For more information on risks regarding our ratings, see "Covenants and Ratings – A downgrade in our financial strength or credit ratings could limit our ability to market products, increase the number or value of policies being surrendered and/or hurt our relationships with creditors" below.

An inability to access our credit facilities or committed repurchase facilities could result in a reduction in our liquidity, which in turn could lead to downgrades in our credit and financial strength ratings.

We rely on our credit facilities and committed repurchase facilities as a potential source of liquidity. We also use the credit facilities as a potential backstop to provide statutory reserve credit to our insurance subsidiaries, including LNL. If we were unable to access our facilities in such circumstances, it could materially impact LNL's capital and liquidity position. The availability of these facilities could be critical to our credit and financial strength ratings and our ability to meet our obligations as they come due in a market when alternative sources of credit are tight.

In addition, our failure to comply with the covenants in the facilities or fulfill the conditions to borrowings, or the failure of lenders to fund their lending commitments (whether due to insolvency, illiquidity or other reasons) in the amounts provided for under the terms of the facilities, would restrict our ability to access these facilities when needed and, consequently, could have a material adverse effect on our financial condition and results of operations.

Assumptions and Estimates

As a result of changes in assumptions, estimates and methods in calculating reserves, our reserves for future policy benefits and claims related to our current and future business as well as businesses we may acquire in the future may prove to be inadequate.

We establish and carry, as a liability, reserves based on estimates of how much we will need to pay for future benefits and claims. For our insurance products, we calculate these reserves based on many assumptions and estimates, including, but not limited to, estimated premiums we will receive over the assumed life of the policies, the timing of the events covered by the insurance policies, the lapse rate of the policies, the amount of benefits or claims to be paid and the investment returns on the assets we purchase with the premiums we receive.

The sensitivity of our statutory reserves and surplus established for our variable annuity base contracts and riders and VUL and RILA contracts to changes in the equity markets will vary depending on the magnitude of the decline. The sensitivity will be affected by the level of account balances relative to the level of guaranteed amounts, product design and reinsurance. Statutory reserves for variable annuities depend upon the cumulative equity market impacts on the business in force, and therefore, result in non-linear relationships with respect to the level of equity market performance within any reporting period.

The assumptions and estimates we use in connection with establishing and carrying our reserves are inherently uncertain. Accordingly, we cannot determine with precision the ultimate amount or the timing of the payment of actual benefits and claims or whether the assets supporting the policy liabilities will grow to the level we assume prior to payment of benefits or claims. If our actual experience is different from our assumptions or estimates, our reserves may prove to be inadequate in relation to our estimated future benefits and claims, which would adversely affect our financial condition and results of operations. In addition, increases in reserves have a negative

effect on income from operations in the quarter incurred and could also have a negative impact in future periods. For example, in the third quarter of 2022, we incurred a substantial charge related to the company's annual review of reserve assumptions. This charge also impacted our statutory capital in the fourth quarter of 2022. For information on our most recent annual assumption review conducted in the third quarter of 2024, see "Summary of Critical Accounting Estimates – Annual Assumption Review" in MD&A.

We may be required to recognize an impairment of our goodwill or to establish a valuation allowance against our deferred income tax assets.

If our businesses do not perform well and/or their estimated fair values decline or the price of our common stock does not increase, we may be required to recognize an impairment of our goodwill or to establish a valuation allowance against the deferred income tax asset, which could have a material adverse effect on our results of operations and financial condition. For example, during the third quarter of 2022, we recorded goodwill impairment of $634 million related to our Life Insurance segment. Future reviews of goodwill could result in an impairment of goodwill, and such write-downs could have a material adverse effect on our net income and book value, although they would not affect the statutory capital of our insurance subsidiaries. For more information on goodwill, see "Summary of Critical Accounting Estimates – Goodwill and Other Intangible Assets" in the MD&A and Note 8.

If, based on available information, including about the performance of a business and its ability to generate future capital gains, we determine that it is more likely than not that the deferred income tax asset will not be realized, then a valuation allowance must be established with a corresponding charge to net income. Such valuation allowance could have a material adverse effect on our results of operations and financial condition. For more information on our deferred income tax assets, see Note 22.

The determination of the amount of allowance for credit losses and impairments taken on our investments is highly subjective and could materially impact our results of operations or financial condition.

The determination of the amount of allowances and impairments varies by investment type and is based upon our periodic evaluation and assessment of known and inherent risks associated with the respective asset class. Such evaluations and assessments are revised as conditions change and new information becomes available. Management updates its evaluations regularly and reflects changes in allowances and impairments in operations as such evaluations are revised. There can be no assurance that our management has accurately assessed the level of impairments taken and allowances reflected in our financial statements. Furthermore, additional impairments may need to be taken or allowances provided for in the future. Historical trends may not be indicative of future impairments or allowances.

With respect to unrealized losses, we establish deferred tax assets for the tax benefit we may receive in the event that losses are realized. The realization of significant realized losses could result in an inability to recover the tax benefits and may result in the establishment of valuation allowances against our deferred tax assets. Realized losses or impairments may have a material adverse impact on our results of operations and financial condition. See "Summary of Critical Accounting Estimates – Investments" in the MD&A for additional information.

Changes to our valuation of investments and our methodologies, estimations and assumptions could harm our results of operations or financial condition.

During periods of market disruption or rapidly-changing market conditions, such as significantly rising or sustained high interest rates, rapidly widening credit spreads or illiquidity, or infrequent trading, or when market data is limited, our investments may become less liquid and we may base our valuations on less-observable and more subjective inputs, assumptions, or methods that may result in estimated fair values that significantly vary by period, and may exceed the investment's sale price. Decreases in the estimated fair value of our securities may harm our results of operations or financial condition. See "Summary of Critical Estimates – Investments" in the MD&A for additional information.

Significant adverse mortality experience may result in the loss of, or higher prices for, reinsurance, which could adversely affect our profitability.

We reinsure a portion of the mortality risk on fully underwritten, newly issued, individual life insurance contracts. We regularly review retention limits for continued appropriateness, and they may be changed in the future. In the event that we experience adverse mortality experience, a significant portion of that is reimbursed by our reinsurers. Prolonged or severe adverse mortality experience could result in increased reinsurance costs and, ultimately, reinsurers being unwilling to offer future coverage. If we are unable to maintain our current level of reinsurance or obtain new reinsurance protection at comparable rates to what we are paying currently, we may have to accept an increase in our net exposures or revise our pricing to reflect higher reinsurance premiums or both. If this were to occur, we may be exposed to reduced profitability and cash flow strain or we may not be able to price new business at competitive rates.

Pandemics and other catastrophes have impacted, and may in the future, adversely impact liabilities for contract holder claims.

Our insurance operations are exposed to the risk of catastrophic mortality and morbidity, such as that caused by a pandemic, an act of terrorism, natural disaster or other event that causes a large number of deaths, injuries or illnesses. In addition, in our group insurance operations, an event that affects the workplace of one or more of our group insurance customers, such as a pandemic or a natural disaster, could also cause a significant loss due to concentrated mortality or morbidity claims. For example, due to the COVID-19

pandemic that emerged in the first quarter of 2020, we experienced higher mortality claim payments due to an elevation in claim incidence. In addition, we experienced an increase in short-term and long-term disability claims related to the pandemic that negatively impacted our earnings. The likelihood, timing or severity of a future pandemic or other catastrophe cannot be predicted. Additionally, the impact of climate change has caused, and may continue to cause, changes in weather patterns, resulting in more severe and more frequent natural disasters such as forest fires, hurricanes, tornados, floods and storm surges. Future pandemics or other catastrophic events could cause a material adverse effect on our results of operations in any period and, depending on their severity, could also materially and adversely affect our financial condition.

The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Pandemics, natural disasters and man-made catastrophes, including terrorism, may produce significant damage in larger areas, especially those that are heavily populated. Although our investment, product and physical exposures are diversified (e.g., geographically), reducing the enterprise impact to catastrophic events, claims resulting from natural or man-made catastrophic events could cause substantial volatility in our financial results for any fiscal quarter or year and could materially reduce our profitability or harm our financial condition. Also, catastrophic events could harm the financial condition of our reinsurers and thereby increase the probability of default on reinsurance recoveries. Accordingly, our ability to write new business could also be affected.

Consistent with industry practice and accounting standards, we establish liabilities for claims arising from a catastrophe only after assessing the probable losses arising from the event. We cannot be certain that the liabilities we have established or applicable reinsurance will be adequate to cover actual claim liabilities, and a catastrophic event or multiple catastrophic events could have a material adverse effect on our business, results of operations and financial condition.

Operational Matters

Our enterprise risk management policies and procedures may leave us exposed to unidentified or unanticipated risk, which could negatively affect our businesses or result in losses.

Our policies and procedures to identify, monitor and manage risks may not be fully effective. Many of our methods of managing risk and exposures are based upon our use of observed historical market behavior or statistics based on historical models. As a result, these methods may not predict future exposures, which could be significantly greater than the historical measures indicate, such as the risk of pandemics causing a large number of deaths. Other risk management methods depend upon the evaluation of information regarding markets, clients, catastrophe occurrence or other matters that is publicly available or otherwise accessible to us, which may not always be accurate, complete, up-to-date or properly evaluated. Management of operational, legal and regulatory risks requires, among other things, policies and procedures to record properly and verify a large number of transactions and events, and these policies and procedures may not be fully effective.

We face risks of non-collectability of reinsurance and increased reinsurance rates, which could materially affect our results of operations.

We follow the insurance practice of reinsuring with other insurance and reinsurance companies a portion of the risks under the policies written by our insurance subsidiaries (known as "ceding"). As of December 31, 2024, we ceded $1.0 trillion of life insurance in force to reinsurers for reinsurance protection. Although reinsurance does not discharge our subsidiaries from their primary obligation to pay contract holders for losses insured under the policies we issue, reinsurance does make the assuming reinsurer liable to the insurance subsidiaries for the reinsured portion of the risk. For more information regarding our reinsurance arrangements and exposure, see "Reinsurance" in the MD&A and Note 7.

The collectability of reinsurance is largely a function of the solvency of the individual reinsurers. We perform due diligence on all reinsurers, including, but not limited to, a review of creditworthiness prior to entering into any reinsurance transaction, and we review our reinsurers on an ongoing basis to monitor credit ratings. To support balances due and allow reserve credit when reinsurance is obtained from reinsurers not authorized to transact business in the applicable jurisdictions, we also require assets in trust, LOCs or other acceptable collateral. Despite these measures, the insolvency, inability or unwillingness to make payments under the terms of a reinsurance contract by a large reinsurer or multiple reinsurers could have a material adverse effect on our results of operations and financial condition. For information on reinsurance-related credit losses, see Note 7.

Reinsurers also may attempt to increase rates with respect to our existing reinsurance arrangements. The ability of our reinsurers to increase rates depends upon the terms of each reinsurance contract. Some of our reinsurance contracts contain provisions that limit the reinsurer's ability to increase rates on in-force business. An increase in reinsurance rates may affect the profitability of our insurance business. Additionally, such a rate increase could result in our recapture of the business, which may result in a need for additional reserves and increase our exposure to claims. In recent years, we have faced a number of rate increase actions on in-force business, and reinsurers have in the past initiated, and may in the future initiate, legal proceedings against us. Our management of these rate increase actions and the outcomes of legal proceedings have not to date had a material effect on our results of operations or financial condition, but we can make no assurance regarding the impact of future rate increase actions or outcomes of future legal proceedings.

Competition for our employees is intense, and we may not be able to attract and retain the highly skilled people we need to support our business.

Our success depends, in large part, on our ability to attract and retain qualified employees. Intense competition exists for employees with demonstrated ability, and the competition for talent has increased in recent years. In addition, opportunities to work remotely have expanded the reach of recruiters and options for employees. As a result of this competition, we may be unable to hire or retain the qualified employees we need to support our business. Further, the unexpected loss of services of one or more of our key employees could have a material adverse effect on our operations due to their skills, knowledge of our business, their years of industry experience and the potential difficulty of promptly finding qualified replacement employees. We compete with other financial institutions primarily on the basis of our products, compensation, support services and financial condition. Sales in our businesses and our results of operations and financial condition could be materially adversely affected if we are unsuccessful in attracting and retaining employees, including wholesalers, as well as independent distributors of our products.

We may not be able to protect our intellectual property and may be subject to infringement claims.

We may have to litigate to enforce and protect our intellectual property, which represents a diversion of resources that may be significant and may not prove successful. The loss of intellectual property protection or the inability to secure or enforce the protection of our intellectual property assets could have a material adverse effect on our business and our ability to compete.

We also may be subject to costly litigation in the event that another party alleges our operations or activities infringe upon another party's intellectual property rights. If we were found to have infringed a third-party patent or other intellectual property rights, we could incur substantial liability, and in some circumstances could be enjoined from providing certain products or services to our customers, or alternatively could be required to enter into costly licensing arrangements with third parties, all of which could have a material adverse effect on our business, results of operations and financial condition.

Our information systems may experience interruptions, breaches in security and/or a failure of disaster recovery systems that could result in a loss or disclosure of confidential information, damage to our reputation, impairment of our ability to conduct business effectively and increased expense.

Our information systems are critical to the operation of our business. We collect, process, maintain, retain and distribute large amounts of personal financial and health information and other confidential and sensitive data about individuals with whom we interact in the ordinary course of our business. Our business therefore depends on the public's willingness to entrust us with their personal information. Any failure, interruption or breach in security could result in disruptions to our critical systems and adversely affect these relationships. In addition, our flexible hybrid work model, which allows the majority of our employees to work remotely on a regular basis, could increase our operational risk in these areas, including, but not limited to, cybersecurity risks, discussed further below.

Publicly reported cybersecurity vulnerabilities, threats and incidents have increased over recent periods, including a proliferation of ransomware attacks, nation-state remote technology worker fraud and AI-enhanced cyberattacks. Although our computer systems have in the past been, and will likely in the future be, subject to or targets of unauthorized or fraudulent access, to date, we have not had a material security breach. While we employ a robust and tested information security program, the preventative actions we take to reduce the incidence and severity of cyber incidents and protect our information technology may be insufficient to prevent physical and electronic break-ins, cyberattacks, including ransomware, malware and enhanced-AI attacks, attacks targeting or impersonating remote workers, compromised credentials, fraud, other security breaches or other unauthorized access to our computer systems, and, given the increasing sophistication of cyberattacks, in some cases, such incidents could occur and persist for an extended period of time without detection. As a result, there can be no assurance that any such failure, interruption or security breach will not occur or, if any does occur, that it will be detected in a timely manner or that it can be sufficiently remediated. Such an occurrence may impede or interrupt our business operations, adversely affect our reputation or lead to increased expense, any of which could adversely affect our business, financial condition and results of operations.

In the event of a disaster such as a natural catastrophe, pandemic, epidemic, industrial accident, blackout, computer virus, terrorist attack, cyberattack or war, unanticipated problems with our disaster recovery systems could have a material adverse impact on our ability to conduct business and on our results of operations and financial condition, particularly if those problems affect our computer-based data processing, transmission, storage and retrieval systems and destroy valuable data. In addition, in the event that a significant number of our managers were unavailable following a disaster, our ability to effectively conduct business could be severely compromised. These interruptions also may interfere with our suppliers' ability to provide goods and services and our employees' ability to perform their job responsibilities.

The failure of our computer systems and/or our disaster recovery plans for any reason could cause significant interruptions in our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to our customers. The occurrence of any such failure, interruption or security breach of our systems could damage our reputation, result in a loss of customer business, subject us to additional regulatory scrutiny, or expose us to civil litigation and financial liability. Depending on the nature of the information compromised, in the event of a data breach or other unauthorized access to our customer data, we may also have obligations to notify affected individuals about the incident, and we may need to provide some form of remedy,

such as a subscription to a credit monitoring service, for the individuals affected by the incident. For more information, see "Legislative, Regulatory and Tax – State Regulation – Compliance with existing and emerging privacy laws and regulations could result in increased compliance costs and/or lead to changes in business practices and policies, and any failure to protect the confidentiality of personal information could adversely affect our reputation and have a material adverse effect on our business, financial condition and results of operations."

Finally, our cyber liability insurance may not be sufficient to protect us against all losses resulting from any cyberattack or other interruption, breach in security or failure of our disaster recovery systems.

For more information on our cybersecurity risk management and strategy and governance, see "Item 1C. Cybersecurity." We are also subject to information security laws and regulations that impose governance and compliance obligations applicable to our business. For more information, see "Item 1. Business – Regulatory – Privacy, Artificial Intelligence and Cybersecurity Regulation."

We are subject to third-party information system and other operational risks due to our reliance on third-party vendors and suppliers and the outsourcing of certain of our business operations.

Third parties perform significant services on our behalf, and, in recent years, consistent with competitor practices, we have increased our level of outsourcing to third parties for the execution of certain of our business operations, including certain customer service operations and certain system functionality (e.g., build and maintenance). Our third-party service providers and vendors are subject to the same or similar risks as we are, including information system interruptions, breaches in security, failure of disaster recovery systems, and inadequate data management or privacy protections. The failure of such third parties' computer systems and/or their disaster recovery plans for any reason might cause significant interruptions in our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to our customers. Although we conduct due diligence, negotiate contractual provisions and, in many cases, conduct periodic reviews of our vendors and other third party suppliers with whom we contract and who we believe may pose a cybersecurity threat to the Company, our customers or our business partners due to the type of services they provide and/or confidential information they may be handling to confirm compliance with our information security standards, we may not be able to effectively monitor or mitigate the information security and privacy risks posed by such third parties. Such third parties' computer systems have in the past been, and will likely in the future be, subject to or targets of unauthorized or fraudulent access; however, to date, our business, financial condition and results of operations have not been materially affected by such a cybersecurity incident at a third party. The occurrence of such a failure, interruption or security breach of the systems of third parties could harm our reputation, subject us to regulatory sanctions and legal claims, lead to a loss of customers, clients, agents and revenues and otherwise adversely affect our business and financial results.

In addition, one or more of our third-party suppliers or vendors may experience an operational disruption and, if any such event does occur, it may not be adequately addressed, either operationally or financially, by the third party. Certain of our third-party vendors and suppliers may have limited indemnification obligations or may not have the financial capacity to satisfy their indemnification obligations. Financial or operational difficulties of a vendor could also impair our operations if those difficulties interfere with the vendor's ability to serve us. Additionally, some of our outsourcing arrangements are located overseas and, therefore, are subject to risks unique to the regions in which they operate. If a critical vendor, or critical number of vendors, is unable to meet our needs in a timely manner, if the services provided by such a vendor or vendors are terminated or otherwise delayed and if we are not able to develop alternative sources for these services quickly and cost-effectively, or if we are not able to cost-effectively maintain or renew our contracts with such vendor or vendors, it may adversely affect our business and financial results.

Acquisitions and dispositions of businesses may not produce anticipated benefits and could result in operating difficulties, unforeseen liabilities or asset impairments, which may adversely affect our operating results and financial condition.

We may from time to time engage in acquisitions of businesses. Once completed, an acquired business may not perform as projected, expense and revenue synergies may not materialize as expected and costs associated with the integration may be greater than anticipated. Our financial results could be adversely affected by unanticipated performance issues, unforeseen liabilities, transaction-related charges, diversion of management time and resources to acquisition integration challenges or growth strategies, loss of key employees or customers, amortization of expenses related to intangibles, charges for impairment of long-term assets or goodwill and indemnifications. Factors such as receiving the required governmental or regulatory approvals to merge the acquired entity, delays in implementation or completion of transition activities or a disruption to our or the acquired entity's business could impact our results.

We may from time to time dispose of business or blocks of in-force business through outright sales, reinsurance transactions or by alternate means. For example, in May 2024, we completed the sale of our wealth management business. After a disposition, we may remain liable to the acquirer or to third parties for certain losses or costs arising from the divested business or on other bases. We also may not realize the anticipated profit on a disposition or incur a loss on the disposition. In anticipation of any disposition, we may need to restructure our operations, which could disrupt such operations and affect our ability to recruit key personnel needed to operate and grow such business pending the completion of such transaction. In addition, the actions of key employees of the business to be divested could adversely affect the success of such disposition as they may be more focused on obtaining employment, or the terms of their

employment, than on maximizing the value of the business to be divested. Furthermore, transition services or tax arrangements related to any such disposition could further disrupt our operations and may impose restrictions, liabilities, losses or indemnification obligations on us. Depending on its particulars, a disposition could increase our exposure to certain risks, such as by decreasing the diversification of our sources of revenue. Moreover, we may be unable to timely dissolve all contractual relationships with the divested business in the course of the proposed transaction, which may materially adversely affect our ability to realize value from the disposition. Such disposition could also adversely affect our internal controls and procedures and impair our relationships with key customers, distributors and suppliers. An interruption or significant change in certain key relationships could materially affect our ability to market our products and could have a material adverse effect on our business, financial condition and results of operations.

Covenants and Ratings

A downgrade in our financial strength or credit ratings could limit our ability to market products, increase the number or value of policies being surrendered and/or hurt our relationships with creditors.

A downgrade of the financial strength rating of one of our insurance subsidiaries could affect our competitive position in the insurance industry by making it more difficult for us to market our products, as potential customers may select companies with higher financial strength ratings, and by leading to increased withdrawals by current customers seeking companies with higher financial strength ratings. This could lead to a decrease in fees as net outflows of assets increase, and therefore, result in lower fee income and lower spread income. Furthermore, sales of assets to meet customer withdrawal demands could also result in losses, depending on market conditions. The interest rates we pay on our borrowings are largely dependent on our credit ratings. A downgrade of our debt ratings could affect our ability to raise additional debt, including bank lines of credit, with terms and conditions similar to our current debt, and accordingly, likely increase our cost of capital.

Our ratings and the ratings of our insurance subsidiaries are subject to revision or withdrawal at any time by the rating agencies, and therefore, no assurance can be given that our insurance subsidiaries or we can maintain our current ratings. See "Item 1. Business – Financial Strength Ratings" and "Liquidity and Capital Resources – Ratings" in the MD&A for a description of our ratings. See also "Liquidity and Capital Position – A decrease in the capital and surplus of our insurance subsidiaries may result in a downgrade to our credit and insurer financial strength ratings" above.

Certain blocks of our insurance business purchased from third-party insurers under indemnity reinsurance agreements may require us to place assets in trust, secure letters of credit or return the business, if the financial strength ratings and/or capital ratios of certain insurance subsidiaries are not maintained at specified levels.

Under certain indemnity reinsurance agreements, two of our insurance subsidiaries, LNL and LLANY, provide 100% indemnity reinsurance for the business assumed; however, the third-party insurer, or the "cedent," remains primarily liable on the underlying insurance business. These indemnity reinsurance arrangements require that our subsidiary, as the reinsurer, maintain certain insurer financial strength ratings and capital ratios. If these ratings or capital ratios are not maintained, depending upon the reinsurance agreement, the cedent may recapture the business, or require us to place assets in trust or provide LOCs at least equal to the relevant statutory reserves. As of December 31, 2024, LNL's and LLANY's financial strength ratings and RBC ratios exceeded the ratings and ratios required under each agreement. See "Item 1. Business – Financial Strength Ratings" for a description of our financial strength ratings. See "Reinsurance" in the MD&A for additional information on these indemnity reinsurance agreements.

If the cedent recaptured the business, LNL and LLANY would be required to release reserves and transfer assets to the cedent. Such a recapture could adversely impact our future profits. Alternatively, if LNL and LLANY established a security trust for the cedent, the ability to transfer assets out of the trust could be severely restricted, thus negatively impacting our liquidity.

Investments

We may have difficulty selling certain holdings in our investment portfolio in a timely manner and realizing full value.

We hold certain investments that may lack liquidity, such as privately placed securities, mortgage loans on real estate, policy loans, limited partnership interests and other investments. These asset classes represented 39% of the carrying value of our total investments as of December 31, 2024. If we require significant amounts of cash on short notice in excess of normal cash requirements or are required to post or return collateral in connection with our investment portfolio, derivatives transactions or securities lending activities, we may have difficulty selling these investments in a timely manner, be forced to sell them for less than we otherwise would have been able to realize, or both.

The reported value of our relatively illiquid types of investments, our investments in the asset classes described in the paragraph above and, at times, our high quality, generally liquid asset classes, do not necessarily reflect the lowest current market price for the asset. If we were forced to sell certain of our assets in the current market, there can be no assurance that we would be able to sell them for the prices at which we have recorded them, and we might be forced to sell them at significantly lower prices.

The amount and timing of income from certain investments can be uneven, and their valuations infrequent or volatile, which can impact the amount of income we record or lead to lower-than-expected returns, and thereby adversely impact our earnings.

We invest a portion of our investments in investment funds, many of which make private equity investments. The amount and timing of income from such investment funds tends to be uneven as a result of the performance of the underlying investments, including private equity investments. The timing of distributions from the funds, which depends on particular events relating to the underlying investments, as well as the funds' schedules for making distributions and their needs for cash, can be difficult to predict. In addition, because these funds, and private equity investments, do not trade on public markets and indications of realizable market value may not be readily available, valuations can be infrequent and/or more volatile. As a result, the amount of income that we record from these investments can vary substantially from quarter to quarter, and a sudden or sustained decline in the markets or valuation of one or more substantial investments could result in lower-than-expected returns earned by our investment portfolio and thereby adversely impact our earnings.

Defaults and write-downs on our mortgage loans may adversely affect our profitability.

Our mortgage loans face default risk and are principally collateralized by commercial properties. The performance of our mortgage loan investments may fluctuate in the future. In addition, some of our mortgage loan investments have balloon payment maturities. An increase in the default rate of our mortgage loan investments could have a material adverse effect on our business, results of operations and financial condition. Further, any geographic or sector exposure in our mortgage loans may have adverse effects on our investment portfolios and consequently on our consolidated results of operations or financial condition. While we seek to mitigate this risk by having a broadly diversified portfolio, events or developments that have a negative effect on any particular geographic region or sector may have a greater adverse effect on the investment portfolios to the extent that the portfolios are exposed.

The difficulties faced by other financial institutions could adversely affect us.

We have exposure to many different industries and counterparties, and routinely execute transactions with counterparties in the financial services industry, including brokers and dealers, commercial banks, investment banks and other institutions. Many of these transactions expose us to credit risk in the event of default of our counterparty. In addition, with respect to secured transactions, our credit risk may be exacerbated when the collateral held by us cannot be realized or is liquidated at prices not sufficient to recover the full amount of the related loan or derivative exposure. We also may have exposure to these financial institutions in the form of unsecured debt instruments, derivative transactions and/or equity investments. These parties may default on their obligations to us due to bankruptcy, lack of liquidity, downturns in the economy or real estate values, operational failure, corporate governance issues or other reasons. A downturn in the U.S. or other economies could result in increased impairments. There can be no assurance that any such losses or impairments to the carrying value of these assets would not materially and adversely affect our business and results of operations.

Our requirements to post collateral or make payments related to declines in market value of specified assets may adversely affect our liquidity and expose us to counterparty credit risk.

Many of our transactions with financial and other institutions, including settling futures positions, specify the circumstances under which the parties are required to post collateral. The amount of collateral we may be required to post under these agreements may increase under certain circumstances, which could adversely affect our liquidity. In addition, under the terms of some of our transactions, we may be required to make payments to our counterparties related to any decline in the market value of the specified assets.

Competition

Intense competition could negatively affect our ability to maintain or increase our profitability.

Our businesses are intensely competitive. We compete based on a number of factors, including name recognition, service, investment performance, product features, price, perceived financial strength and claims-paying and credit ratings. Our competitors include insurers, broker-dealers, asset managers, hedge funds and other financial institutions. A number of our business units face competitors that have greater market share, offer a broader range of products or have higher financial strength or credit ratings than we do. In recent years, there has been consolidation and convergence among companies in the financial services industry resulting in increased competition from large, well-capitalized financial services firms. Many of these firms also have been able to increase their distribution systems through mergers or contractual arrangements. Furthermore, larger competitors may have lower operating costs and an ability to absorb greater risk while maintaining their financial strength ratings, thereby allowing them to price their products more competitively. Our customers and clients may engage other financial service providers, and the resulting loss of business may harm our results of operations or financial condition.

The sales representatives through which LFD distributes our products are not captive and may sell products of our competitors.

We distribute our annuity and life insurance products through independent sales representatives and other intermediaries. These representatives are not captive, which means they may also sell our competitors' products. If our competitors offer products that are more

attractive than ours or pay higher commission rates to the sales representatives than we do, these representatives may concentrate their efforts in selling our competitors' products instead of ours.

Item 1B. **Unresolved Staff Comments**

None.

Item 1C. **Cybersecurity**

Risk Management and Strategy

Operational Risk Management and Strategy

Identifying, assessing and managing material risks from cybersecurity threats is a core component of our overall operational risk management. The Company's Information Security team is the primary group responsible for cybersecurity and consists of four divisions with specific mandates:

- The security engineering division, which leads our "security by design" efforts to help ensure cybersecurity considerations are taken into account in our applications, cloud architecture and infrastructure;
- The governance, risk and compliance division, which includes responsibility for developing cybersecurity-related policies and procedures, training and supplier security review;
- The cybersecurity response and investigations ("CSRI") division; and
- The identity access management division, which is responsible for managing access to our data and technology infrastructure.

The work done by each of these divisions is applied both tactically and strategically to operations, as well as to broader risk management activities.

The governance, risk and compliance division of our Information Security team includes a dedicated information technology ("IT") and Cyber operation risk assessment team. This team conducts assessments that are focused on the Company's most significant IT and cyber risks, the results of which are leveraged by the Company's IT leadership, among other inputs, to mitigate, reduce and/or manage against such risks. While it is not possible to be certain that all risks, threats and vulnerabilities to our information and systems have been identified, our cybersecurity risk management processes are designed to, using a risk-based approach, identify reasonably known risks from cybersecurity threats and ensure material risks are managed appropriately.

The work done by the Information Security team integrates into the Company's overall Enterprise Risk Management ("ERM") program. Data is contributed to the ERM team in support of our broader operational risk framework and processes through completion of the Risk and Control Self-Assessment for IT and cyber, which is aggregated into the larger operational risk program. Members of IT and Information Security senior leadership participate on the Company's Operational Risk Committee ("ORC"), which is a standing committee whose purpose is to review and monitor threats to our business operations and strategy that manifest from inadequate or failed internal processes, controls, people or systems or from external events. In addition, the Company's Internal Audit team performs an annual security audit that focuses on cybersecurity risks, the results of which are reported to the Company's IT leadership team and the Audit Committee of the Company's Board of Directors. This audit process provides an additional layer of support to help ensure that cybersecurity risks are managed and responded to appropriately.

While our Information Security team uses some third-party resources as part of its efforts to assess, identify and manage material risks from cybersecurity threats (e.g., certain third-party software tools, threat intelligence and periodic penetration testing), our cybersecurity efforts are predominantly conducted through our internal resources.

Monitoring and Incident Response

The CSRI division of our Information Security team is responsible for the operation of our internal Security Operations Center ("SOC"), which performs monitoring and alerting for security events 24 hours a day, 7 days a week, 365 days a year. The CSRI division also actively seeks out cybersecurity threats that might affect the organization and/or our customers. The CSRI team is a component of Lincoln's formal security incident response team ("SIRT") and process. In addition to the Information Security team, the SIRT also includes representatives from the Company's legal and compliance teams (including Privacy), office of business resiliency, chief risk office, corporate communications, as well as the information technology team. While the CSRI division is responsible for cybersecurity responses generally, should a critical event arise, such an event would be raised to and addressed by the SIRT.

Our Privacy team, which is part of the Company's compliance function, has a dedicated incident response team responsible for assessing, identifying and managing risks from cybersecurity threats involving personal information. The team follows documented processes for investigation, research, assessment, notification, regulatory reporting and, if necessary, escalation to management, and such processes have

been integrated into our Information Security incident response program. The Information Security team works closely with our Privacy team to respond to any cybersecurity incidents involving personal information. The Privacy team engages third parties to assist with incident assessment and notification.

Supplier Risk Management and Strategy

Within the governance, risk and compliance division of our Information Security team, we operate a formal supplier security assessment program, with a team dedicated to evaluating the cybersecurity risk associated with third-party suppliers with whom we have contracted and who we believe may pose a cybersecurity threat to the Company, our customers or our business partners due to the type of services they provide and/or confidential information they may be handling. This team assesses the security posture of the supplier, as well as the security of the systems and services provided. In addition, the team works closely with our procurement and legal teams to help ensure that appropriate security requirements are included in our contractual arrangements with the suppliers. The team conducts an assessment both at the outset of the engagement of a new supplier, and then periodically thereafter, based on assigned risk levels, as well as in the event of any new services or changes to the engagement. The Information Security team's process for conducting periodic security reviews of third parties is a component of our operational risk management team's broader periodic review of third parties.

Risks from Cybersecurity Threats

Although our computer systems and the computer systems of third parties on which we rely have in the past been, and will likely in the future be, subject to or targets of unauthorized or fraudulent access, to date the Company, including our business strategy, results of operations or financial condition, has not been materially affected by a cybersecurity breach. There are risks from cybersecurity threats that if they were to occur could materially affect the Company, including its business strategy, results of operations or financial condition, as discussed in "Item 1A. Risk Factors – Operational Matters – Our information systems may experience interruptions, breaches in security and/or a failure of disaster recovery systems that could result in a loss or disclosure of confidential information, damage to our reputation, impairment of our ability to conduct business effectively and increased expenses," "Item 1A. Risk Factors – Operational Matters – We are subject to third-party information system and other operational risks due to our reliance on third-party vendors and suppliers and the outsourcing of certain of our business operations" and "Item 1A. Risk Factors – Legislative, Regulatory and Tax – Compliance with existing and emerging privacy laws and regulations could result in increased compliance costs and/or lead to changes in business practices and policies, and any failure to protect the confidentiality of personal information could adversely affect our reputation and have a material adverse effect on our business, financial condition and results of operations."

Governance

The Company's Board of Directors is responsible for regular oversight of the Company's overall risk management process. The Board reviews the most significant risks the Company faces and the manner in which our executives manage these risks. The Board has also delegated certain of its risk oversight efforts to its committees. Oversight of cybersecurity risk has been delegated to the Audit Committee of the Board of Directors.

The Company's senior management is primarily responsible for establishing policies and procedures designed to identify, assess and manage the Company's significant risks, with our Chief Information Security Officer ("CISO") having primary responsibility with respect to material risks from cybersecurity threats. We also have a Corporate Enterprise Risk and Capital Committee, made up of members of senior management and the Company's Chief Risk Officer, which provides oversight of our enterprise-wide risk structure and of our processes to identify, measure, monitor and manage significant risks, including, but not limited to, cybersecurity risk.

The Information Security organization is led by our CISO. The head of each of the four divisions of our Information Security team reports directly to the CISO. The CISO reports directly to the Company's Chief Information Officer ("CIO"), who is a member of the Company's Senior Management Committee. As a result, all information security personnel report into the CISO, and ultimately the CIO. The CISO also reports indirectly to the Audit Committee of the Board of Directors. Biannually, the CISO reports to the Audit Committee on the cybersecurity risks facing the Company and cybersecurity developments generally. In addition, as discussed above, the Company's Internal Audit team reports to the Audit Committee the results of its annual security audit focused on cybersecurity risks. The Company's Chief Compliance Officer reports key Privacy risk indicators and statistics (including those related to cybersecurity risks) to the Audit Committee on a quarterly basis.

Our current CISO has over 20 years of experience in the field of cybersecurity and holds a Certified Information Security Systems Professional designation. The CISO has a staff of more than 100 employees dedicated to protecting the data and systems belonging to the Company, our customers, business partners and consumers.

Item 2. Properties

As of December 31, 2024, LNC and our subsidiaries owned or leased 2.3 million square feet of office and other space. We leased 0.2 million square feet of office space in Radnor, Pennsylvania, for our corporate center and for LFD. We leased 0.6 million square feet of office space in Fort Wayne, Indiana, primarily for our Annuities and Retirement Plan Services segments. We owned 0.8 million square feet of office space in Greensboro, North Carolina, primarily for our Life Insurance segment. We owned or leased 0.3 million square feet of office space in Omaha, Nebraska, and 0.1 million square feet in Dover, New Hampshire, primarily for our Group Protection segment. An additional 0.3 million square feet of office space is leased in other U.S. cities for branch offices.

Item 3. Legal Proceedings

For information regarding legal proceedings, see "Regulatory and Litigation Matters" in Note 17, which is incorporated herein by reference.

Item 4. Mine Safety Disclosures

Not applicable.

Information About our Executive Officers

Our Executive Officers as of February 13, 2025, were as follows:

Name	Age [1]	Position with LNC and Business Experience During the Past Five Years
Ellen G. Cooper	60	President, Chief Executive Officer and Director (since May 2022); Chairman of the Board of Directors (since May 2023). Until May 2022, Executive Vice President (since August 2012), Head of Enterprise Risk (since 2019) and Head of Annuity Solutions Group (since March 2021). Chief Investment Officer (August 2012 - November 2021).
Craig T. Beazer	57	Executive Vice President and General Counsel (since December 2020). Executive Vice President, General Counsel (January 2020 - December 2020) and Secretary (July 2019 - December 2020), KeyCorp, a bank-based financial services company. Deputy General Counsel, KeyCorp (July 2018 - January 2020).
Jayson R. Bronchetti	45	Executive Vice President (since May 2022), Chief Investment Officer (since November 2021) and Head of Hedging (since May 2023) and Sustainability (since May 2022), and President, Lincoln Investment Advisors Corporation [2] (since March 2016). Head of Risk (May 2022 - May 2023). Head of Corporate Fixed Income (February 2020 - November 2021). Managing Director, Head of Manager Selection & Research (July 2015 - March 2016).
Jennifer Charters	52	Executive Vice President and Chief Information Officer (since November 2024). Executive Vice President and Chief Information Officer, Flagstar Bank (June 2018 - August 2024).
John C. Kennedy	58	Executive Vice President (since March 2021) and Chief Distribution and Brand Officer (assuming the role of head of distribution in March 2021 and the role of head of brand in March 2022), and President, LFD [2] (since March 2021). Senior Vice President and Head of Retirement Solutions Distribution for LFD (September 2009 - March 2021).
Brian Kroll	63	Executive Vice President, Head of Retail Life and Annuity Solutions (since May 2024). Senior Vice President, Head of Annuity Solutions (April 2011 - July 2022).
Christopher Neczypor	44	Executive Vice President and Chief Financial Officer (since February 2023). Until February 2023, Executive Vice President and Chief Strategy Officer (since November 2021). Senior Vice President and Head of Alternatives, Structured Credit and Investment Strategy (2020 - November 2021). Senior Vice President and Head of Investment Risk and Strategy (April 2018 - 2020).
Andrew D. Rallis	62	Executive Vice President and Chief Risk Officer (since May 2023). Executive Vice President and Global Chief Actuary (July 2012 - May 2023), MetLife, Inc.
James Reid	58	Executive Vice President and President, Workplace Solutions (since August 2022). President and Chief Executive Officer (April 2021 - August 2022), Versant Health, a managed vision care company. Executive Vice President and Head of Global Employee Benefits (January 2016 - March 2021), MetLife, Inc.
Sean N. Woodroffe	61	Executive Vice President and Chief People, Culture and Communications Officer (since May 2023). Senior Executive Vice President and Chief People Officer (March 2018 - April 2023), TIAA, a financial service provider.

[1] Age shown is based on the officer's age as of February 13, 2025.
[2] Denotes an affiliate of LNC.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

(a) Stock Market and Dividend Information

Our common stock is traded on the New York stock exchange under the symbol LNC. As of February 13, 2025, the number of shareholders of record of our common stock was 4,985. The dividend on our common stock is declared each quarter by our Board of Directors if we are eligible to pay dividends and the Board determines that we will pay dividends. In determining dividends, the Board takes into consideration items such as our financial condition, including current and expected earnings, projected cash flows and anticipated financing needs. For potential restrictions on our ability to pay dividends, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources – Restrictions on Subsidiaries' Dividends" and Note 23 in the accompanying notes to the consolidated financial statements presented in "Item 8. Financial Statements and Supplementary Data."

For information on securities authorized for issuance under equity compensation plans, see "Part III – Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters – Securities Authorized for Issuance Under Equity Compensation Plans," which is incorporated herein by reference.

(b) Not Applicable

(c) Issuer Purchases of Equity Securities

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

Period	(a) Total Number of Shares Purchased [1]	(b) Average Price Paid per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs [2]	(d) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs [2]
10/1/24 – 10/31/24	–	$ –	–	$ 714
11/1/24 – 11/30/24	–	–	–	714
12/1/24 – 12/31/24	–	–	–	714

[1] Of the total number of shares purchased, no shares were received in connection with the exercise of stock options and related taxes. For the quarter ended December 31, 2024, there were no shares purchased as part of publicly announced plans or programs.

[2] 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 December 31, 2024, our remaining security repurchase authorization was $714 million. The security repurchase authorization does not have an expiration date. The amount and timing of share repurchases depends on key capital ratios, rating agency expectations, the generation of free cash flow and an evaluation of the costs and benefits associated with alternative uses of capital. Our stock repurchases may be effected from time to time through open market purchases or in privately negotiated transactions and may be made pursuant to an accelerated share repurchase agreement or Rule 10b5-1 plan.

Item 6. [Reserved]

Item 7. **Management's Discussion and Analysis of Financial Condition and Results of Operations**

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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 December 31, 2024, compared with December 31, 2023, and the results of operations in 2024 and 2023 compared with the immediately preceding year of Lincoln National Corporation and its consolidated subsidiaries. Unless otherwise stated or the context otherwise requires, "LNC," "Company," "we," "our" or "us" refers to Lincoln National Corporation and its consolidated subsidiaries.

The MD&A is provided as a supplement to, and should be read in conjunction with, the consolidated financial statements and the accompanying notes to the consolidated financial statements ("Notes") presented in "Item 8. Financial Statements and Supplementary Data," as well as "Part I – Item 1A. Risk Factors" above.

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; our affiliate reinsurance arrangements; and restrictions on the payment of revenue sharing and 12b-1 distribution fees;
- 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 new and emerging rules, laws and regulations relating to privacy, cybersecurity and artificial intelligence that may lead to increased compliance costs, reputation risk and/or changes in business practices;
- Increasing scrutiny and evolving expectations and regulations regarding environmental, social and governance ("ESG") matters that may adversely affect our reputation and our investment portfolio;
- Actions taken by reinsurers to raise rates on in-force business;
- Declines in or sustained low interest rates causing a reduction in investment income, the interest margins of our businesses and demand for our products;
- Rapidly increasing or sustained high interest rates that may negatively affect our profitability, value of our investment portfolio and capital position and may cause policyholders to surrender annuity and life insurance policies, thereby causing realized investment losses;
- The impact of the implementation of the provisions of the European Market Infrastructure Regulation relating to the regulation of derivatives transactions;
- The initiation of legal or regulatory proceedings against us, and the outcome of any legal or regulatory proceedings, such as: adverse actions related to present or past business practices common in businesses in which we compete; adverse decisions in significant actions including, but not limited to, actions brought by federal and state authorities and class action cases; new decisions that result in changes in law; and unexpected trial court rulings;
- A decline or continued volatility in the equity markets causing a reduction in the sales of our subsidiaries' products; a reduction of asset-based fees that our subsidiaries charge on various investment and insurance products; and an increase in liabilities related to guaranteed benefit riders, which are accounted for as market risk benefits ("MRBs"), of our subsidiaries' variable annuity products;
- Ineffectiveness of our risk management policies and procedures, including our various hedging strategies;

- A deviation in actual experience regarding future policyholder behavior, mortality, morbidity, interest rates or equity market returns from the assumptions used in pricing our subsidiaries' products and in establishing related insurance reserves, which may reduce future earnings;
- Changes in accounting principles that may affect our consolidated financial statements;
- Lowering of one or more of our debt ratings issued by nationally recognized statistical rating organizations and the adverse effect such action may have on our ability to raise capital and on our liquidity and financial condition;
- Lowering of one or more of the insurer financial strength ratings of our insurance subsidiaries and the adverse effect such action may have on the premium writings, policy retention, profitability of our insurance subsidiaries and liquidity;
- Significant credit, accounting, fraud, corporate governance or other issues that may adversely affect the value of certain financial assets, as well as counterparties to which we are exposed to credit risk, requiring that we realize losses on financial assets;
- Interruption in 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, affect our businesses and increase the cost and availability of reinsurance;
- Competitive conditions, including pricing pressures, new product offerings and the emergence of new competitors, that may affect the level of premiums and fees that our subsidiaries can charge for their products;
- The unknown effect on our subsidiaries' businesses resulting from evolving market preferences and the changing demographics of our client base; and
- The unanticipated loss of key management or wholesalers.

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

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

INTRODUCTION

Executive Summary

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

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

We also have Other Operations, which includes the financial results for operations that are not directly related to the business segments. See "Part I – Item 1. Business" above 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 19. 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 unpredictable and not necessarily

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

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 "Part I – Item 1A. Risk Factors" and "Forward-Looking Statements – Cautionary Language" above.

Industry Trends

Below is a discussion of certain trends impacting our business and industry:

Interest Rate Environment

During 2024, the Federal Reserve lowered the federal funds rate target range by 100 basis points to a range of 4.25% to 4.50%, stating that it had gained greater confidence that inflation was moving sustainably towards its target level of 2%. At the January 2025 meeting, the Federal Reserve decided to maintain the current federal funds target range.

While the federal funds rate target range decreased during 2024, we continue to experience an elevated interest rate environment. We continue to be proactive in our investment strategies, product designs, crediting rate strategies, expense management actions and overall asset-liability practices to mitigate the risk of unfavorable consequences in this interest rate environment. As a result of the elevated interest rate environment, sales of fixed annuities, fixed-indexed annuities and registered index-linked annuities ("RILA") products increased across the industry. With the elevated interest rate environment expected to persist into 2025, these industry sales trends may continue in 2025.

We have provided disclosures around risks related to changes in interest rates in "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 high 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," "Summary of Critical Accounting Estimates – Annual Assumption Review – Long-Term New Money Investment Yield Sensitivity" below and "Item 7A. Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk."

Regulatory Environment

U.S.-domiciled insurance entities are regulated at the state level, while certain products and services are also subject to federal regulation. Our Bermuda-based reinsurance subsidiary is licensed in Bermuda and is subject to regulations established by the Bermuda Monetary Authority ("BMA"). In addition, our Barbados-based reinsurance subsidiary is regulated by the Barbados Financial Services Commission. Regulators may refine capital requirements and introduce new reserving standards for the insurance industry. Regulations recently adopted or currently under review can potentially affect the capital requirements and profitability of the industry and result in increased regulation and oversight for the industry. See "Part I – Item 1. Business – Regulatory" and "Part I – Item 1A. Risk Factors – Legislative, Regulatory and Tax" for a discussion of regulatory developments that may impact the Company and the associated risks.

Significant Operational Matters

Throughout 2024, we executed against our strategic priorities of strengthening our balance sheet, improving our operational efficiency, increasing free cash flow and focusing on profitable growth. Notable actions in 2024 include the following:

- In the first quarter of 2024, we completed the issuance of $350 million of fixed-rate senior notes and used the net proceeds to pre-fund the repayment of our senior notes due in 2025. Also, we refinanced our term loan in the third quarter of 2024, extending the maturity date to 2027.
- We continued to focus on expense management, and, in the first quarter of 2024, we reduced our workforce by approximately 5% to streamline our organizational structure, improve operational efficiency and reduce expenses.
- We received $723 million in cash in 2024 with the close of the sale of all of the ownership interests in the subsidiaries of the Company that comprised the Company's wealth management business operated through Lincoln Financial Network ("LFN") to Osaic Holdings, Inc. ("Osaic"). The proceeds were primarily used to increase The Lincoln National Life Insurance Company's ("LNL") risk-based capital ("RBC") ratio above the Company's target of 400%, and we used a portion of the proceeds to reduce our leverage ratio. For additional information, see "Results of Annuities" and "Liquidity and Capital Resources – Holding Company Sources and Uses of Liquidity and Capital – Subsidiaries' Capital" below and Note 1.
- We continued to focus on improving free cash flow through increasing our affiliate reinsurance capacity with the execution of affiliate reinsurance transactions during 2024 with Lincoln Pinehurst Reinsurance Company (Bermuda) Limited ("LPINE"), a wholly owned subsidiary of LNC that operates as a Bermuda-based life and annuity reinsurance company. For additional information, see "Liquidity and Capital Resources – Holding Company Sources and Uses of Liquidity and Capital – Subsidiaries' Capital" below.
- In the fourth quarter of 2024, LNL established a funding agreement-backed notes program pursuant to which LNL may issue funding agreements to a special purpose statutory trust for spread lending purposes. In January 2025, LNL issued a $500 million funding agreement with an annual fixed interest rate of 5.3%, maturing January 2030.

We continue to focus on the following actions in 2025:

- Growing our industry-leading wholesale distribution through Lincoln Financial Distributors, which distributes our annuities and life insurance products as well as our retirement plan products and services through financial institutions and other financial intermediaries;
- Making investments in our businesses and product enhancements to grow revenues, drive margin and reduce costs;
- Shifting our new business to a more capital-efficient mix with higher risk-adjusted returns;
- Improving the profitability of our Group Protection business through strategic pricing actions and repositioning our business through targeted segment strategies as part of our longer-term margin expansion initiatives;
- Exploring reinsurance and other strategies to maximize the value of our businesses; and
- Focusing on expense discipline to drive greater operational efficiency and enhance the operating leverage within our business.

Summary of Critical Accounting Estimates

We have identified the accounting estimates below as critical to the understanding of our results of operations and our financial condition. In applying these critical accounting estimates in preparing our financial statements, management must use critical assumptions, estimates and judgments concerning future results or other developments, including the likelihood, timing or amount of one or more future events. Actual results may differ from these estimates under different assumptions or conditions. On an ongoing basis, we evaluate our assumptions, estimates and judgments based upon historical experience and various other information that we believe to be reasonable under the circumstances. For a detailed discussion of significant accounting policies, see Note 1.

Investments

Investment Valuation

Our measurement of fair value is based on assumptions used by market participants in pricing the asset or liability, which may include inherent risk, restrictions on the sale or use of an asset or non-performance risk, which would include our own credit risk. Our estimate of an exchange price is the price in an orderly transaction between market participants to sell the asset or transfer the liability ("exit price") in the principal market, or the most advantageous market in the absence of a principal market, for that asset or liability, as opposed to the price that would be paid to acquire the asset or receive a liability ("entry price"). We categorize our financial instruments carried at fair value into a three-level fair value hierarchy, based on the priority of inputs to the respective valuation technique. The three-level hierarchy for fair value measurement is defined in Note 1.

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 December 31, 2024:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Priced by third-party pricing services	$ 419	$ 76,909	$ 162	$ 77,490
Priced by independent broker quotations	–	–	5,084	5,084
Priced by matrices	–	16,743	–	16,743
Priced by other methods [1]	–	–	229	229
Total	$ 419	$ 93,652	$ 5,475	$ 99,546
Percent of total	0%	95%	5%	100%

[1] Represents primarily securities for which pricing models were used to compute fair value.

For the categories and associated fair value of our fixed maturity AFS securities classified within Level 3 of the fair value hierarchy as of December 31, 2024 and 2023, see Notes 1 and 14.

Our investments are valued using the appropriate market inputs based on the investment type, and include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data. In addition, market indicators and industry and economic events are monitored, and further market data is acquired if certain triggers are met. We incorporate the issuer's credit rating and a risk premium, if warranted, given the issuer's industry and the security's time to maturity. We use an internationally recognized pricing service as our primary pricing source, and we do not adjust prices received from third parties or obtain multiple prices when measuring the fair value of our investments. We generally use prices from the pricing service rather than broker quotes because we have documentation from the pricing service on the observable market inputs they use, as compared to the limited information on the pricing inputs from broker quotes. For private placement securities, we use pricing matrices that utilize observable pricing inputs of similar public securities and Treasury yields as inputs to the fair value measurement. It is possible that different valuation techniques and models, other than those described above, could produce materially different estimates of fair value.

When the volume and level of activity for an asset or liability has significantly decreased in relation to normal market activity for the asset or liability, we believe that the market is not active. Activities that may indicate a market is not active include fewer recent transactions in the market, price quotations that lack current information and/or vary substantially over time or among market makers, limited public information, uncorrelated indexes with recent fair values of assets and abnormally wide bid-ask spread. As of December 31, 2024, we evaluated the markets that our securities trade in and concluded that none were inactive. We will continue to re-evaluate this conclusion, as needed, based on market conditions.

We use unobservable inputs to measure the fair value of securities trading in less liquid or illiquid markets with limited or no pricing information. We obtain broker quotes for securities such as synthetic convertibles, index-linked certificates of deposit and collateralized debt obligations when sufficient security structure or other market information is not available to produce an evaluation. For broker-quoted only securities, non-binding quotes from market makers or broker-dealers are obtained from sources recognized as market participants. Broker-quoted securities are based solely on receipt of updated quotes from a single market maker or a broker-dealer recognized as a market participant. Our broker-quoted only securities are generally classified as Level 3 of the fair value hierarchy. As of December 31, 2024, we used broker quotes for 18 securities as our final price source, representing less than 1% of total securities owned.

In order to validate the pricing information and broker quotes, we employ, where possible, procedures that include comparisons with similar observable positions, comparisons with subsequent sales and observations of general market movements for those security classes. Our primary third-party pricing service has policies and processes to ensure that it is using objectively verifiable observable market data. The pricing service regularly reviews the evaluation inputs for securities covered, including broker quotes, executed trades and credit information, as applicable. If the pricing service determines it does not have sufficient objectively verifiable information about a security's valuation, it discontinues providing a valuation for the security. The pricing service regularly publishes and updates a summary of inputs used in its valuations by major security type. In addition, we have policies and procedures in place to review the process that is utilized by the third-party pricing service and the output that is provided to us by the pricing service. On a periodic basis, we test the pricing for a sample of securities to evaluate the inputs and assumptions used by the pricing service, and we perform a comparison of the pricing

service output to an alternative pricing source. In addition, we check prices provided by our primary pricing service to ensure that they are not stale or unreasonable by reviewing the prices for unusual changes from period to period based on certain parameters or for lack of change from one period to the next. If such anomalies in the pricing are observed, we may use pricing information from another pricing source.

Valuation of Alternative Investments

Recognition of investment income on alternative investments is delayed due to the availability of the related financial statements, which are generally obtained from the partnerships' general partners, as our venture capital, real estate and oil and gas portfolios are generally reported to us on a three-month delay, and our hedge funds are reported to us on a one-month delay. In addition, the effect of annual audit adjustments related to completion of calendar-year financial statement audits of the investees are typically received during the first or second quarter of each calendar year. Accordingly, our investment income from alternative investments for any calendar year period may not include the complete effect of the change in the underlying net assets for the partnership for that calendar year period. Recorded audit adjustments affect our investment income on alternative investments in the period that the adjustments are recorded.

Measurement of Allowances for Credit Losses and Recognition of Impairments

We regularly review our fixed maturity AFS securities for declines in fair value that we determine to be impairment-related. Realized gains and losses generally originate from asset sales to reposition the portfolio or to respond to product experience. In the process of evaluating whether a security with an unrealized loss reflects declines that are related to credit losses, we consider our ability and intent to sell the security prior to a recovery of value. However, subsequent decisions on securities sales are made within the context of overall risk monitoring, assessing value relative to other comparable securities and overall portfolio maintenance. Although our portfolio managers may, at a given point in time, believe that the preferred course of action is to hold securities with unrealized losses attributable to factors other than credit loss until such losses are recovered, the dynamic nature of portfolio management may result in a subsequent decision to sell. These subsequent decisions are consistent with the classification of our investment portfolio as AFS. We expect to continue to manage all non-trading investments within our portfolios in a manner that is consistent with the AFS classification.

We consider economic factors and circumstances within industries and countries where recent impairments have occurred in our assessment of the position of securities we own of similarly situated issuers. While it is possible for realized or unrealized losses on a particular investment to affect other investments, our risk management strategy has been designed to identify correlation risks and other risks inherent in managing an investment portfolio. Once identified, strategies and procedures are developed to effectively monitor and manage these risks. The areas of risk correlation that we pay particular attention to are risks that may be correlated within specific financial and business markets, risks within specific industries and risks associated with related parties. When the detailed analysis by our external asset managers and investment portfolio managers leads us to the conclusion that a security's decline in fair value is due to credit loss, a credit loss allowance is recorded. In instances where declines are related to factors other than credit loss, the security will continue to be carefully monitored.

There are risks and uncertainties associated with determining whether an investment shows indications of impairment. These include subsequent significant changes in general overall economic conditions, as well as specific business conditions affecting particular issuers, future financial market effects such as interest rate spreads, stability of foreign governments and economies, future rating agency actions and significant accounting, fraud or corporate governance issues that may adversely affect certain investments. In addition, there are often significant estimates and assumptions that we use to estimate the fair values of securities as described in "Investment Valuation" above. We continually monitor developments and update underlying assumptions and financial models based upon new information.

For certain securitized fixed maturity AFS securities with contractual cash flows, including asset-backed securities ("ABS"), we use our best estimate of cash flows for the life of the security to determine whether it is credit impaired. In addition, we review for other indicators of impairment as required by the Investments – Debt and Equity Securities Topic of the Financial Accounting Standards Board ("FASB") *Accounting Standards Codification*™ ("ASC").

Write-downs on real estate and other investments are experienced when the estimated value of the asset is deemed to be less than the carrying value. Write-downs and allowance for credit losses for commercial mortgage loans are established when the estimated value of the asset is deemed to be less than the carrying value. All commercial mortgage loans that are impaired are individually reviewed to determine an appropriate credit loss allowance. Changing economic conditions affect our valuation of commercial mortgage loans. Increasing vacancies, declining rents and the like are incorporated into the allowance for credit losses analysis that we perform for monitored loans and may contribute to an increase in the allowance for credit losses. In addition, we continue to monitor the entire commercial mortgage loan portfolio to identify both current and projected future risk based on reasonable and supportable forecasts. Areas of emphasis include properties that have deteriorating credits or have experienced debt-service coverage and/or loan-to-value ("LTV") reduction. Where warranted, we have established or increased our allowance for credit losses based upon this analysis.

We have also established an allowance for credit losses on our residential mortgage loan portfolio that includes a specific credit loss allowance for loans that are deemed to be impaired as well as an allowance for credit losses for pools of loans with similar risk

characteristics. The allowance for credit losses for the performing population of loans is based on historical performance for similar loans, as well as projected future losses based on modeling, which includes reasonable and supportable forecasts. The historical data utilized in the allowance for credit losses calculation process is adjusted for current economic conditions.

Our additional liabilities for other insurance benefits reflect an assumption for an expected level of credit-related investment losses. When actual credit-related investment losses are realized, we recognize a true-up to our additional liabilities reserve. These actual to expected adjustments would be reported in benefits on the Consolidated Statements of Comprehensive Income (Loss).

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 Notes 1 and 5. For more information on market exposures associated with our derivatives, including sensitivities, see "Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk."

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. See "Annual Assumption Review" below for more information. In measuring our LFPB, we establish cohorts, which are groupings of long-duration contracts. On a quarterly basis, we retrospectively update the net premium ratio at the cohort level for actual experience. For all contract cohorts issued after January 1, 2021, interest is accrued on LFPB at the single-A interest rate on the contract cohort inception date. For contract cohorts issued prior to January 1, 2021, interest remains accruing at the original discount rate in effect on the contract cohort inception date due to the modified retrospective transition method. We also remeasure the LFPB using the single-A interest rate as of the end of each reporting period.

Liability for Future Claims

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

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 based on the application of a benefit ratio (calculated as the present value of total expected benefit payments over the life of the contract from inception divided by the present value of total expected assessments over the life of the contract). These secondary guarantees are reported within future contract benefits on the Consolidated Balance Sheets. The level and direction of the change in reserves will vary over time based on the emergence of the benefit ratio and the level of assessments associated with the contracts. Cash flow assumptions incorporated in a benefit ratio in measuring these additional liabilities for other insurance benefits include mortality rates, morbidity, policyholder behavior (e.g., persistency) and withdrawals based principally on generally accepted actuarial methods and assumptions. During the third quarter of each year, we conduct our comprehensive review of the cash flow assumptions and projection models used in estimating these liabilities and update these assumptions in the calculation of the benefit ratio. We may also update these assumptions in other quarters as we become aware of information that is indicative of the need for such an update. See "Annual Assumption Review" below for more information.

For additional information on future contract benefits, see Note 12.

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 December 31, 2024 and 2023, 8% and 15%, 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 December 31, 2024 and 2023, 17% and 21%, respectively, of all in-force contracts with a GLB rider were "in the money." However, the only way the policyholder can realize the excess of the present value of benefits over the account balance of the contract is through a series of withdrawals or income payments that do not exceed a maximum amount. If, after the series of withdrawals or income payments, the account balance is exhausted, the policyholder will continue to receive a series of annuity payments. The account balance can also fluctuate with market returns on a daily basis resulting in increases or decreases in the excess of the present value of benefits over account balance.

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

	Annuities		Retirement Plan Services	
	As of December 31,		As of December 31,	
	2024	2023	2024	2023
GLB NAR	$ 1,521	$ 1,805	$ 1	$ 1
GDB NAR	686	1,491	2	3
Total NAR	2,126	3,143	3	4

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 14. See "Annual Assumption Review" below for more information.

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 difference indices.
Mortality	Increase / (Decrease)	(Decrease) / Increase	Increase / (Decrease)	Mortality represents the estimated probability of when an individual belonging to a particular group, categorized according to age or some other factor such as gender, will die.
Mortality contracts with only GDB rider	Increase / (Decrease)	Increase / (Decrease)	(Decrease) / Increase	Mortality represents the estimated probability of when an individual belonging to a particular group, categorized according to age or some other factor such as gender, will die.
Lapse	Higher / Lower	(Decrease) / Increase	Increase / (Decrease)	Lapse assumption represents the estimated probability of a contract surrendering during a year, thereby forgoing any future benefits.
Benefit utilization	Higher / Lower	Increase / (Decrease)	(Decrease) / Increase	Benefit utilization assumption of guaranteed withdrawals represents the estimated percentage of policyholders that utilize the guaranteed withdrawal feature.

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

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

The following table presents our after-tax estimates of the potential instantaneous effect to net income (loss) that could result from sudden changes that may occur in equity markets and interest rates (in millions) and excludes the net cost of operating the hedge program. The amounts represent the difference between the change in GLB and GDB riders and the change in the fair value of the underlying hedge instruments. These estimates are based upon the balance as of December 31, 2024, net of reinsurance, and the related hedge instruments in place as of that date. The effects presented in the table below are not representative of the aggregate impacts that could result if a combination of such changes to equity market returns and interest rates occurred.

	In-Force Sensitivities	
Equity Market Return	**-10%**	**+10%**
Hypothetical effect to net income	$ (850)	$ 725
Interest Rates	**-25 bps**	**+25 bps**
Hypothetical effect to net income	(350)	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 December 31, 2024, due to changing market conditions, policyholder activity, hedge positions and other factors;
- The analysis assumes instantaneous shifts in the capital market factors and no ability to rebalance hedge positions prior to the market changes;
- The analysis assumes constant exchange rates and implied dividend yields;
- Assumptions regarding shifts in the market factors, such as assuming parallel shifts in interest rates, may be overly simplistic and not indicative of actual market behavior in stress scenarios;
- It is very unlikely that one capital market sector (e.g., equity markets) will sustain such a large instantaneous movement without affecting other capital market sectors; and
- The analysis assumes that there is no tracking or basis risk between the funds and/or indices affecting the GLB and GDB riders and the instruments utilized to hedge these exposures.

For additional information on MRBs, see Note 9.

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") and variable universal life insurance ("VUL") and investment-type annuity products where account balances are equal to deposits plus interest credited less withdrawals, surrender charges, asset-based fees and policyholder administration charges (collectively known as "policyholder assessments"), as well as amounts representing the fair value of embedded derivative instruments associated with our indexed universal life insurance ("IUL") and indexed annuity products. During the third quarter of each year, we conduct our comprehensive review of the assumptions and projection models underlying our reserves and embedded derivatives and update assumptions as needed. We may also update these assumptions in other quarters as we become aware of information that is indicative of the need for such an update. See "Annual Assumption Review" below for more information.

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 FASB ASC 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 20.

For additional information on the liability for policyholder account balances, see Note 11.

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. See "Annual Assumption Review" below for more information. 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.

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. Details underlying the effect to net income (loss) from our annual assumption review (in millions) were as follows:

	For the Years Ended December 31,		
	2024	2023	2022
Income (loss) from operations:			
Annuities	$ 1	$ 1	$ 1
Life Insurance	8	(156)	(2,107)
Group Protection	(1)	24	(12)
Retirement Plan Services	–	–	–
Excluded from income (loss) from operations	208	(36)	74
Net income (loss)	$ 216	$ (167)	$ (2,044)

The impacts of our annual assumption review were driven primarily by the following:

2024

- For Life Insurance, the favorable impact was driven by updates to capital market assumptions on reinsured blocks of *MoneyGuard*® business and other items, partially offset by unfavorable updates to policyholder behavior assumptions on reinsured blocks of *MoneyGuard* business.
- For Group Protection, the unfavorable impact was driven by updates to disability claim termination rate assumptions, partially offset by favorable updates to life waiver incurred assumptions.
- For excluded from income (loss) from operations, the favorable impact, related to net annuity product features, was driven by model enhancements.

2023

- For Life Insurance, the unfavorable impact was driven by updates to policyholder lapse behavior and mortality assumptions, partially offset by the favorable impact of a 50-basis-point increase in our long-term new money investment yield assumption.
- For Group Protection, the favorable impact was driven by updates to long-term disability and life waiver claim termination rate assumptions, partially offset by the unfavorable impact due to updates to long-term disability social security offset assumptions.
- For excluded from income (loss) from operations, the unfavorable impact, related to net annuity product features, was driven by updates to mortality and policyholder lapse behavior assumptions and other items, partially offset by a favorable impact from updates to volatility and policyholder GLB utilization behavior assumptions.

2022

- For Life Insurance, the unfavorable impact was driven by updates to policyholder lapse behavior assumptions related to UL products with secondary guarantees in the amount of $1.9 billion, after-tax, as well as updates to mortality and morbidity assumptions and other items.
- For Group Protection, the unfavorable impact was driven by updates to long-term disability incidence and severity assumptions, partially offset by the favorable impact of updates to life waiver termination assumptions.
- For excluded from income (loss) from operations, the favorable impact, related to net annuity product features, was driven by updates to policyholder benefit utilization behavior and fund mapping and volatility assumptions, partially offset by an unfavorable impact from updates to policyholder lapse behavior assumptions related to UL products with secondary guarantees that impacted ceded reserves.

Goodwill and Other Intangible Assets

Goodwill and intangible assets with indefinite lives are not amortized, but are reviewed for impairment annually as of October 1 and more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. Intangibles that do not have indefinite lives are amortized over their estimated useful lives. We perform a quantitative goodwill impairment test where the fair value of the reporting unit is determined and compared to the carrying value of the reporting unit. If the carrying value of the reporting unit exceeds the reporting unit's fair value, goodwill is impaired and written down to the reporting unit's fair value. The results of one test on one reporting unit cannot subsidize the results of another reporting unit.

For the purposes of the evaluation of the carrying value of goodwill, our reporting units correspond with our business segments.

The fair values of our reporting units are comprised of the value of in-force (i.e., existing) business and the value of new business. Specifically, new business is representative of cash flows and profitability associated with policies or contracts we expect to issue in the future, reflecting our forecasts of future sales volume and product mix over a 10-year period. To determine the values of in-force and new business, we use a discounted cash flows technique that applies a discount rate reflecting the market expected, weighted-average rate of return adjusted for the risk factors associated with operations to the projected future cash flows for each reporting unit.

We apply significant judgment when determining the estimated fair value of our reporting units. Factors that can influence the value of goodwill include the capital markets, competitive landscape, regulatory environment, consumer confidence and any items that can directly or indirectly affect new business future cash flows. Factors that could affect production levels and profitability of new business include mix of new business, pricing changes, customer acceptance of our products and distribution strength. Spread compression and related effects to profitability caused by lower interest rates affect the valuation of in-force business more significantly than the valuation of new business, as new business pricing assumptions reflect the current and anticipated future interest rate environment. Estimates of fair value are inherently uncertain and represent only management's reasonable expectation regarding future developments.

Examples of unfavorable changes to assumptions or factors that could result in future impairment include, but are not limited to, the following:

- Lower expectations for future sales levels or future sales profitability;
- Higher discount rates on new business assumptions;
- Weakened expectations for the ability to execute future reserve financing transactions for life insurance business over the long-term or expectations for significant increases in the associated costs;
- Legislative, regulatory or tax changes that affect the cost of, or demand for, our subsidiaries' products, the required amount of reserves and/or surplus, or otherwise affect our ability to conduct business, including changes to statutory reserve requirements or changes to RBC requirements; and
- Valuations of significant mergers or acquisitions of companies or blocks of business that would provide relevant market-based inputs for our impairment assessment that could support less favorable conclusions regarding the estimated fair value of our reporting units.

As of October 1, 2024 and 2023, we performed our annual quantitative goodwill impairment test for our reporting units (Annuities, Group Protection and Retirement Plan Services), and, as of each such date, the fair value was in excess of the carrying value for each such reporting unit.

In the third quarter of 2022, as a result of the capital market environment, including (i) declining equity markets and (ii) the impact of rising interest rates on our discount rate assumption, we accelerated our quantitative goodwill impairment test for our Life Insurance reporting unit as we concluded that there were indicators of impairment. Based on this quantitative test, which included updating our best estimate assumptions therein, we incurred an impairment during the third quarter of 2022 of the Life Insurance reporting unit goodwill of $634 million, which represented the write-off of the entire balance of goodwill for the reporting unit.

As of October 1, 2022, we performed our annual quantitative goodwill impairment test for the remaining reporting units, and, as of October 1, 2022, the fair value was in excess of each such other reporting unit's carrying value.

For more information on goodwill and specifically identifiable intangible assets by segment, see Notes 1 and 8.

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.

In August 2022, the Inflation Reduction Act of 2022 was passed by the U.S. Congress and signed into law by President Biden. The Inflation Reduction Act of 2022 established a new 15% corporate alternative minimum tax for corporations whose average adjusted net income for any consecutive three-year period beginning after December 31, 2022, exceeds $1.0 billion. While we have determined that we were not within the scope of the corporate alternative minimum tax for 2023 or 2024, we will continue to evaluate the potential impact of this new alternative minimum tax on our business, results of operations and financial condition in future periods.

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

As of December 31, 2024, we had an approximate $2.2 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, was prudent and feasible as these unrealized losses were caused by factors other than credit loss, and we have the intent and ability to hold these securities to recovery and collect all of the contractual cash flows.

We may experience an increased likelihood of recording a valuation allowance in the future based on the following factors:

- Adverse global capital and credit market conditions that may impact the value of appreciated securities and the sale of certain corporate assets; and
- Legislative, regulatory or tax changes that may impact the sale of certain corporate assets.

Additionally, as of December 31, 2024, we had a $478 million deferred tax asset related to net operating losses, a $169 million deferred tax asset related to federal income tax credits and a $56 million deferred tax asset related to capital losses generated from the Fortitude Re reinsurance transaction. These deferred tax assets can be used to offset taxable income in future periods and reduce our income taxes payable in those future periods. The net operating losses do not expire and can be carried forward indefinitely. The federal income tax credits expire in 10 years. The capital losses can be carried back three years and carried forward five years.

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."

For additional information on income taxes, see Note 22.

RESULTS OF CONSOLIDATED OPERATIONS

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

	For the Years Ended December 31,		
	2024	2023 [1]	2022 [1]
Net Income (Loss)			
Income (loss) from operations:			
Annuities	$ 1,160	$ 1,073	$ 1,161
Life Insurance	(63)	(159)	(2,094)
Group Protection	425	299	41
Retirement Plan Services	163	171	211
Other Operations	(370)	(394)	(401)
Net annuity product features, pre-tax	2,508	68	4,133
Net life insurance product features, pre-tax	(207)	(393)	26
Credit loss-related adjustments, pre-tax	(152)	(80)	(130)
Investment gains (losses), pre-tax	(483)	(959)	20
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, pre-tax [2]	535	(802)	(52)
Impairment of intangibles [3]	–	–	(634)
Gains (losses) on other non-financial assets – sale of subsidiaries/businesses, pre-tax [4]	582	–	–
Other items, pre-tax [5] [6] [7] [8]	(270)	(55)	(109)
Income tax benefit (expense) related to the above pre-tax items	(553)	479	(814)
Net income (loss)	$ 3,275	$ (752)	$ 1,358

[1] The prior period presentation was recast to conform to the revised definition of income (loss) from operations. See Note 19 for additional information.

[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] See Note 8 for more information.

[4] For information on the sale of our wealth management business, see Note 1.

[5] For the year ended December 31, 2024, includes certain legal accruals of $(129) million, primarily attributable to a first quarter 2024 accrual related to the settlement of cost of insurance litigation, and regulatory accruals of $(12) million related to estimated state guaranty fund assessments net of estimated state premium tax recoveries associated with the Bankers Life Insurance Company and Colorado Bankers Life Insurance Company insolvencies (see "State Guaranty Fund Assessments" in Note 17 for more information). For the years ended December 31, 2023 and 2022, includes certain legal accruals of $(12) million and $(147) million, respectively.

[6] Includes severance expense related to initiatives to realign the workforce of $(74) million and $(7) million for the years ended December 31, 2024 and 2023, respectively.

[7] Includes transaction and integration costs related to mergers, acquisitions and divestitures of $(40) million and $(34) million for the years ended December 31, 2024 and 2023, respectively.

[8] Includes deferred compensation mark-to-market adjustment of $(15) million, $(2) million and $38 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Comparison of 2024 to 2023

Net income increased due primarily to the following:

- Higher gain in net annuity product features driven by improvement in the fair value of GLB hedge instruments attributable to the effect of capital markets and higher gain in MRB-related impacts due to higher interest rates, partially offset by less favorable changes in equity markets.
- Favorable changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans in 2024 compared to unfavorable changes in 2023 driven primarily by the fair value of the embedded derivative related to the fourth quarter 2023 reinsurance transaction.
- Gain on other non-financial assets due to the sale of our wealth management business in 2024.
- Favorable impact from our annual assumption review in 2024 compared to unfavorable impact in 2023.
- Lower investment losses driven by losses in 2023 on fixed maturity AFS securities as part of the fourth quarter 2023 reinsurance transaction.
- Growth in average account balances and improvement in our total loss ratio in our Group Protection segment.
- Lower loss in net life insurance product features driven by mark-to-market changes on hedges associated with VUL products.

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

- Higher expenses in other items.
- Higher credit loss-related adjustments on our mortgage loans on real estate.

Comparison of 2023 to 2022

Net income decreased due primarily to the following:

- Lower gain in net annuity product features driven by unfavorable changes in the fair value of GLB and GDB hedge instruments in 2023 compared to favorable changes in 2022 attributable to the effect of capital markets and lower gain in MRB-related impacts due to the effect of capital markets.
- Investment losses in 2023 compared to gains in 2022 driven by losses in 2023 on fixed maturity AFS securities as part of the fourth quarter 2023 reinsurance transaction.
- Higher unfavorable changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans driven by the fair value of the embedded derivative related to the fourth quarter 2023 reinsurance transaction.
- Loss in net life insurance product features in 2023 compared to gain in 2022 driven by mark-to-market losses on hedges associated with VUL products.
- Higher compensation-related expenses, partially offset by lower expenses in other items.

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

- Less unfavorable impact from our annual assumption review.
- Goodwill impairment in 2022 in our Life Insurance segment.
- Lower total loss ratio in our Group Protection segment.
- Higher investment income on alternative investments, partially offset by lower prepayment and bond make-whole premiums.

Additional Information

For information on the fourth quarter 2023 reinsurance transaction, see Notes 3 and 7.

For information on the sale of our wealth management business in 2024, see "Results of Annuities" below and Note 1.

For information on the impacts from our annual assumption review, see "Introduction – Summary of Critical Accounting Estimates – Annual Assumption Review" above.

For a discussion of the 2022 goodwill impairment, see "Introduction – Summary of Critical Accounting Estimates – Goodwill and Other Intangible Assets" above.

RESULTS OF ANNUITIES

Income (Loss) from Operations

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

	For the Years Ended December 31,		
	2024	2023	2022
Operating Revenues			
Insurance premiums [1]	$ 127	$ (1,584)	$ 165
Fee income	2,381	2,196	2,347
Net investment income	1,759	1,734	1,463
Other revenues [2]	629	656	507
Total operating revenues	4,896	3,002	4,482
Operating Expenses			
Benefits [1]	143	(1,506)	251
Interest credited	1,536	1,252	894
Policyholder liability remeasurement (gain) loss	2	2	2
Commissions and other expenses	1,827	2,041	1,989
Total operating expenses	3,508	1,789	3,136
Income (loss) from operations before taxes	1,388	1,213	1,346
Federal income tax expense (benefit)	228	140	185
Income (loss) from operations	$ 1,160	$ 1,073	$ 1,161

[1] Insurance premiums include primarily our income annuities that have a corresponding offset in benefits. Benefits include primarily changes in income annuity reserves driven by insurance premiums.

[2] Consists primarily of revenues attributable to broker-dealer services, which are subject to market volatility and have a comparable offset in commissions and other expenses; and the net settlement related to certain reinsurance transactions, which has a corresponding offset in net investment income and interest credited. On May 6, 2024, we closed the sale of our wealth management business. See Note 1 for more information.

Comparison of 2024 to 2023

Income from operations for this segment increased due primarily to higher fee income driven by higher average daily separate account balances.

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

- Lower net investment income, net of interest credited, which more than offset impacts from higher average general account balances, improving portfolio yields from the current interest rate environment and higher investment income within our surplus portfolio. The lower net investment income, net of interest credited, was experienced in certain reinsured portfolios that have a corresponding increase in other revenues and decrease in benefits.
- Higher commissions and other expenses, net of broker-dealer expenses, driven by higher trail commissions resulting from higher average daily separate account balances. In addition, we incurred higher broker-dealer expenses in the first quarter of 2024 as a result of a balance sheet true-up in preparation for the close of the sale of the wealth management business.
- Higher federal income tax expense due to unfavorable separate account dividends-received deduction true-ups in 2024 compared to favorable true-ups in 2023.

Comparison of 2023 to 2022

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

- Lower fee income driven by lower average daily separate account balances.
- Lower net investment income, net of interest credited, reflecting lower prepayment and bond make-whole premiums, 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, was experienced in certain reinsured portfolios that have a corresponding increase in other revenues.
- Higher commissions and other expenses driven by higher compensation-related expenses and other costs pertaining to business operations.

The decrease in income from operations was partially offset by lower federal income tax expense due to a more favorable tax return true-up driven by the separate account dividends-received deduction.

See "Summary of Critical Accounting Estimates – Annual Assumption Review" above for information on the impacts from our annual assumption review.

Additional Information

Effective October 1, 2023, we entered into a reinsurance agreement with Fortitude Reinsurance Company Ltd. ("Fortitude Re") to reinsure liabilities under certain blocks of in-force fixed annuities. Insurance premiums and benefits within the table above in 2023 reflect the ceding of in-force life-contingent payout fixed annuities that had no income (loss) from operations impact. See Note 7 for more information on the transaction, which improved our capital position and is expected to be accretive to ongoing free cash flow.

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

The other component of net flows relates to the retention of new business and account balances. An important measure of retention is the reduction in account balances caused by full surrenders, deaths and other contract benefits. These outflows as a percentage of average gross account balances were 11%, 9% and 7% in 2024, 2023 and 2022, respectively. Our outflow rate increase in 2024 was due primarily to an increase in full surrenders as a result of the elevated interest rate environment and strong equity markets.

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 high 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." For information on the interest rate environment, see "Introduction – Executive Summary – Industry Trends – Interest Rate Environment" above.

Fee Income

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

	For the Years Ended December 31,		
	2024	2023	2022
Fee Income			
Mortality, expense and other assessments [1]	$ 2,315	$ 2,143	$ 2,318
Surrender charges	59	45	24
DFEL:			
Deferrals	(18)	(19)	(23)
Amortization	25	27	28
Total fee income	$ 2,381	$ 2,196	$ 2,347

[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 19. 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 Years Ended December 31,		
	2024	2023	2022
Net Investment Income			
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	$ 1,592	$ 1,600	$ 1,305
Commercial mortgage loan prepayment and bond make-whole premiums [1]	4	2	31
Surplus investments [2]	154	128	127
Net investment income pertaining to broker-dealer services	9	4	–
Total net investment income	1,759	1,734	1,463
Interest Credited			
Amount provided to policyholders	1,524	1,242	880
DSI deferrals	(2)	(5)	(2)
Interest credited before DSI amortization	1,522	1,237	878
DSI amortization	14	15	16
Total interest credited	$ 1,536	$ 1,252	$ 894

[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 Years Ended December 31,		
	2024	2023	2022
Separate Account Balance Information [1]			
Separate account deposits	$ 4,765	$ 2,981	$ 3,370
Separate account net flows	(9,308)	(7,196)	(5,867)
Separate account balances	117,998	113,355	105,573
Average daily separate account balances	117,278	108,473	114,838
Average daily S&P 500® Index [2]	5,428	4,285	4,100
General Account Balance Information			
General account deposits	$ 8,983	$ 9,839	$ 8,462
General account net flows	2,833	5,169	5,530
General account balances [3]	45,613	39,471	37,165
Average general account balances [3]	42,754	39,733	34,754

[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 10 and 11.

Commissions and Other Expenses

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

	For the Years Ended December 31,		
	2024	2023	2022
Commissions and Other Expenses			
Commissions:			
Deferrable	$ 425	$ 354	$ 390
Non-deferrable	690	617	628
General and administrative expenses	495	471	408
Expenses associated with reserve financing and LOC expenses	25	12	4
Taxes, licenses and fees	40	41	43
Total expenses incurred, excluding broker-dealer	1,675	1,495	1,473
DAC deferrals	(498)	(411)	(449)
Total pre-broker-dealer expenses incurred, excluding amortization	1,177	1,084	1,024
DAC, VOBA and other amortization:			
Amortization	432	433	430
Impact from annual assumption review	(2)	(2)	(1)
Broker-dealer expenses incurred	220	526	536
Total commissions and other expenses	$ 1,827	$ 2,041	$ 1,989
DAC Deferrals			
As a percentage of sales/deposits	3.6 %	3.2%	3.8%

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

RESULTS OF LIFE INSURANCE

Income (Loss) from Operations

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

	For the Years Ended December 31,		
	2024	2023	2022
Operating Revenues			
Insurance premiums [1]	$ 1,149	$ 1,162	$ 1,146
Fee income	2,715	3,010	2,995
Net investment income	2,303	2,712	2,587
Operating realized gain (loss)	(6)	(6)	(7)
Other revenues	87	29	26
Total operating revenues	6,248	6,907	6,747
Operating Expenses			
Benefits	3,730	4,436	4,071
Interest credited	1,194	1,290	1,310
Policyholder liability remeasurement (gain) loss	163	147	2,854
Commissions and other expenses	1,266	1,265	1,193
Total operating expenses	6,353	7,138	9,428
Income (loss) from operations before taxes	(105)	(231)	(2,681)
Federal income tax expense (benefit)	(42)	(72)	(587)
Income (loss) from operations	$ (63)	$ (159)	$ (2,094)

[1] Includes term insurance premiums, which have a corresponding partial offset in benefits for changes in reserves.

Comparison of 2024 to 2023

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

- Lower benefits and policyholder liability remeasurement loss driven by the run-rate impact of the fourth quarter 2023 reinsurance transaction and the impact from our annual assumption review, partially offset by unfavorable mortality due to higher severity related to elevated large claims.
- Higher other revenues driven by the run-rate impact of the fourth quarter 2023 reinsurance transaction.

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

- Lower net investment income, net of interest credited, driven by the run-rate impact of the fourth quarter 2023 reinsurance transaction, partially offset by higher investment income on alternative investments.
- Lower fee income driven by the run-rate impact of the fourth quarter 2023 reinsurance transaction.
- Higher commissions and other expenses driven by the impact of the amortization of deferred loss recognized as part of the fourth quarter 2023 reinsurance transaction, partially offset by expense management.

Comparison of 2023 to 2022

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

- Lower benefits and policyholder liability remeasurement loss driven by less unfavorable impacts from the annual assumption review and the impact of the fourth quarter 2023 reinsurance transaction, respectively, partially offset by higher benefits due to growth in reserves.
- Higher net investment income, net of interest credited, driven by higher investment income on alternative investments, partially offset by lower prepayment and bond make-whole premiums and the impact of the fourth quarter 2023 reinsurance transaction.
- Higher fee income driven by growth in business in force, partially offset by the impact of the fourth quarter 2023 reinsurance transaction.

The decrease in loss from operations was partially offset by higher commissions and other expenses due to higher compensation-related expenses and other costs pertaining to business operations.

See "Summary of Critical Accounting Estimates – Annual Assumption Review" above for information on the impacts from our annual assumption review.

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

Additional Information

Effective October 1, 2023, we entered into reinsurance agreements with Fortitude Re to reinsure liabilities under certain blocks of in-force UL with secondary guarantees ("ULSG") and *MoneyGuard®*. Due to the timing of when the reinsurance agreements were finalized in mid-November, income (loss) from operations for the fourth quarter of 2023 was unfavorably impacted by approximately $15 million. We expect an ongoing unfavorable impact to operating results in future quarters of approximately $25 million to $30 million per quarter as a result of this reinsurance transaction. See Note 7 for more information on the transaction, which improved our capital position and is expected to be accretive to ongoing free cash flow.

For information on interest rate spreads and interest rate risk, see "Part I – Item 1A. Risk Factors – Market Conditions – Changes in interest rates and sustained low interest rates may cause interest rate spreads to decrease, impacting our profitability, and make it more challenging to meet certain statutory requirements" and "Part I – Item 1A. Risk Factors – Market Conditions – Increases in interest rates and sustained high 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 "Item 7A. Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk." For information on the interest rate environment, see "Introduction – Executive Summary – Industry Trends – Interest Rate Environment" above.

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 Years Ended December 31,		
	2024	**2023**	**2022**
Fee Income			
Cost of insurance assessments	$ 2,104	$ 2,300	$ 2,258
Expense assessments	1,406	1,495	1,539
Surrender charges	33	32	30
DFEL:			
Deferrals	(1,114)	(1,075)	(1,061)
Amortization	287	258	233
Impact from annual assumption review	(1)	–	(4)
Total fee income	$ 2,715	$ 3,010	$ 2,995

	For the Years Ended December 31,		
	2024	2023	2022
Sales by Product			
IUL/UL	$ 100	$ 119	$ 135
MoneyGuard®	128	98	94
VUL	85	132	163
Term	66	100	177
Executive Benefits	59	93	136
Total sales	$ 438	$ 542	$ 705
Net Flows			
Deposits	$ 5,102	$ 5,385	$ 5,821
Withdrawals and deaths	(1,941)	(1,767)	(1,698)
Net flows	$ 3,161	$ 3,618	$ 4,123
Policyholder Assessments	$ 5,517	$ 5,476	$ 5,434

	As of December 31,		
	2024	2023	2022
Account Balances [1]			
General account	$ 21,452	$ 21,403	$ 32,136
Separate account	23,320	20,088	16,499
Total account balances	$ 44,772	$ 41,491	$ 48,635
In-Force Face Amount			
UL and other	$ 363,950	$ 365,938	$ 363,884
Term insurance	714,362	722,620	707,747
Total in-force face amount	$ 1,078,312	$ 1,088,558	$ 1,071,631

	For the Years Ended December 31,		
	2024	2023	2022
Average General Account Balances [1]	$ 21,400	$ 30,606	$ 32,284

[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. Generally, we have higher sales during the second half of the year with the fourth quarter being our strongest.

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

- UL, IUL and VUL – first-year commissionable premiums plus 5% of excess premiums received;
- *MoneyGuard*® linked-benefit products – *MoneyGuard* (UL), 15% of total expected premium deposits, and *MoneyGuard Market Advantage*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 Years Ended December 31,		
	2024	2023	2022
Net Investment Income			
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	$ 1,848	$ 2,346	$ 2,366
Commercial mortgage loan prepayment and bond make-whole premiums [1]	8	6	37
Alternative investments [2]	294	207	48
Surplus investments [3]	153	153	136
Total net investment income	$ 2,303	$ 2,712	$ 2,587
Interest Credited	$ 1,194	$ 1,290	$ 1,310

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

(2) See "Consolidated Investments – Alternative Investments" below for additional information.

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

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

Benefits and Policyholder Remeasurement (Gain) Loss

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

	For the Years Ended December 31,		
	2024	2023	2022
Benefits and Policyholder Remeasurement (Gain) Loss			
Death claims direct and assumed	$ 5,960	$ 5,412	$ 5,440
Death claims ceded	(2,734)	(2,097)	(2,110)
Reserves released on death	(590)	(622)	(609)
Net death benefits	2,636	2,693	2,721
Change in secondary guarantee life insurance product reserves:			
Change in reserves	393	751	688
Impact from annual assumption review	20	172	2,438
Change in *MoneyGuard*® reserves:			
Change in reserves	573	524	456
Impact from annual assumption review	53	37	167
Change in traditional product reserves:			
Change in reserves	141	202	205
Impact from annual assumption review	(84)	(11)	62
Other benefits [1]	161	215	188
Total benefits and policyholder remeasurement (gain) loss	$ 3,893	$ 4,583	$ 6,925
Death claims per $1,000 of in-force	2.43	2.49	2.66

[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 Years Ended December 31,		
	2024	2023	2022
Commissions and Other Expenses			
Commissions	$ 461	$ 571	$ 698
General and administrative expenses	563	617	554
Expenses associated with reserve financing	96	102	105
Taxes, licenses and fees	135	150	159
Total expenses incurred	1,255	1,440	1,516
DAC and VOBA deferrals	(543)	(671)	(805)
Total expenses recognized before amortization	712	769	711
DAC and VOBA amortization:			
Amortization	503	492	482
Impact from annual assumption review	–	–	(4)
Amortization of deferred loss on business sold through reinsurance [1]	47	–	–
Other intangible amortization	4	4	4
Total commissions and other expenses	$ 1,266	$ 1,265	$ 1,193
DAC and VOBA Deferrals			
As a percentage of sales	124.0 %	123.9 %	114.2 %

[1] The amortization of deferred loss on business sold through reinsurance pertains to the fourth quarter 2023 reinsurance transaction. See Notes 1 and 7 for additional information.

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

RESULTS OF GROUP PROTECTION

Income (Loss) from Operations

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

	For the Years Ended December 31,		
	2024	2023	2022
Operating Revenues			
Insurance premiums	$ 5,145	$ 5,014	$ 4,768
Net investment income	348	339	334
Other revenues [1]	224	210	202
Total operating revenues	5,717	5,563	5,304
Operating Expenses			
Benefits	4,039	4,020	4,034
Interest credited	6	5	5
Policyholder liability remeasurement (gain) loss	(347)	(288)	(103)
Commissions and other expenses	1,481	1,447	1,316
Total operating expenses	5,179	5,184	5,252
Income (loss) from operations before taxes	538	379	52
Federal income tax expense (benefit)	113	80	11
Income (loss) from operations	$ 425	$ 299	$ 41

[1] Consists of revenue from third parties for administrative services performed, which has a corresponding partial offset in commissions and other expenses.

	For the Years Ended December 31,		
	2024	2023	2022
Income (Loss) from Operations by Product Line			
Life	$ 110	$ 70	$ 15
Disability	323	237	27
Dental	(8)	(8)	(1)
Income (loss) from operations	$ 425	$ 299	$ 41

Comparison of 2024 to 2023

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

- Higher insurance premiums due to growth in business in force.
- Lower benefits, net of policyholder liability remeasurement gain, driven by more favorable reported incidence and claim terminations than assumed in our disability business and lower incidence in our life business.

The increase in income from operations was partially offset by higher commissions and other expenses due to incentive compensation as a result of production performance.

Comparison of 2023 to 2022

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

- Higher insurance premiums due to growth in business in force.
- Lower benefits, net of policyholder liability remeasurement gain, driven by more favorable discount rate impacts on new claims, lower incidence in our disability and life businesses and the impact from our annual assumption review.

The increase in income from operations was partially offset by higher commissions and other expenses driven by higher compensation-related expenses and other costs pertaining to business operations and higher commissions due to growth in business in force.

See "Summary of Critical Accounting Estimates – Annual Assumption Review" above for information on our reserve adjustments.

Additional Information

Management compares trends in actual loss ratios to pricing expectations as group-underwriting risks change over time. We expect normal fluctuations in our total loss ratio, as claims experience is inherently volatile. For every one percent increase in the total loss ratio, we would expect an estimated annual decrease to income from operations of $41 million to $45 million. The effects are symmetrical for a comparable decrease in the loss ratio and, therefore, move in an equal and opposite direction.

For information on the effects of current interest rates on our long-term disability claim reserves, see "Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk – Effect of Interest Rate Sensitivity." For information on the interest rate environment, see "Introduction – Executive Summary – Industry Trends – Interest Rate Environment" above.

Insurance Premiums

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

	For the Years Ended December 31,		
	2024	2023	2022
Insurance Premiums by Product Line			
Life	$ 2,001	$ 1,938	$ 1,808
Disability	2,962	2,892	2,763
Dental	182	184	197
Total insurance premiums	$ 5,145	$ 5,014	$ 4,768
Sales by Product Line			
Life	392	333	299
Disability	414	311	337
Dental	50	49	40
Total sales	$ 856	$ 693	$ 676

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 Years Ended December 31,		
	2024	2023	2022
Net Investment Income			
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	$ 269	$ 268	$ 254
Commercial mortgage loan prepayment and bond make-whole premiums [1]	2	1	6
Surplus investments [2]	77	70	74
Total net investment income	$ 348	$ 339	$ 334

[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, Interest Credited and Policyholder Liability Remeasurement (Gain) Loss

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

	For the Years Ended December 31,		
	2024	2023	2022
Benefits, Interest Credited and Policyholder Liability Remeasurement (Gain) Loss by Product Line			
Life	$ 1,424	$ 1,434	$ 1,437
Disability	2,134	2,163	2,354
Dental	140	140	145
Total benefits, interest credited and policyholder liability remeasurement (gain) loss	$ 3,698	$ 3,737	$ 3,936
Loss Ratios by Product Line			
Life	71.1 %	74.0 %	79.5 %
Disability	72.1 %	74.8 %	85.2 %
Dental	77.0 %	76.1 %	73.5 %
Total	71.9 %	74.5 %	82.5 %

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 Years Ended December 31,		
	2024	2023	2022
Commissions and Other Expenses			
Commissions	$ 462	$ 446	$ 394
General and administrative expenses	870	846	766
Taxes, licenses and fees	138	133	123
Other	3	3	2
Total expenses incurred	1,473	1,428	1,285
DAC deferrals	(135)	(113)	(99)
Total expenses recognized before amortization	1,338	1,315	1,186
DAC amortization	111	100	97
Other intangible amortization	32	32	33
Total commissions and other expenses	$ 1,481	$ 1,447	$ 1,316
DAC Deferrals			
As a percentage of insurance premiums	2.6 %	2.3 %	2.1 %

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 Years Ended December 31,		
	2024	2023	2022
Operating Revenues			
Fee income	$ 292	$ 262	$ 261
Net investment income	997	1,012	976
Other revenues [1]	32	36	37
Total operating revenues	1,321	1,310	1,274
Operating Expenses			
Interest credited	675	665	629
Commissions and other expenses	460	444	398
Total operating expenses	1,135	1,109	1,027
Income (loss) from operations before taxes	186	201	247
Federal income tax expense (benefit)	23	30	36
Income (loss) from operations	$ 163	$ 171	$ 211

[1] Consists primarily of mutual fund account program revenues from mid to large employers.

Comparison of 2024 to 2023

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

- Lower net investment income, net of interest credited, driven by lower average general account balances and crediting rate increases.
- Higher commissions and other expenses driven by higher trail commissions resulting from higher average daily separate account balances.

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

Comparison of 2023 to 2022

Income from operations for this segment decreased due primarily to higher commissions and other expenses driven by compensation-related expenses and other costs pertaining to business operations.

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 14%, 12% and 11% for 2024, 2023 and 2022, respectively.

Our net flows are negatively affected by the continued net outflows from our oldest blocks of annuities business (as presented on our Net Flows By Market table below as "*Multi-Fund*® 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 13%, 15% and 17% for 2024, 2023 and 2022, 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" and "Part I – Item 1A. Risk Factors – Market Conditions – Increases in interest rates and sustained high 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." For information on the interest rate environment, see "Introduction – Executive Summary – Industry Trends – Interest Rate Environment" above.

Fee Income

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

	For the Years Ended December 31,		
	2024	2023	2022
Fee Income			
Annuity expense assessments	$ 214	$ 191	$ 192
Mutual fund fees	75	69	68
Total expense assessments	289	260	260
Surrender charges	3	2	1
Total fee income	$ 292	$ 262	$ 261

Our fee income is primarily composed of expense assessments that we charge to cover insurance and administrative expenses, and mutual fund fees earned for services we provide to our mutual fund programs. Fee income is primarily based on average account balances, both general and separate, 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 Years Ended December 31,		
	2024	2023	2022
Net Investment Income			
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	$ 917	$ 935	$ 883
Commercial mortgage loan prepayment and bond make-whole premiums [1]	2	1	23
Surplus investments [2]	78	76	70
Total net investment income	$ 997	$ 1,012	$ 976
Interest Credited	$ 675	$ 665	$ 629

(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 Years Ended December 31,		
	2024	2023	2022
Separate Account Balance Information [1]			
Separate account deposits	$ 2,225	$ 2,268	$ 2,348
Separate account net flows	(1,129)	(240)	11
Separate account balances	21,489	19,668	16,885
Average daily separate account balances	21,003	18,183	17,946
Average daily S&P 500® Index [2]	5,428	4,285	4,100
General Account Balance Information			
General account deposits	$ 3,407	$ 2,776	$ 4,012
General account net flows	(1,088)	(1,718)	433
General account balances	23,619	23,784	25,138
Average general account balances	23,603	24,502	24,558
Mutual Fund Account Balance Information			
Mutual fund deposits	$ 9,106	$ 6,734	$ 6,542
Mutual fund net flows	2,329	2,090	2,252
Mutual fund account balances [3]	67,473	57,533	46,707

(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 Years Ended December 31,		
	2024	2023	2022
Net Flows By Market			
Small market	$ (11)	$ 382	$ 295
Mid – large market	1,944	1,279	3,601
Multi-Fund® and other	(1,821)	(1,529)	(1,200)
Total net flows	$ 112	$ 132	$ 2,696

For more information on account balances, see Notes 10 and 11.

Commissions and Other Expenses

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

	For the Years Ended December 31,		
	2024	2023	2022
Commissions and Other Expenses			
Commissions:			
Deferrable	$ 4	$ 4	$ 4
Non-deferrable	99	83	75
General and administrative expenses	340	341	303
Taxes, licenses and fees	19	19	17
Total expenses incurred	462	447	399
DAC deferrals	(21)	(21)	(21)
Total expenses recognized before amortization	441	426	378
DAC amortization	19	18	20
Total commissions and other expenses	$ 460	$ 444	$ 398
DAC Deferrals			
As a percentage of annuity sales/deposits	0.4%	0.4%	0.3%

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 Years Ended December 31,		
	2024	2023 [1]	2022 [1]
Operating Revenues			
Insurance premiums [2]	$ 4	$ (921)	$ 8
Net investment income [3]	110	148	155
Other revenues [4]	46	18	(7)
Total operating revenues	160	(755)	156
Operating Expenses			
Benefits	12	(863)	63
Interest credited	32	36	39
Policyholder liability remeasurement (gain) loss	–	(3)	3
Other expenses	246	250	262
Interest and debt expense	336	331	283
Total operating expenses	626	(249)	650
Income (loss) from operations before taxes	(466)	(506)	(494)
Federal income tax expense (benefit)	(96)	(112)	(93)
Income (loss) from operations	$ (370)	$ (394)	$ (401)

[1] The prior period presentation was recast to conform to the revised definition of income (loss) from operations. See Note 19 for additional information.
[2] Includes our disability income business, which has a corresponding offset in benefits for changes in reserves.
[3] Includes our Institutional Pension business, which has a corresponding offset in premiums and benefits for changes in reserves.
[4] Includes certain third-party advisory fees, which has a partial offset in other expenses.

Comparison of 2024 to 2023

Loss from operations for Other Operations decreased due primarily to lower expenses associated with strategic initiatives, partially offset by higher interest and debt expense driven by an increase in average interest rates.

Comparison of 2023 to 2022

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

- Lower other expenses associated with strategic initiatives and lower legal expenses, partially offset by higher compensation-related expenses and other costs pertaining to business operations.
- Higher other revenues due to the effect of market fluctuations on assets held as part of certain compensation plans, which increased during 2023 compared to a decrease during 2022.

The decrease in loss from operations was partially offset by higher interest and debt expense driven by an increase in average interest rates.

Additional Information

Effective October 1, 2023, we entered into a reinsurance agreement with Fortitude Re to reinsure liabilities under certain blocks of in-force institutional pension business. Insurance premiums and benefits within the table above in 2023 reflect the ceding of in-force institutional pension business that had no income (loss) from operations impact. See Note 7 for more information on the transaction, which improved our capital position and is expected to be accretive to ongoing free cash flow.

Net Investment Income and Interest Credited

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

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

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

Benefits

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

Other Expenses

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

	For the Years Ended December 31,		
	2024	2023 [1]	2022 [1]
General and administrative expenses:			
Legal	$ 6	$ (4)	$ 9
Branding	42	42	43
Other [2]	208	220	215
Total general and administrative expenses	256	258	267
Other [3]	(10)	(8)	(5)
Total other expenses	$ 246	$ 250	$ 262

[1] The prior period presentation was recast to conform to the revised definition of income (loss) from operations. See Note 19 for additional information.

[2] Includes expenses that are corporate in nature and not allocated to our business segments.

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

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

	As of December 31, 2024	As of December 31, 2023	Percentage of Total Investments: As of December 31, 2024	Percentage of Total Investments: As of December 31, 2023
Investments				
Fixed maturity AFS securities	$ 87,111	$ 88,738	67.4 %	71.4 %
Trading securities	2,025	2,359	1.6 %	1.9 %
Equity securities	294	306	0.2 %	0.2 %
Mortgage loans on real estate	21,083	18,963	16.3 %	15.3 %
Policy loans	2,476	2,476	1.9 %	2.0 %
Derivative investments	9,677	6,474	7.5 %	5.2 %
Alternative investments	3,836	3,377	3.0 %	2.7 %
Other investments	2,752	1,638	2.1 %	1.3 %
Total investments	$ 129,254	$ 124,331	100.0 %	100.0 %

Investment Objective

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

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 December 31, 2024				
	Net Amortized Cost [1]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	% Fair Value
Fixed Maturity AFS Securities					
Industry corporate bonds:					
Financial services	$ 14,276	$ 97	$ 1,396	$ 12,977	14.9 %
Basic industry	3,395	40	381	3,054	3.5 %
Capital goods	6,223	51	745	5,529	6.4 %
Communications	3,242	49	437	2,854	3.3 %
Consumer cyclical	5,899	38	593	5,344	6.1 %
Consumer non-cyclical	15,042	115	2,356	12,801	14.7 %
Energy	3,000	27	341	2,686	3.1 %
Technology	4,708	19	620	4,107	4.7 %
Transportation	3,451	28	370	3,109	3.6 %
Industrial other	2,450	7	445	2,012	2.3 %
Utilities	12,494	76	1,750	10,820	12.4 %
Government-related entities	1,362	16	221	1,157	1.3 %
Collateralized mortgage and other obligations ("CMOs"):					
Agency backed	1,202	3	168	1,037	1.2 %
Non-agency backed	328	21	4	345	0.4 %
Mortgage pass through securities ("MPTS"):					
Agency backed	529	–	48	481	0.6 %
Commercial mortgage-backed securities ("CMBS"):					
Non-agency backed	1,817	4	156	1,665	1.9 %
Asset-backed securities ("ABS"):					
Collateralized loan obligations ("CLOs")	8,307	21	277	8,051	9.2 %
Credit card	122	6	1	127	0.1 %
Home equity	159	30	–	189	0.2 %
Other	5,614	42	143	5,513	6.3 %
Municipals:					
Taxable	2,765	18	443	2,340	2.7 %
Tax-exempt	33	–	2	31	0.0 %
Government:					
United States	429	3	41	391	0.5 %
Foreign	282	11	56	237	0.3 %
Hybrid and redeemable preferred securities	240	25	11	254	0.3 %
Total fixed maturity AFS securities	97,369	747	11,005	87,111	100.0 %
Trading Securities [2]	2,168	35	178	2,025	
Equity Securities	310	6	22	294	
Total fixed maturity AFS, trading and equity securities	$ 99,847	$ 788	$ 11,205	$ 89,430	

	As of December 31, 2023				
	Net Amortized Cost [1]	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	% Fair Value
Fixed Maturity AFS Securities					
Industry corporate bonds:					
Financial services	$ 14,767	$ 133	$ 1,412	$ 13,488	15.2 %
Basic industry	3,426	58	325	3,159	3.6 %
Capital goods	6,143	83	591	5,635	6.4 %
Communications	3,509	63	375	3,197	3.6 %
Consumer cyclical	5,660	60	495	5,225	5.9 %
Consumer non-cyclical	15,356	196	1,908	13,644	15.4 %
Energy	3,331	38	309	3,060	3.4 %
Technology	4,994	32	500	4,526	5.1 %
Transportation	3,487	35	317	3,205	3.6 %
Industrial other	2,296	7	370	1,933	2.2 %
Utilities	12,683	121	1,484	11,320	12.8 %
Government-related entities	1,425	26	186	1,265	1.4 %
CMOs:					
Agency backed	1,245	8	149	1,104	1.2 %
Non-agency backed	332	19	10	341	0.4 %
MPTS:					
Agency backed	365	1	38	328	0.4 %
CMBS:					
Agency backed	2	–	–	2	0.0 %
Non-agency backed	1,620	5	203	1,422	1.6 %
ABS:					
CLOs	8,452	9	389	8,072	9.1 %
Credit card	113	7	1	119	0.1 %
Home equity	175	28	2	201	0.2 %
Other	3,954	18	193	3,779	4.3 %
Municipals:					
Taxable	3,072	100	415	2,757	3.1 %
Tax-exempt	34	1	2	33	0.0 %
Government:					
United States	416	6	29	393	0.4 %
Foreign	314	16	47	283	0.3 %
Hybrid and redeemable preferred securities	243	21	17	247	0.3 %
Total fixed maturity AFS securities	97,414	1,091	9,767	88,738	100.0 %
Trading Securities [2]	2,515	55	211	2,359	
Equity Securities	340	8	42	306	
Total fixed maturity AFS, trading and equity securities	$ 100,269	$ 1,154	$ 10,020	$ 91,403	

[1] Represents amortized cost, net of the allowance for credit losses.

[2] 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 "Trading Securities" below 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:

		As of December 31, 2024			As of December 31, 2023		
NAIC Designation [1]	Rating Agency Equivalent Designation [1]	Net Amortized Cost	Fair Value	% of Total	Net Amortized Cost	Fair Value	% of Total
Investment Grade Securities							
1	AAA / AA / A	$ 58,103	$ 51,596	59.2 %	$ 56,557	$ 51,234	57.7 %
2	BBB	36,224	32,583	37.4 %	37,832	34,614	39.0 %
Total investment grade securities		94,327	84,179	96.6 %	94,389	85,848	96.7 %
Below Investment Grade Securities							
3	BB	960	910	1.0 %	1,176	1,090	1.2 %
4	B	1,857	1,826	2.1 %	1,760	1,719	2.0 %
5	CCC and lower	138	124	0.2 %	86	78	0.1 %
6	In or near default	87	72	0.1 %	3	3	0.0 %
Total below investment grade securities		3,042	2,932	3.4 %	3,025	2,890	3.3 %
Total fixed maturity AFS securities		$ 97,369	$ 87,111	100.0 %	$ 97,414	$ 88,738	100.0 %
Total securities below investment grade as a percentage of total fixed maturity AFS securities		3.1 %	3.4 %		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.

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 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 December 31, 2024 and 2023, 97% of the total fixed maturity AFS securities in an unrealized loss position were investment grade. See Note 3 for maturity date information for our fixed maturity investment portfolio. Our gross unrealized losses recognized in OCI on fixed maturity AFS securities as of December 31, 2024, increased by $1.2 billion since December 31, 2023. For the year ended December 31, 2024, we recognized $257 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. For the year ended December 31, 2023, we recognized $408 million of gross losses on fixed maturity AFS securities, which were primarily related to the transfer of assets as part of the fourth quarter 2023 reinsurance transaction and by sales driven by the regional banking crisis.

For further information on our unrealized losses on fixed maturity AFS securities, see "Composition by Industry Categories of our Unrealized Losses on Fixed Maturity AFS Securities" below.

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

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

We recognized $(42) million and $(22) million of credit loss benefit (expense) on our fixed maturity AFS securities for the years ended December 31, 2024 and 2023, respectively. In order to determine the amount of credit loss, we calculated the recovery value by performing a discounted cash flow analysis based on the current cash flows and future cash flows we expect to recover. To determine the recoverability, we considered the facts and circumstances surrounding the underlying issuer including, but not limited to, the following:

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

For information on credit loss impairment on fixed maturity AFS securities, see Notes 1, 3 and 20.

As reported on the Consolidated Balance Sheets, we had $135.1 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 $109.4 billion as of December 31, 2024. If it were necessary to liquidate fixed maturity AFS securities prior to maturity or call to meet cash flow needs, we would first look to those fixed maturity AFS securities that are in an unrealized gain position, which had a fair value of $20.6 billion as of December 31, 2024, rather than selling fixed maturity AFS securities in an unrealized loss position. The amount of cash that we have on hand at any point in time takes into account our liquidity needs in the future, other sources of cash, such as the maturities of investments, interest and dividends we earn on our investments and the ongoing cash flows from new and existing business. For additional information, see "Fixed Maturity AFS Securities – Evaluation for Recovery of Amortized Cost" in Note 1 and "Liquidity and Capital Resources" below.

As of December 31, 2024 and 2023, the estimated fair value for all private placement securities was $20.9 billion and $20.6 billion, respectively, representing 16% and 17% of total investments, respectively.

Trading Securities

Trading securities, which in certain cases support reinsurance funds withheld and our modified coinsurance agreements, are carried at fair value and changes in fair value are recorded in net income as they occur. Investment results for these certain portfolios, including gains and losses from sales, are passed directly to the reinsurers through the contractual terms of the reinsurance arrangements. Offsetting these amounts in certain cases are corresponding changes in fair value of the embedded derivative liability associated with the underlying reinsurance arrangement. See Notes 1 and 7 for more information regarding modified coinsurance.

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

Our fixed maturity securities include mortgage-backed securities ("MBS"). These securities are subject to risks associated with variable prepayments. This may result in differences between the actual cash flow and maturity of these securities than that expected at the time of purchase. Securities that have an amortized cost greater than par and are backed by mortgages that prepay faster than expected will incur a reduction in yield or a loss. Those securities with an amortized cost lower than par that prepay faster than expected will generate an increase in yield or a gain. In addition, we may incur reinvestment risks if market yields are lower than the book yields earned on the

securities. Prepayments occurring slower than expected have the opposite effect. The degree to which a security is susceptible to either gains or losses is influenced by: the difference between its amortized cost and par; the relative sensitivity of the underlying mortgages backing the assets to prepayment in a changing interest rate environment; and the repayment priority of the securities in the overall securitization structure.

We limit the extent of our risk on MBS by prudently limiting exposure to the asset class, by generally avoiding the purchase of securities with a cost that significantly exceeds par, by purchasing securities with improving collateral performance, and by primarily investing in securities that are current pay and senior priority in their trust structure. A significant amount of assets in our MBS portfolio are either guaranteed by U.S. government-sponsored enterprises, supported in the securitization structure by junior securities or purchased at discounted prices significantly lower than their expected recovery value, enabling the assets to achieve high investment grade status.

Our exposure to subprime mortgage lending is limited to investments in banks and other financial institutions that may be affected by subprime lending and direct investments in ABS and RMBS. Mortgage-related ABS are backed by home equity loans and RMBS are backed by residential mortgages. These securities are backed by loans that are characterized by borrowers of differing levels of creditworthiness: prime; Alt-A; and subprime. Prime lending is the origination of residential mortgage loans to customers with excellent credit profiles. Alt-A lending is the origination of residential mortgage loans to customers who have prime credit profiles but lack documentation to substantiate income. Subprime lending is the origination of loans to customers with weak or impaired credit profiles.

Delinquency and loss rates on residential mortgages and home equity loans have been showing positive trends, and, as long as the unemployment rate remains stable to improving, we expect these trends to continue. We continue to expect to receive payments in accordance with contractual terms for a significant amount of our securities, largely due to the seniority of the claims on the collateral of the securities that we own. The tranches of the securities will experience losses according to their seniority level with the least senior (or most junior), typically the unrated residual tranche, taking the first loss. As of December 31, 2024 and 2023, our ABS home equity and RMBS had a market value of $2.1 billion and $2.0 billion, respectively, and a net unrealized gain (loss) of $(178) million and $(155) million, respectively.

The market value of fixed maturity AFS and trading securities backed by subprime loans was $179 million and represented less than 1% of our total investment portfolio as of December 31, 2024. Fixed maturity AFS securities represented $172 million, or 96%, and trading securities represented $7 million, or 4%, of the subprime exposure as of December 31, 2024. The table below summarizes our investments in fixed maturity AFS securities backed by pools of residential mortgages (in millions) as of December 31, 2024:

	Agency		Non-Agency		Total	
	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value
Type						
RMBS	$ 1,731	$ 1,518	$ 328	$ 345	$ 2,059	$ 1,863
ABS home equity	–	–	159	189	159	189
Total by type [1][2]	$ 1,731	$ 1,518	$ 487	$ 534	$ 2,218	$ 2,052
NAIC Designation						
1	$ 1,731	$ 1,518	$ 460	$ 502	$ 2,191	$ 2,020
2	–	–	6	6	6	6
3	–	–	10	9	10	9
4	–	–	9	15	9	15
5	–	–	2	2	2	2
6	–	–	–	–	–	–
Total by NAIC designation [1][2][3]	$ 1,731	$ 1,518	$ 487	$ 534	$ 2,218	$ 2,052

Total fixed maturity AFS securities backed by pools of residential mortgages as a percentage of total fixed maturity AFS securities	2.3 %	2.4 %
Total non-agency backed as a percentage of total fixed maturity AFS securities	0.5 %	0.6 %

(1) Does not include the amortized cost of trading securities totaling $64 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 $64 million in trading securities consisted of $15 million agency and $49 million non-agency.
(2) Does not include the fair value of trading securities totaling $54 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 $54 million in trading securities consisted of $14 million agency and $40 million non-agency.
(3) Based upon the rating designations determined and provided by the NAIC.

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

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

	Multiple Property		Single Property		Total	
	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value	Net Amortized Cost	Fair Value
Type						
CMBS [1][2]	$ 1,672	$ 1,526	$ 145	$ 139	$ 1,817	$ 1,665
NAIC Designation						
1	$ 1,667	$ 1,522	$ 145	$ 139	$ 1,812	$ 1,661
2	5	4	–	–	5	4
3	–	–	–	–	–	–
4	–	–	–	–	–	–
5	–	–	–	–	–	–
6	–	–	–	–	–	–
Total by NAIC designation [1][2][3]	$ 1,672	$ 1,526	$ 145	$ 139	$ 1,817	$ 1,665
Total fixed maturity AFS securities backed by pools of commercial mortgages as a percentage of total fixed maturity AFS securities					1.9 %	1.9 %

(1) Does not include the amortized cost of trading securities totaling $126 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 $126 million in trading securities consisted of $77 million of multiple property CMBS and $49 million of single property CMBS.
(2) Does not include the fair value of trading securities totaling $109 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 $109 million in trading securities consisted of $68 million of multiple property CMBS and $41 million of single property CMBS.
(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 December 31, 2024, was as follows:

	Net Amortized Cost	% Net Amortized Cost	Gross Unrealized Losses	% Gross Unrealized Losses	Fair Value	% Fair Value
Healthcare	$ 5,802	7.5 %	$ 1,255	11.3 %	$ 4,547	6.8 %
Electric	7,301	9.4 %	1,187	10.8 %	6,114	9.2 %
Technology	3,988	5.1 %	621	5.6 %	3,367	5.1 %
Food and beverage	3,603	4.6 %	556	5.1 %	3,047	4.6 %
Industrial – other	2,086	2.7 %	451	4.1 %	1,635	2.5 %
Local authorities	2,306	3.0 %	451	4.1 %	1,855	2.8 %
Banking	5,015	6.5 %	419	3.8 %	4,596	6.9 %
ABS	6,807	8.8 %	406	3.7 %	6,401	9.6 %
Pharmaceuticals	2,267	2.9 %	335	3.0 %	1,932	2.9 %
Diversified manufacturing	2,262	2.9 %	323	2.9 %	1,939	2.9 %
Natural gas	1,634	2.1 %	285	2.6 %	1,349	2.0 %
Retail	1,565	2.0 %	261	2.4 %	1,304	2.1 %
Chemicals	1,893	2.4 %	248	2.3 %	1,645	2.5 %
Brokerage asset management	1,658	2.1 %	239	2.2 %	1,419	2.1 %
Property and casualty	1,376	1.8 %	216	2.0 %	1,160	1.6 %
Transportation services	1,922	2.5 %	215	2.0 %	1,707	2.6 %
Life insurance	1,274	1.7 %	213	1.9 %	1,061	1.6 %
Aerospace and defense	1,357	1.8 %	212	1.9 %	1,145	1.7 %
Utility – other	1,164	1.5 %	192	1.7 %	972	1.5 %
Consumer products	1,071	1.4 %	173	1.6 %	898	1.4 %
Midstream	1,383	1.8 %	163	1.5 %	1,220	1.8 %
Non-agency CMBS	1,503	1.9 %	155	1.4 %	1,348	2.0 %
Wirelines	857	1.1 %	154	1.4 %	703	1.1 %
Railroads	846	1.1 %	149	1.4 %	697	1.0 %
Government-sponsored	459	0.6 %	144	1.3 %	315	0.5 %
Integrated	682	0.9 %	125	1.1 %	557	0.8 %
Automotive	1,463	1.9 %	123	1.1 %	1,340	2.0 %
Wireless	712	0.9 %	120	1.1 %	592	0.9 %
Industries with unrealized losses less than $100 million	13,260	17.1 %	1,614	14.7 %	11,646	17.5 %
Total by industry	$ 77,516	100.0 %	$ 11,005	100.0 %	$ 66,511	100.0 %
Total by industry as a percentage of total fixed maturity AFS securities	79.6 %		100.0 %		76.4 %	

Mortgage Loans on Real Estate

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

	As of December 31, 2024			
	Commercial	Residential	Total	%
Credit Quality Indicator				
Current	$ 17,546	$ 3,572	$ 21,118	99.4 %
Delinquent [1]	25	33	58	0.3 %
Foreclosure	–	59	59	0.3 %
Total mortgage loans on real estate before allowance	17,571	3,664	21,235	100.0 %
Allowance for credit losses	(99)	(53)	(152)	
Total mortgage loans on real estate	$ 17,472	$ 3,611	$ 21,083	

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

[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 December 31, 2024, the fair value of such commercial mortgage loans on real estate that were in delinquent status was $21 million. As of December 31, 2023, there were no such mortgage loans in delinquent status.

As of December 31, 2024, there were specifically identified impaired commercial and residential mortgage loans with an aggregate carrying value of $36 million and $58 million, respectively, or less than 1% of total mortgage loans on real estate. As of December 31, 2023, there were specifically identified impaired commercial and residential mortgage loans with an aggregate carrying value of $2 million and $47 million, respectively, or less than 1% of total mortgage loans on real estate.

The total outstanding principal and interest on commercial mortgage loans on real estate that were two or more payments delinquent, excluding foreclosures, as of December 31, 2024 and 2023, was $34 million and less than $1 million, respectively, or less than 1% of total mortgage loans on real estate. The total outstanding principal and interest on residential mortgage loans on real estate that were three or more payments delinquent, excluding foreclosures, as of December 31, 2024 and 2023, was $32 million and $20 million, respectively, or less than 1% of total mortgage loans on real estate.

See Note 1 for more information regarding our accounting policy relating to the impairment of 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 December 31, 2024	As of December 31, 2023
Segment		
Annuities	$ 8,783	$ 7,362
Life Insurance	3,527	3,675
Group Protection	1,608	1,550
Retirement Plan Services	5,380	4,813
Other Operations	1,785	1,563
Total mortgage loans on real estate	$ 21,083	$ 18,963

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

	As of December 31, 2024			As of December 31, 2024	
	Carrying Value	%		Carrying Value	%
Property Type			**State**		
Apartment	$ 5,551	31.8 %	CA	$ 4,707	26.9 %
Industrial	5,033	28.8 %	TX	1,693	9.7 %
Office building	3,077	17.6 %	FL	1,011	5.8 %
Retail	2,754	15.8 %	AZ	906	5.2 %
Other commercial	803	4.6 %	PA	899	5.1 %
Mixed use	145	0.8 %	NY	895	5.1 %
Hotel/motel	109	0.6 %	WA	673	4.0 %
Total	$ 17,472	100.0 %	MD	671	3.8 %
Geographic Region			GA	639	3.7 %
Pacific	5,683	32.5 %	TN	533	3.1 %
South Atlantic	3,683	21.1 %	NC	471	2.7 %
Middle Atlantic	2,199	12.6 %	VA	420	2.4 %
West South Central	1,829	10.5 %	NJ	405	2.3 %
Mountain	1,525	8.7 %	IL	339	1.9 %
East North Central	1,139	6.5 %	WI	328	1.9 %
East South Central	646	3.7 %	OH	323	1.8 %
West North Central	448	2.6 %	UT	322	1.8 %
New England	320	1.8 %	All other states	2,237	12.8 %
Total	$ 17,472	100.0 %	Total	$ 17,472	100.0 %

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 December 31, 2024			
	Commercial	Residential	Total	%
Principal Repayment Year				
2025	$ 1,028	$ 432	$ 1,460	6.9 %
2026	1,391	110	1,501	7.1 %
2027	1,850	41	1,891	8.9 %
2028	2,192	43	2,235	10.5 %
2029	1,881	46	1,927	9.1 %
2030 and thereafter	9,266	2,909	12,175	57.5 %
Total	$ 17,608	$ 3,581	$ 21,189	100.0 %

See Note 3 for information regarding our LTV and debt-service coverage ratios and our allowance for credit losses.

Alternative Investments

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

	For the Years Ended December 31,		
	2024	2023	2022
Annuities	$ 12	$ 16	$ 8
Life Insurance	294	207	47
Group Protection	5	9	5
Retirement Plan Services	6	10	4
Other Operations	2	1	2
Total [1]	$ 319	$ 243	$ 66

[1] Includes net investment income on the alternative investments supporting the required statutory surplus of our insurance businesses.

As of December 31, 2024 and 2023, alternative investments included investments in 371 and 352 different partnerships, respectively, and the portfolio represented approximately 3% of total investments. The partnerships do not represent off-balance sheet financing and generally involve several third-party partners. Some of our partnerships contain capital calls, which require us to contribute capital upon notification by the general partner. These capital calls are contemplated during the initial investment decision and are planned for well in advance of the call date. The capital calls are not material in size and are not material to our liquidity. Alternative investments are accounted for using the equity method of accounting and are included in other investments on the Consolidated Balance Sheets.

Non-Income Producing Investments

As of December 31, 2024 and 2023, the carrying amount of fixed maturity securities, mortgage loans on real estate and real estate that were non-income producing was $14 million and $79 million, respectively.

Net Investment Income

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

	For the Years Ended December 31,		
	2024	2023	2022
Net Investment Income			
Fixed maturity AFS securities	$ 4,222	$ 4,819	$ 4,469
Trading securities	118	161	182
Equity securities	21	13	11
Mortgage loans on real estate	887	755	689
Policy loans	95	103	101
Cash and invested cash	194	129	13
Commercial mortgage loan prepayment and bond make-whole premiums [1]	15	10	105
Alternative investments [2]	319	243	66
Consent fees	–	3	8
Other investments	(30)	(33)	79
Investment income	5,841	6,203	5,723
Investment expense	(316)	(324)	(208)
Net investment income	$ 5,525	$ 5,879	$ 5,515

[1] See "Commercial Mortgage Loan Prepayment and Bond Make-Whole Premiums" below for additional information.
[2] See "Alternative Investments" above for additional information.

	For the Years Ended December 31,		
	2024	2023	2022
Interest Rate Yield			
Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses	4.04 %	4.04 %	3.87 %
Commercial mortgage loan prepayment and bond make-whole premiums	0.01 %	0.01 %	0.08 %
Alternative investments	0.25 %	0.17 %	0.05 %
Net investment income yield on invested assets	4.30 %	4.22 %	4.00 %

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

Commercial Mortgage Loan Prepayment and Bond Make-Whole Premiums

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

REINSURANCE

Our insurance companies cede insurance to other companies. The portion of our life insurance risks exceeding each of our insurance companies' retention limit is reinsured with other insurers. We seek annuity and life reinsurance coverage to limit our exposure to mortality losses and/or to enhance our capital and risk management. We acquire other reinsurance as applicable with retentions and limits that management believes are appropriate for the circumstances. The consolidated financial statements included in "Item 8. Financial Statements and Supplementary Data" reflect insurance premiums, insurance fees, benefits and DAC amortization net of insurance ceded. Our insurance companies remain liable if their reinsurers are unable to meet contractual obligations under applicable reinsurance agreements. We utilize inter-company reinsurance agreements to manage our statutory capital position as well as our hedge program for variable annuity guarantees. With regard to risk retention from a consolidated basis, these inter-company agreements do not have an effect on the consolidated financial statements. For information regarding reserve financing and LOC expenses from inter-company reinsurance agreements, see "Liquidity and Capital Resources – Material Cash Outflows" below.

We focus on obtaining reinsurance from a diverse group of reinsurers. We have established standards and criteria for our use and selection of reinsurers. In order for a new reinsurer to participate in our current program, we generally require the reinsurer to have an AM Best rating of A or greater or an S&P rating of AA- or better and a specified RBC percentage (or similar capital ratio measure). If the reinsurer does not have these ratings, we may require them to post collateral as described below; however, we may waive the collateral requirements based on the facts and circumstances. In addition, we may require collateral from a reinsurer to mitigate credit/collectability risk. Typically, in such cases, the reinsurer must either maintain minimum specified ratings and RBC ratios or establish the specified quality and quantity of collateral. Similarly, we have also required collateral in connection with books of business sold pursuant to indemnity reinsurance agreements.

Reinsurers, including affiliated reinsurers, that are not licensed, accredited or authorized in the state of domicile of the reinsured ("ceding company"), i.e., unauthorized reinsurers, are required to post statutorily prescribed forms of collateral for the ceding company to receive reinsurance credit. The three primary forms of collateral are: (i) qualifying assets held in a reserve credit trust; (ii) irrevocable, unconditional, evergreen LOCs issued by a qualified U.S. financial institution; and (iii) assets held by the ceding company in a segregated funds withheld account. Collateral must be maintained in accordance with the rules of the ceding company's state of domicile and must be readily accessible by the ceding company to cover claims under the reinsurance agreement. Accordingly, our insurance subsidiaries require unauthorized reinsurers to post acceptable forms of collateral to support their reinsurance obligations to us.

As a result of our modified coinsurance and coinsurance with funds withheld agreements, we reported deposit assets, net of allowances for credit losses of $30.8 billion on the Consolidated Balance Sheets as of December 31, 2024. For additional information, see Note 7.

Our amounts recoverable from reinsurers represent receivables from and reserves ceded to reinsurers. As of December 31, 2024, 86%, or $24.6 billion, of our total reinsurance recoverable was secured by collateral for our benefit. Of this amount, $22.9 billion was held by reinsurers in reserve credit trusts (such reserve credit trusts are held by non-affiliated reinsurers; therefore, they are not reflected on the Consolidated Balance Sheets), $1.6 billion was held in our funds withheld portfolios and $171 million was secured by LOCs for which we are the beneficiary, an off-balance sheet arrangement. We reported funds withheld reinsurance liabilities of $16.9 billion on the Consolidated Balance Sheets as of December 31, 2024.

We regularly evaluate the financial condition of our reinsurers and monitor concentration risk with our largest reinsurers. We monitor all of our existing reinsurers' financial strength ratings on a monthly basis. We also monitor our reinsurers' financial health, trends and commitment to the reinsurance business, statutory surplus, RBC levels, statutory earnings and fluctuations, current claims payment aging and our reinsurers' own reinsurers. In addition, we present at least annually information regarding our reinsurance exposures to the Finance Committee of our Board of Directors. For more discussion of our counterparty risk with our reinsurers, see "Part I – Item 1A. Risk Factors – Operational Matters – We face risks of non-collectability of reinsurance and increased reinsurance rates, which could materially affect our results of operations."

Under certain indemnity reinsurance agreements, two of our insurance subsidiaries, LNL and Lincoln Life & Annuity Company of New York ("LLANY"), provide 100% indemnity reinsurance for the business assumed; however, the third-party insurer, or the "cedent," remains primarily liable on the underlying insurance business. These indemnity reinsurance arrangements require that our subsidiary, as the reinsurer, maintain certain insurer financial strength ratings and capital ratios. If these ratings or capital ratios are not maintained, depending upon the reinsurance agreement, the cedent may recapture the business, or require us to place assets in trust or provide LOCs at least equal to the relevant statutory reserves. Under the LNL reinsurance arrangement, we held approximately $2.5 billion of statutory reserves as of December 31, 2024. LNL must maintain an AM Best financial strength rating of at least B++, an S&P financial strength rating of at least BBB- and a Moody's financial strength rating of at least Baa3. This arrangement may require LNL to place assets in trust equal to the relevant statutory reserves. Under LLANY's largest indemnity reinsurance arrangement, we held $913 million of statutory reserves as of December 31, 2024. LLANY must maintain an AM Best financial strength rating of at least B+, an S&P financial strength rating of at least BB+ and a Moody's financial strength rating of at least Ba1, as well as maintain an RBC ratio of at least 160% or an S&P capital adequacy ratio of 100%, or the cedent may recapture the business. Under two other LLANY arrangements, by which we established $551 million of statutory reserves as of December 31, 2024, LLANY must maintain an AM Best financial strength rating of at

least B++, an S&P financial strength rating of at least BBB- and a Moody's financial strength rating of at least Baa3. One of these arrangements also requires LLANY to maintain an RBC ratio of at least 185% or an S&P capital adequacy ratio of 115%. Each of these arrangements may require LLANY to place assets in trust equal to the relevant statutory reserves. See "Item 1. Business – Financial Strength Ratings" for a description of our financial strength ratings.

For more information about reinsurance, see Notes 7 and 17 and "Liquidity and Capital Resources – Holding Company Sources and Uses of Liquidity and Capital –Subsidiaries' Capital" below.

For factors that could cause actual results to differ materially from those set forth in this section, see "Part I – Item 1A. Risk Factors" and "Forward-Looking Statements – Cautionary Language" above.

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

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

Consolidated Sources and Uses of Liquidity and Capital

Our primary sources of liquidity and capital are insurance premiums and fees, investment income, maturities and sales of investments, issuance of debt or other types of securities and policyholder deposits. We also have access to alternative sources of liquidity as discussed below. Our primary uses are to pay policy claims and benefits, to fund commissions and other general operating expenses, to purchase investments, to fund policy surrenders and withdrawals, to pay dividends to our common and preferred stockholders, to repurchase our common stock and to repay debt. Our operating activities provided (used) cash of $(2.0) billion, $(2.1) billion and $3.6 billion in 2024, 2023 and 2022, respectively. The use of cash flows from operating activities for 2024 was attributable primarily to cash payments on certain derivatives used to hedge exposure to product-related risks. The use of cash flows from operating activities for 2023 was attributable primarily to net operating cash payments related to closing the fourth quarter 2023 reinsurance transaction and 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 Years Ended December 31,		
	2024	2023	2022
Cash Dividends and Return of Capital from Subsidiaries			
LNL	$ 505	$ 495	$ 645
First Penn-Pacific Life Insurance Company	–	15	22
Lincoln Investment Management Company	40	25	38
Lincoln National Management Corporation	–	–	7
Lincoln National Reinsurance Company (Barbados) Limited	50	150	85
Total cash dividends and return of capital from subsidiaries	$ 595	$ 685	$ 797
Interest from Subsidiaries			
Interest on inter-company notes	$ 154	$ 147	$ 118

The table above focuses on significant and recurring cash flow items and excludes the effects of certain financing activities, including the periodic issuance and retirement of debt, issuance of preferred stock, cash flows related to our inter-company cash management program and certain investing activities, including capital contributions to subsidiaries. These activities are discussed below. Taxes have been eliminated from the analysis due to a tax sharing agreement among our primary subsidiaries resulting in a modest effect on net cash flows at the holding company. Also excluded from this analysis is the modest amount of investment income on short-term investments of the holding company and employee stock exercise activity related to our stock-based incentive compensation plans. See "Part IV – Item 15(a)(2) Financial Statement Schedules – Schedule II – Condensed Financial Information of Registrant" for the holding company cash flow statement.

During the second quarter of 2024, LNL made a $929 million extraordinary dividend in the form of investments to LNC for the purpose of the initial capitalization of LPINE. See "Introduction – Executive Summary" above and "Subsidiaries' Capital" below for more information about LPINE.

Restrictions on Subsidiaries' Dividends

Our insurance subsidiaries are subject to certain insurance department regulatory restrictions as to the transfer of funds and payment of dividends to the holding company. Under Indiana laws and regulations, our Indiana insurance subsidiaries, including our primary insurance subsidiary, LNL, may pay dividends to LNC without prior approval of the Indiana Insurance Commissioner (the "Commissioner") only from unassigned surplus or must receive prior approval of the Commissioner to pay a dividend if such dividend, along with all other dividends paid within the preceding 12 consecutive months, would exceed the statutory limitation. The current statutory limitation is the greater of 10% of the insurer's contract holders' surplus, as shown on its last annual statement on file with the Commissioner or the insurer's statutory net gain from operations for the previous 12 months, but in no event to exceed statutory unassigned surplus. Indiana law gives the Commissioner broad discretion to disapprove requests for dividends in excess of these limits. LNL's subsidiary LLANY, a New York-domiciled insurance company, is bound by similar restrictions under New York law, with the applicable statutory limitation on dividends equal to the lesser of 10% of surplus to contract holders as of the end of the immediately preceding calendar year or net gain from operations for the immediately preceding calendar year, not including realized capital gains. Indiana law also provides that following the payment of any dividend, the insurer's contract holders' surplus must be reasonable in relation to its outstanding liabilities and adequate for its financial needs, and permits the Commissioner to bring an action to rescind a dividend that violates these standards. In the event the Commissioner determines that the contract holders' surplus of one subsidiary is inadequate, the Commissioner could use his or her broad discretionary authority to seek to require us to apply payments received from another subsidiary for the benefit of that insurance subsidiary.

Our Bermuda-based reinsurance subsidiary, LPINE, and our Barbados-based reinsurance subsidiary, Lincoln National Reinsurance Company (Barbados) Limited ("LNBAR"), are regulated by the BMA and the Barbados Financial Services Commission, respectively. Similar to our domestic insurance subsidiaries, our reinsurance subsidiaries in Barbados and Bermuda are subject to regulatory restrictions as to the transfer of funds and payment of dividends imposed by the jurisdictions in which they are domiciled. These requirements may include satisfying certain earnings, reserve or solvency thresholds in order to pay a dividend or obtaining regulatory approval for payment of any dividend in excess of such thresholds.

We expect our direct domestic insurance subsidiaries could pay dividends to LNC of approximately $730 million in 2025 without prior approval from the respective state commissioners. The amount of surplus that our insurance subsidiaries could pay as dividends is constrained by the amount of surplus we hold to maintain our ratings, to provide an additional layer of margin for risk protection and for future investment in our businesses. See "Part I – Item 1A. Risk Factors – Liquidity and Capital Position – A decrease in the capital and surplus of our insurance subsidiaries may result in a downgrade to our credit and insurer financial strength ratings."

We maintain an investment portfolio of various holdings, types and maturities. These investments are subject to general credit, liquidity, market and interest rate risks. An extended disruption in the credit and capital markets could adversely affect LNC and its subsidiaries' ability to access sources of liquidity, and there can be no assurance that additional financing will be available to us on favorable terms, or at all, in the current market environment. In addition, further impairment could reduce our statutory surplus, leading to lower RBC ratios and potentially reducing future dividend capacity from our insurance subsidiaries. See "Part I – Item 1A. Risk Factors – Liquidity and Capital Position – Adverse capital and credit market conditions may affect our ability to meet liquidity needs, access to capital and cost of capital."

Subsidiaries' Capital

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

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 LOCs and debt financing as well as other financing strategies to finance those reserves. Included in the LOCs issued as of December 31, 2024, was $1.8 billion of long-dated LOCs issued to support inter-company reinsurance agreements for term products and UL products containing secondary guarantees. For information on the LOCs, see the credit facilities table in Note 13. Our captive reinsurance and reinsurance subsidiaries have also issued long-term notes of $3.7 billion to finance a portion of the excess reserves associated with our term and UL products with secondary guarantees as of December 31, 2024; of this amount, $3.1 billion involve exposure to VIEs. For information on these long-term notes issued by our captive reinsurance and reinsurance subsidiaries, see Note 4. 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 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. LNL also uses a partial hedge that mitigates 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. In December 2022, LNC issued a long-term note to a non-affiliated variable interest entity in exchange for notes of like principal and duration classified as AFS securities. LNC contributed the securities to LNBAR to address asset value volatility based on market conditions. Under the current terms of the note facility, the maximum permissible principal amount of the note is $1.5 billion, the full amount of which was outstanding as of December 31, 2024. There are no impacts to the LNC Consolidated Balance Sheets based on the set-off right provided in the note facility. For more information, see Note 4.

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.

During the second quarter of 2024, LNC contributed $929 million of investments and $22 million in cash to LPINE, a wholly owned subsidiary of LNC and a licensed Bermuda-based life and annuity reinsurance company, in support of an inter-company reinsurance agreement with LNL.

LNC made capital contributions in cash to other subsidiaries of $5 million, $7 million, and $925 million in 2024, 2023 and 2022, respectively.

On May 6, 2024, we closed the sale of all of the ownership interests in the subsidiaries of the Company that comprised the Company's wealth management business operated through LFN to Osaic. We received $723 million in cash that was primarily used to increase LNL's RBC ratio. We also used a portion of the proceeds to reduce our leverage ratio. For more information on the sale of our wealth management business, see Note 1.

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 year ended December 31, 2024, were as follows:

	Beginning Balance	Issuance	Maturities, Repayments and Refinancing	Change in Fair Value Hedges	Other Changes [1]	Ending Balance
Short-Term Debt						
Current maturities of long-term debt [2]	$ 250	$ –	$ (100)	$ –	$ 150	$ 300
Long-Term Debt						
Senior notes	$ 4,491	$ 350	$ –	$ (27)	$ (316)	$ 4,498
Term loans	–	–	–	–	150	150
Subordinated notes [3]	995	–	–	–	–	995
Capital securities [3]	213	–	–	–	–	213
Total long-term debt	$ 5,699	$ 350	$ –	$ (27)	$ (166)	$ 5,856

[1] Includes the non-cash reclassification of long-term debt to current maturities of long-term debt, accretion (amortization) of discounts and premiums, amortization of debt issuance costs and amortization of adjustments from discontinued hedges, as applicable.
[2] As of December 31, 2024, consisted of $300 million principal amount of our 3.35% Senior Notes due March 9, 2025.
[3] We use interest rate swaps to partially hedge the variability in rates.

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

During June 2024, we repaid $53 million of our term loan originally due December 3, 2024, using available cash to deleverage the balance sheet. On July 18, 2024, we refinanced this term loan into a $150 million term loan due July 16, 2027.

LNC made interest payments to service debt to third parties of $308 million, $311 million and $278 million for the years ended December 31, 2024, 2023 and 2022, respectively.

For additional information about our short-term and long-term debt and our credit facilities, see Note 13.

Preferred Stock

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

	For the Years Ended December 31,		
	2024	2023	2022
Series C preferred stock dividends	$ 46	$ 36	$ –
Series D preferred stock dividends	45	46	–
Total preferred stock dividends	$ 91	$ 82	$ –

For additional information on preferred stock, see Note 18.

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. We did not repurchase any shares of common stock under our buyback program during 2024. For additional information regarding share repurchases, see "Part II – Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities – (c) Issuer Purchases of Equity Securities."

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

	For the Years Ended December 31,		
	2024	2023	2022
Dividends to common stockholders	$ 306	$ 305	$ 310
Repurchase of common stock	–	–	550
Total cash returned to common stockholders	$ 306	$ 305	$ 860
Number of shares repurchased	–	–	8.7

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 December 31, 2024, LNC had $83 million of outstanding borrowings from the cash management program related primarily to collateral posting requirements on derivatives. Holding company borrowing activity is reported in loans from and accrued interest due to subsidiaries on the holding company's balance sheet. Holding company lending activity is reported in loans to and accrued interest due from subsidiaries on the holding company's balance sheet. As of December 31, 2024, LNC did not have outstanding lending into the cash management program. See "Part IV – Item 15(a)(2) Financial Statement Schedules – Schedule II – Condensed Financial Information of Registrant" for the holding company balance sheet.

Facility Agreement for Senior Notes Issuance

LNC entered into a facility agreement in 2020 with a Delaware trust that gives LNC the right over a 10-year period to issue, from time to time, up to $500 million of 2.330% senior notes to the trust in exchange for a corresponding amount of U.S. Treasury securities held by the trust. By agreeing to purchase the 2.330% senior notes in exchange for U.S. Treasury securities upon exercise of the issuance right, the trust will provide a source of liquid assets for the Company. The issuance right will be exercised automatically in full upon our failure to make certain payments to the trust, if the failure to pay is not cured within 30 days, or upon certain bankruptcy events involving LNC. We are also required to exercise the issuance right in full if our consolidated stockholders' equity (excluding AOCI) falls below a minimum threshold (which was $2.75 billion as of December 31, 2024, and is subject to adjustment from time to time in certain cases) and upon certain other events described in the facility agreement. For additional information, see Note 13.

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 and to issue funding agreements as an alternative source of liquidity that are collateralized by qualifying mortgage-related assets, agency securities or U.S. Treasury securities. Borrowings under this facility are subject to the FHLBI's discretion and require the availability of qualifying assets at LNL. As of December 31, 2024, LNL had an estimated maximum borrowing capacity of $7.0 billion under the FHLBI facility and maximum available borrowing based on qualifying assets of $4.9 billion. As of December 31, 2024, LNL had outstanding borrowings of $2.7 billion under this facility reported within payables for collateral on investments on the Consolidated Balance Sheets. LLANY is a member of the Federal Home Loan Bank of New York ("FHLBNY") with an estimated maximum borrowing capacity of $750 million. Borrowings under this facility are subject to the FHLBNY's discretion and require the availability of qualifying assets at LLANY. As of December 31, 2024, LLANY had no outstanding borrowings under this facility. For additional information, see "Payables for Collateral on Investments" in Note 3.

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 December 31, 2024. Our insurance subsidiaries, by virtue of their general account fixed-income investment holdings, can also access liquidity through securities lending programs. As of December 31, 2024, our insurance subsidiaries had securities pledged under securities lending agreements with a carrying value of $157 million. The cash received in our securities lending programs is typically invested in cash and invested cash or fixed maturity AFS securities. For additional information, see "Payables for Collateral on Investments" in Note 3.

Collateral on Derivative Contracts

Our cash flows associated with collateral received from counterparties (when we are in a net collateral payable position) and posted with counterparties (when we are in a net collateral receivable position) change as the market value of the underlying derivative contract changes. The net collateral position depends on changes in interest rates and equity markets related to the amount of the exposures hedged. As of December 31, 2024, we were in a net collateral payable position of $7.1 billion compared to $5.0 billion as of December 31, 2023. In the event of adverse changes in fair value of our derivative instruments, we may need to 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 13. For additional information, see "Credit Risk" in Note 5.

Material Cash Outflows

Details underlying our estimated material cash outflows as of December 31, 2024, were as follows:

	Less Than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years	Total
Future contract benefits and policyholder account balances [1]	$ 24,071	$ 51,554	$ 48,683	$ 357,193	$ 481,501
Short-term and long-term debt [2]	300	550	500	4,731	6,081
Reserve financing and LOC expenses [3]	67	129	111	189	496
Payables for collateral on investments [4]	2,807	–	–	–	2,807
Investment commitments [5]	1,244	829	480	1,740	4,293
Operating leases [6]	29	50	27	2	108
Certain financing arrangements [7]	174	356	33	8	571
Retirement and other plans [8]	98	192	186	422	898
Total	$ 28,790	$ 53,660	$ 50,020	$ 364,285	$ 496,755

[1] Estimates are based on financial projections over 40 years and are not discounted for the time value of money. New business issued or acquired, business ceded or sold, changes to or variances from actuarial assumptions and economic conditions will cause these amounts to change over time, possibly materially. See Note 1 for details of what these liabilities include and represent.

[2] Represents principal amounts of debt only. See Note 13 for additional information.

[3] Estimates are based on the level of capacity we expect to utilize during the life of the LOCs and other reserve financing arrangements. See Note 13 for additional information.

[4] Excludes collateral payable held for derivative investments. See Note 3 for additional information.

[5] See Note 3 for additional information.

[6] See Note 17 for additional information.

[7] Represents certain financing arrangements that did not meet the requirements to be classified as a sale-leaseback arrangement. See Note 17 for additional information.

[8] Includes anticipated funding for benefit payments for our retirement and postretirement plans through 2034 and known payments under deferred compensation arrangements. In addition to these benefit payments, we periodically fund the employees' defined benefit plans. See Note 15 for additional information.

Ratings

Financial Strength Ratings

See "Part I – Item 1. Business – Financial Strength Ratings" for information on our financial strength ratings.

Credit Ratings

Our indicative credit ratings published by the primary rating agencies are set forth below. Securities are rated at the time of issuance so actual ratings may differ from the indicative ratings. There may be other rating agencies that also provide credit ratings, which we do not disclose in our reports. Each rating should be evaluated independently of any other rating. Our credit ratings assigned by AM Best, Fitch, Moody's and S&P are on outlook stable.

As of February 13, 2025, our indicative long-term credit ratings as published by the principal rating agencies that rate our long-term credit are indicated in the following table.

AM Best	Fitch	Moody's	S&P
"aaa to c"	*"AAA to D"*	*"Aaa to C"*	*"AAA to D"*
bbb+	BBB+	Baa2	BBB+
(8th of 22)	(8th of 23)	(9th of 21)	(8th of 22)

As of February 13, 2025, our indicative short-term credit ratings as published by the principal rating agencies that rate our short-term credit are indicated in the following table.

AM Best	Fitch	Moody's	S&P
"AMB-1+ to AMB-4"	*"F1+ to D"*	*"P-1 to NP"*	*"A-1+ to D"*
AMB-2	F2	P-2	A-2
(3rd of 6)	(3rd of 8)	(2nd of 4)	(3rd of 7)

All of our credit ratings are subject to revision or withdrawal at any time by the rating agencies, and therefore, no assurance can be given that we can maintain these ratings. A downgrade of our credit ratings could affect our ability to raise additional debt with terms and conditions similar to our current debt, and accordingly, likely increase our cost of capital. In addition, a downgrade of these ratings could make it more difficult to raise capital to refinance any maturing debt obligations, to support business growth at our insurance subsidiaries and to maintain or improve the current financial strength ratings of our insurance subsidiaries described in "Part I – Item 1. Business – Financial Strength 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 – Covenants and Ratings – A downgrade in our financial strength or credit ratings could limit our ability to market products, increase the number or value of policies being surrendered and/or hurt our relationships with creditors" for more information.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We analyze and manage the risks arising from market exposures of financial instruments, as well as other risks, in an integrated asset-liability management process that considers diversification. By aggregating the potential effect of market and other risks on the entire enterprise, we estimate, review and in some cases manage the risk to our earnings and shareholder value. 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. The exposures of financial instruments to market risks, and the related risk management processes, are most important to our business where most of the investments support accumulation and investment-oriented insurance products. As an important element of our integrated asset-liability management processes, we use derivatives to minimize the effects of changes in interest levels, the shape of the yield curve, currency movements and volatility. In this context, derivatives serve to minimize interest rate risk by mitigating the effect of significant increases in interest rates on our earnings. Additional market exposures exist in our other general account insurance products and in our debt structure and derivatives positions. Our primary sources of market risk are substantial, relatively rapid and sustained increases or decreases in interest rates or a sharp drop in equity market values. These market risks are discussed in detail in the following pages and should be read in conjunction with the consolidated financial statements and the accompanying Notes presented in "Item 8. Financial Statements and Supplementary Data," as well as "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations."

Interest Rate Risk

Interest rate risk is the risk of financial loss due to adverse changes in the value of assets and liabilities due to movements in interest rates. We are exposed to interest rate risk arising from our fixed maturity securities and interest sensitive liabilities.

With respect to accumulation and investment-oriented products, we seek to earn a stable and profitable spread, or margin, between investment income we earn on our investments and interest credited to account balances of our contract holders. If we have adverse experience on investments that cannot be passed on to customers, our spreads are reduced. The combination of a probable range of interest rate changes over the next 12 months, asset-liability management strategies, flexibility in adjusting policy crediting rate levels and protection afforded by policy surrender charges all work together to mitigate this risk. The interest rate scenarios of concern are those in which there is a substantial, relatively prolonged decrease in interest rates that is sustained over a long period or a rapid increase in interest rates.

Significant Interest Rate Exposures

The following provides a general measure of our significant interest rate risk; principal, including amortization of premiums and discounts, notional amounts, and estimated fair values of assets, liabilities and derivatives are shown by year of maturity (dollars in millions) as of December 31, 2024:

	2025	2026	2027	2028	2029	Thereafter	Total	Estimated Fair Value
Rate Sensitive Assets								
Fixed maturity AFS securities:								
Fixed interest rate securities	$ 4,165	$ 3,914	$ 5,096	$ 4,502	$ 3,999	$ 67,266	$ 88,942	$ 78,676
Average interest rate	3.7 %	3.5 %	3.8 %	4.1 %	4.2 %	4.1 %	4.1 %	
Variable interest rate securities	$ 279	$ 367	$ 564	$ 580	$ 347	$ 6,336	$ 8,473	$ 8,435
Average interest rate	9.7 %	8.8 %	9.5 %	8.5 %	8.6 %	6.4 %	7.1 %	
Trading securities:								
Fixed interest rate securities	$ 115	$ 91	$ 59	$ 46	$ 76	$ 1,406	$ 1,793	$ 1,667
Average interest rate	5.4 %	4.3 %	5.4 %	5.7 %	5.3 %	4.8 %	4.9 %	
Variable interest rate securities	$ 8	$ –	$ –	$ –	$ 41	$ 326	$ 375	$ 358
Average interest rate	8.5%	0.0%	0.0%	0.0%	5.0%	5.6 %	5.6 %	
Mortgage loans on real estate:								
Total mortgage loans	$ 1,460	$ 1,501	$ 1,891	$ 2,235	$ 1,927	$ 12,175	$ 21,189	$ 19,647
Average interest rate	5.9 %	4.1 %	4.3 %	4.6 %	4.5 %	4.8 %	4.7 %	
Rate Sensitive Liabilities								
Investment type insurance contracts [1]	$ 3,132	$ 3,174	$ 3,776	$ 3,849	$ 3,196	$ 23,969	$ 41,096	$ 38,404
Average interest rate [1]	4.3 %	3.7 %	3.9 %	4.2 %	4.3 %	4.4 %	4.3 %	
Debt	$ 300	$ 400	$ 150	$ 500	$ –	$ 4,731	$ 6,081	$ 5,603
Average interest rate	3.4 %	3.6 %	5.9 %	3.8%	0.0%	5.4 %	5.1 %	
Rate Sensitive Derivative Financial Instruments								
Interest rate swaps:								
Pay variable/receive fixed	$ 494	$ 4,616	$ 401	$ 4,049	$ 1,053	$ 26,635	$ 37,248	$ (4,936)
Average pay rate	4.8 %	4.7 %	4.5 %	4.6 %	4.4 %	4.6 %	4.6 %	
Average receive rate	3.5 %	1.8 %	1.6 %	2.2 %	4.0 %	2.5 %	2.5 %	
Pay fixed/receive variable	$ 1,153	$ 6,357	$ 325	$ 1,861	$ 1,080	$ 22,418	$ 33,194	$ 3,199
Average pay rate	4.1 %	2.1 %	1.3 %	1.3 %	3.6 %	2.7 %	2.6 %	
Average receive rate	4.5 %	4.5 %	4.5 %	4.7 %	4.5 %	4.7 %	4.6 %	
Foreign currency swaps: [3]								
Pay variable/receive fixed	$ –	$ 20	$ 56	$ 57	$ 70	$ 126	$ 329	$ 23
Average pay rate	0.0 %	8.1 %	8.1 %	7.7 %	7.7 %	7.9 %	7.9 %	
Average receive rate	0.0 %	2.8 %	6.0 %	4.0 %	3.1 %	4.2 %	4.2 %	
Pay fixed/receive fixed	$ 65	$ 147	$ 215	$ 310	$ 275	$ 3,535	$ 4,547	$ 507
Average pay rate	2.6 %	1.6 %	2.7 %	2.8 %	3.1 %	3.0 %	2.9 %	
Average receive rate	4.6 %	3.1 %	4.4 %	4.0 %	4.3 %	4.3 %	4.2 %	
Bond forwards:								
5-year on-the-run Treasury	$ 60	$ –	$ –	$ –	$ –	$ –	$ 60	$ –
Average strike rate	4.2 %	0.0%	0.0%	0.0%	0.0%	0.0%	4.2 %	
Forward CMT curve [2]	4.5 %	0.0%	0.0%	0.0%	0.0%	0.0%	4.5 %	
30-year on-the-run Treasury	$ 90	$ 20	$ 10	$ –	$ –	$ –	$ 120	$ (13)
Average strike rate	4.1 %	4.3 %	4.1 %	0.0%	0.0%	0.0%	4.1 %	
Forward CMT curve [2]	4.8 %	4.8 %	4.8 %	0.0%	0.0%	0.0%	4.8 %	
Total return swaps:								
Pay variable/receive fixed	$ 980	$ 662	$ 654	$ –	$ –	$ –	$ 2,296	$ (134)
Pay fixed/receive variable	2,911	–	–	–	–	–	2,911	35
Interest rate futures:								
2-year Treasury notes	$ 224	$ –	$ –	$ –	$ –	$ –	$ 224	$ –
5-year Treasury notes	1,095	–	–	–	–	–	1,095	–
10-year Treasury notes	239	–	–	–	–	–	239	–
Treasury bonds	356	–	–	–	–	–	356	–

[1] The information shown is for our fixed maturity securities and mortgage loans on real estate that support these insurance contracts.

[2] The Constant Maturity Treasury ("CMT") curve is the applicable 5-year, 10-year or 30-year CMT forward curve.

(3) Includes notional of $62 million and fair value of $8 million that support our modified coinsurance and funds withheld reinsurance agreements. Investment results for these agreements are passed directly to the reinsurers.

The following provides the principal, including amortization of premiums and discounts, notional amounts, and estimated fair values of assets, liabilities and derivatives (in millions) having significant interest rate risks as of December 31, 2023:

	Principal / Notional Amount	Estimated Fair Value
Fixed maturity AFS securities	$ 97,433	$ 88,738
Trading securities	2,515	2,359
Mortgage loans on real estate	19,079	17,407
Investment-type insurance contracts (1)	43,621	40,648
Debt	5,831	5,431
Interest rate and foreign currency swaps	81,596	(1,114)
Interest rate cap corridors	12,300	–
Reverse Treasury locks	340	(37)
Total return swaps	3,773	(124)
Interest rate futures	592	–

(1) The information shown is for our fixed maturity AFS securities and mortgage loans on real estate that support these insurance contracts.

Effect of Interest Rate Sensitivity

The following table presents our estimate of the effect on income (loss) from operations by business segment and Other Operations (in millions) for the next 12-month period if the level of interest rates were to instantaneously increase or decrease by 1% and remain at those levels immediately after December 31, 2024, relative to interest rates remaining flat:

	1% Increase	1% Decrease
Annuities (1)	$ (21)	$ 21
Life Insurance	6	(6)
Group Protection	4	(4)
Retirement Plan Services	6	(6)
Other Operations	(13)	13
Income (loss) from operations	$ (18)	$ 18

(1) Includes the impact on bond funds in our separate accounts, which move in the opposite direction of interest rates.

For purposes of this estimate, we assumed asset purchases are made at prevailing new money rates and exclude the impact of new business, unlocking, persistency, hedge program performance, reserve discounting caused by interest rate changes or customer behavior caused by the interest rate changes.

Interest Rate Risk on Fixed Insurance Businesses – Falling Rates

In periods of declining interest rates, we have to reinvest the cash we receive as interest or return of principal on our investments in lower yielding instruments. Moreover, borrowers may prepay fixed-income securities, commercial mortgages, residential mortgages and MBS in our general accounts in order to borrow at lower market rates, which exacerbates this risk. Because we are entitled to reset the interest rates on our fixed-rate annuities only at limited, pre-established intervals, and because many of our contracts have guaranteed minimum interest or crediting rates, our spreads could decrease and potentially become negative.

Prolonged historically low rates are not healthy for our business fundamentals. However, we have recognized this risk and have been proactive in our investment strategies, product designs, crediting rate strategies and overall asset-liability practices to mitigate the risk of unfavorable consequences in this type of environment. For some time now, new products have been sold with low minimum crediting floors, and we apply disciplined asset-liability management standards, such as locking in spreads on these products at the time of issue. 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" for additional information on low interest rate risks.

See Note 11 for information on excess crediting rates over contract minimums.

Interest Rate Risk on Fixed Insurance Businesses – Rising Rates

For both annuities and universal life insurance, a rapid rise in interest rates poses risks of deteriorating spreads and high surrenders. The portfolios supporting these products have fixed-rate assets laddered over maturities generally ranging from 1 to 10 years or more. Accordingly, the earned rate on each portfolio lags behind changes in market yields. As rates rise, the lag may be increased by slowing MBS prepayments. The greater and faster the rise in interest rates, the more the earned rate will tend to lag behind market rates. If we set renewal crediting rates to earn the desired spread, the gap between our renewal crediting rates and competitors' new money rates may be wide enough to cause increased surrenders that could cause us to liquidate a portion of our portfolio to fund these surrenders. If we credit more competitive renewal rates to limit surrenders, our spreads will narrow. We devote extensive effort to evaluating these risks by simulating asset and liability cash flows for a wide range of interest rate scenarios. Such analysis has led to adjustments in the target maturity structure and to hedging the risk of rising rates by entering into interest rate cap corridor agreements. With these instruments in place, the potential adverse effect of a rapid and sustained rise in rates is kept within our risk tolerances. See "Part I – Item 1A. Risk Factors – Market Conditions – Increases in interest rates and sustained high 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" for more information on the risks related to rising interest rates.

Short-Term and Long-Term Debt

We manage the timing of maturities and the mixture of fixed-rate and floating-rate debt as part of the process of integrated management of interest rate risk for the entire enterprise. See Note 13 for additional information on our debt.

Derivatives

See Note 5 for information on our derivatives used to hedge our exposure to changes in interest rates.

Equity Market Risk

Equity market risk is the risk of financial loss due to changes in the value of equity securities or equity indices. Our revenues, assets and liabilities are exposed to equity market risk that we often hedge with derivatives. However, earnings are affected by equity market movements on account balances and the related fees we earn on those balances.

Fee Income

The fees earned from variable annuities and variable life insurance products are exposed to the risk of a decline in equity market values. These fees are generally a fixed percentage of the market value of account balances. In a severe equity market decline, fee income could be reduced by not only reduced market valuations but also by customer withdrawals and redemptions. Such withdrawals and redemptions from equity funds and accounts might be partially offset by transfers to our fixed-income accounts and the transfer of funds to us from our competitors' customers.

Equity Assets

While we invest in equity assets with the expectation of achieving higher returns than would be available in our core fixed-income investments, the returns on and values of these equity investments are subject to somewhat greater market risk than our fixed-income investments. These investments, however, add diversification benefits to our fixed-income investments.

Derivatives Hedging Equity Market Risk

We enter into derivative transactions to hedge our exposure to equity market risk. Such derivatives include over-the-counter equity options, total return swaps, variance swaps, and equity futures. See Note 4 for additional information on our derivatives used to hedge our exposure to equity market fluctuations.

The following provides the sensitivity of price changes (in millions) to our equity assets owned and derivatives hedging equity market risk:

	As of December 31, 2024				As of December 31, 2023	
	Carrying / Notional Value	Estimated Fair Value	10% Fair Value Increase [1]	10% Fair Value Decrease [1]	Carrying / Notional Value	Estimated Fair Value
Equity Assets						
Domestic equities	$ 270	$ 270	$ 27	$ (27)	$ 279	$ 279
Foreign equities	24	24	2	(2)	27	27
Total equity securities	294	294	29	(29)	306	306
Hedge funds	295	295	29	(29)	284	284
Private equities	5,005	5,005	501	(501)	3,893	3,893
Other equity interests	—	—	–	–	2	2
Total equity assets	$ 5,594	$ 5,594	$ 559	$ (559)	$ 4,485	$ 4,485
Derivatives Hedging Equity Market Risk						
Call options [2]	$ 65,868	$ 9,694	$ 2,468	$ (2,649)	$ 98,521	$ 7,623
Equity futures	4,328	–	230	(230)	1,627	–
Put options	92,492	(542)	64	(46)	100,856	(938)
Total return swaps	26,885	42	(1,014)	1,024	17,937	(667)
Total derivatives hedging equity market risk	$ 189,573	$ 9,194	$ 1,748	$ (1,901)	$ 218,941	$ 6,018

[1] Assumes a plus or minus 10% change in underlying indexes. Estimated fair value does not reflect daily settlement of futures or monthly settlement of total return swaps.

[2] Includes notional and fair value of $1.9 billion and $58 million, respectively, as of December 31, 2024, and $2.7 billion and $94 million, respectively, as of December 31, 2023, that support our modified coinsurance and funds withheld reinsurance agreements. Investment results for these agreements are passed directly to the reinsurers.

Liabilities

We have exposure to changes in our stock price through both our deferred and stock-based incentive compensation plans. For additional information on our deferred and stock-based incentive compensations plans, see Notes 15 and 16, respectively.

Effect of Equity Market Sensitivity

If the level of the equity markets were to have instantaneously increased or decreased by 1% immediately after December 31, 2024, we estimate the effect on income (loss) from operations for the next 12-month period from the change in asset-based fees and related expenses would be approximately $10 million. For purposes of this estimate, we excluded any effect related to net flows, our annual assumption review, persistency, hedge program performance, policyholder behavior or reduction in account balances attributable to policyholder assessments.

The effect of quarterly equity market changes upon fee income and asset-based expenses is generally not fully recognized in the first quarter of the change because fee income is earned and related expenses are incurred based upon daily variable account balances. The difference between the current period average daily variable account balances compared to the end-of-period variable account balances affects fee income in subsequent periods. Additionally, the effect on earnings may not necessarily be symmetrical with comparable increases or decreases in the equity markets. This discussion concerning the estimated effects of ongoing equity market volatility on the fees we earn from account balances is intended to be illustrative and is concentrated primarily in our Annuities and Retirement Plan Services segments. Actual effects may vary depending on a variety of factors, many of which are outside of our control, such as changing customer behaviors that might result in changes in the mix of our business between variable and fixed annuity contracts, switching among investment alternatives available within variable products, changes in sales production levels or changes in policy persistency. For purposes of this guidance, the change in account balances is assumed to correlate with the change in the relevant index.

Credit Risk

Credit risk is the risk to earnings and capital that arises from uncertainty of an obligor's or counterparty's ability or willingness to meet its obligations in accordance with contractually agreed upon terms. We are exposed to credit risk primarily by our investments in corporate bonds and mortgage loans on real estate and through our use of derivatives.

Investments

The majority of our credit risk is concentrated in investment holdings. Our portfolio of investments was $129.3 billion and $124.3 billion as of December 31, 2024 and 2023, respectively. Of this total, $67.9 billion and $71.3 billion consisted of corporate bonds and $21.1 billion and $19.0 billion consisted of mortgage loans on real estate as of December 31, 2024 and 2023, respectively. We manage the risk of adverse default experience on these investments by applying disciplined credit evaluation and underwriting standards, prudently limiting allocations to lower-quality, higher-yielding investments and diversifying exposures by issuer, industry, region and property type. For each counterparty or borrowing entity and its affiliates, our exposures from all transactions are aggregated and managed in relation to formal limits set by rating quality. Additional diversification limits, such as limits per industry, are also applied. We remain exposed to occasional adverse cyclical economic downturns during which default rates may be significantly higher than the long-term historical average used in pricing.

Derivatives

We are exposed to counterparty credit risk through our various derivative contracts. We depend on the ability of derivative product dealers and their guarantors to honor their obligations to pay the contract amounts under various derivatives agreements. In order to minimize the risk of default losses, we diversify our exposures among several dealers and limit the amount of exposure to each in accordance with the credit rating of each dealer or its guarantor. We generally limit our selection of counterparties that are obligated under these derivative contracts to those with an "A" credit rating or above. See Note 5 for additional information on managing the credit risk of our counterparties.

We are also exposed to credit risk through the use of certain derivatives. We buy credit default swaps ("CDSs") to minimize our exposure to credit-related events with respect to a single entity or referenced index. We also sell CDSs to offer credit protection to our contract holders and investors with respect to a single entity or referenced index. See Note 5 for additional information on our use of credit derivatives.

Foreign Currency Exchange Risk

Foreign Currency Denominated Investments

Foreign currency exchange risk is the risk of financial loss due to changes in the relative value between currencies. We have foreign currency exchange risk in our non-U.S. dollar denominated investments, which primarily consist of fixed maturity securities. The currency risk is hedged using foreign currency derivatives of the same currency as the foreign denominated security.

We invest in fixed maturity securities denominated in foreign currencies for incremental return and risk diversification relative to U.S. dollar-denominated securities. We use foreign currency swaps and foreign currency forwards to hedge the foreign exchange risk related to our investment in fixed maturity securities denominated in foreign currencies. As of December 31, 2024 and 2023, our unhedged positions consisted of less than $1 million and $1 million, respectively, of principal in U.S. dollar equivalents of foreign-denominated investments with maturity dates up to 2048 and 2049, respectively, and an average interest rate of 3% as of each such date. As of the same dates, our modified coinsurance portfolios were partially hedged and consisted of $136 million and $156 million, respectively, of principal in U.S. dollar equivalents of foreign denominated investments with maturity dates up to 2063 as of each such date and an average interest rate of 5% and 6%, respectively. As of December 31, 2024, our modified coinsurance foreign currency forwards consisted of $10 million of U.S. dollar market value with maturity dates up to 2031. Investment results for our modified coinsurance agreements are passed directly to the reinsurers. See "Interest Rate Risk – Significant Interest Rate Exposures" above for our notional amounts in U.S. dollar equivalents (in millions) by year of maturity for our foreign currency swaps.

See Note 5 for additional information on our foreign currency swaps used to hedge our exposure to foreign currency exchange risk.

Market Risk Related to Certain Variable Annuity and Fixed Indexed Annuity Products

Our variable annuity and fixed indexed annuity contracts are exposed to market risks related to changes in the assumptions used in the original pricing of these products, including equity market, interest rate, and non-market actuarial assumptions. For additional information, see Note 9. We manage our exposure to market risks created by these fluctuations through a combination of product design elements and our hedge program. In addition, we utilize reinsurance to mitigate risk. For additional information, see Note 7 and "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Reinsurance." Certain variable annuity GLB and GDB riders are accounted for as MRBs and recorded at fair value. For more information on the market risk sensitivities associated

with MRBs, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Summary of Critical Accounting Estimates – Market Risk Benefits."

***Item 8*. Financial Statements and Supplementary Data**

Consolidated Financial Statements

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Management's Annual Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting for Lincoln National Corporation to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of the consolidated financial statements for external purposes in accordance with United States of America generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with United States of America generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of internal control over financial reporting 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.

Management assessed our internal control over financial reporting as of December 31, 2024, the end of our fiscal year. Management based its assessment on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Management's assessment included evaluation of such elements as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment.

Based on the assessment, management has concluded that our internal control over financial reporting was effective as of the end of the fiscal year to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external reporting purposes in accordance with United States of America generally accepted accounting principles.

The effectiveness of our internal control over financial reporting as of December 31, 2024, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included on the following page.

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Lincoln National Corporation

Opinion on Internal Control Over Financial Reporting

We have audited Lincoln National Corporation's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Lincoln National Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2024 and 2023, the related consolidated statements of comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedules listed in the Index at Item 15(a) and our report dated February 21, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
Philadelphia, Pennsylvania
February 21, 2025

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Lincoln National Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Lincoln National Corporation (the Company) as of December 31, 2024 and 2023, the related consolidated statements of comprehensive income (loss), stockholders' equity and cash flows for each of the three years in the period ended December 31, 2024, and the related notes and financial statement schedules listed in the Index at Item 15(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 21, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Future Contract Benefits Liability

Description of the Matter

At December 31, 2024, future contract benefits liabilities totaled $39.8 billion, a portion of which related to universal life-type contracts with secondary guarantees.

The future contract benefits liability related to these product guarantees is based on estimates of how much the Company will need to pay for future benefits and the amount of fees to be collected from policyholders for these policy features. As described in Notes 1 (see section on *Future Contract Benefits*) and 12, to the consolidated financial statements, there is significant uncertainty inherent in estimating this liability because there is a significant amount of management judgment involved in developing certain assumptions that impact the liability balance, which include investment margins, mortality rates and policyholder lapse behavior.

Auditing the valuation of future contract benefits liabilities related to these products was complex and required the involvement of our actuarial specialists due to the high degree of judgment used by management in setting the assumptions used in the estimate of the future contract benefits liability related to these products.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the future contract benefits liability estimation processes, including, among others, controls related to the review and approval processes that management has in place for the assumptions used in estimating the future contract benefits liability. This included testing controls related to management's evaluation of the need to update assumptions based on the comparison of actual Company experience to previous assumptions.

We involved actuarial specialists to assist with our audit procedures which included, among others, an evaluation of the methodology applied by management with those methods used in prior periods. To assess the significant assumptions used by management, we compared the significant assumptions noted above to historical experience and management's estimates of prospective changes in these assumptions. In addition, we performed an independent recalculation of cash flows related to the future policy benefit reserves for a sample of cohorts or contracts which we compared to the actuarial model used by management.

Market Risk Benefits

Description of the Matter

The Company's market risk benefits ("MRBs") assets and liabilities totaled $4.9 billion and $1.0 billion, as of December 31, 2024, respectively, a portion of which relates to MRBs associated with variable annuity contracts that may include guaranteed living benefit and guaranteed death benefit features. As described in Notes 1 (see section on *MRBs*), 9 and 14 to the consolidated financial statements, there is a significant amount of estimation uncertainty inherent in measuring the fair value of the MRBs because of the sensitivity of certain assumptions underlying the estimate, including equity market return, volatility, policyholder lapse and benefit utilization. Management's assumptions are adjusted over time for emerging experience and expected changes in trends, resulting in changes to the estimated fair value of the MRBs.

Auditing the valuation of the MRBs was complex and required the involvement of our actuarial specialists due to the high degree of judgment used by management in setting the assumptions used to estimate the fair value of MRBs.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls over the MRBs estimation process, including, among others, controls related to the review and approval processes that management has in place to develop the assumptions used in measuring the fair value of the MRBs. This included testing controls related to management's evaluation of current and future equity market return and volatility, and the need to update policyholder lapse and benefit utilization assumptions.

We involved actuarial specialists to assist with our audit procedures which included, among others, an evaluation of the methodology applied by management with those methods used in prior periods. To assess the significant assumptions used by management, we compared the significant assumptions noted above to historical experience, observable market data or management's estimates of prospective changes in these assumptions. In addition, we performed an independent recalculation of the MRBs for a sample of contracts which we compared to the fair value model used by management.

/s/ Ernst & Young LLP
We have served as the Company's auditor since 1966.
Philadelphia, Pennsylvania
February 21, 2025

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

	As of December 31,	
	2024	**2023**
ASSETS		
Investments:		
Fixed maturity available-for-sale securities, at fair value (amortized cost: 2024 - $97,415; 2023 - $97,433; allowance for credit losses: 2024 - $46; 2023 - $19)	$ 87,111	$ 88,738
Trading securities	2,025	2,359
Equity securities	294	306
Mortgage loans on real estate, net of allowance for credit losses (portion at fair value: 2024 - $232; 2023 - $288)	21,083	18,963
Policy loans	2,476	2,476
Derivative investments	9,677	6,474
Other investments	6,588	5,015
Total investments	129,254	124,331
Cash and invested cash	5,801	3,365
Deferred acquisition costs, value of business acquired and deferred sales inducements	12,537	12,397
Reinsurance recoverables, net of allowance for credit losses	28,750	29,843
Deposit assets, net of allowance for credit losses	30,776	29,247
Market risk benefit assets	4,860	3,894
Accrued investment income	1,108	1,082
Goodwill	1,144	1,144
Other assets	8,163	8,853
Separate account assets	168,438	158,257
Total assets	$ 390,831	$ 372,413
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Policyholder account balances	$ 126,197	$ 120,737
Future contract benefits	39,807	39,864
Funds withheld reinsurance liabilities	16,907	17,641
Market risk benefit liabilities	1,046	1,716
Deferred front-end loads	6,730	5,901
Payables for collateral on investments	10,020	8,105
Short-term debt	300	250
Long-term debt	5,856	5,699
Other liabilities	7,261	7,350
Separate account liabilities	168,438	158,257
Total liabilities	382,562	365,520
Contingencies and Commitments (See Note 17)		
Stockholders' Equity		
Preferred stock – 10,000,000 shares authorized:		
Series C preferred stock – 20,000 shares authorized, issued and outstanding as of December 31, 2024, and December 31, 2023	493	493
Series D preferred stock – 20,000 shares authorized, issued and outstanding as of December 31, 2024, and December 31, 2023	493	493
Common stock – 800,000,000 shares authorized; 170,380,646 and 169,666,137 shares issued and outstanding as of December 31, 2024, and December 31, 2023, respectively	4,674	4,605
Retained earnings	7,645	4,778
Accumulated other comprehensive income (loss)	(5,036)	(3,476)
Total stockholders' equity	8,269	6,893
Total liabilities and stockholders' equity	$ 390,831	$ 372,413

See accompanying Notes to Consolidated Financial Statements

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

	For the Years Ended December 31,		
	2024	2023	2022
Revenues			
Insurance premiums	$ 6,425	$ 3,672	$ 6,087
Fee income	5,402	5,467	5,603
Net investment income	5,525	5,879	5,515
Realized gain (loss)	269	(4,311)	840
Other revenues	821	938	765
Total revenues	18,442	11,645	18,810
Expenses			
Benefits	7,918	6,138	8,479
Interest credited	3,443	3,248	2,877
Market risk benefit (gain) loss	(2,677)	(2,264)	(3,246)
Policyholder liability remeasurement (gain) loss	(190)	(152)	2,766
Commissions and other expenses	5,590	5,492	5,292
Interest and debt expense	336	331	283
Impairment of intangibles	–	–	634
Total expenses	14,420	12,793	17,085
Income (loss) before taxes	4,022	(1,148)	1,725
Federal income tax expense (benefit)	747	(396)	367
Net income (loss)	3,275	(752)	1,358
Other comprehensive income (loss), net of tax:			
Unrealized investment gain (loss)	(788)	3,715	(18,059)
Market risk benefit non-performance risk gain (loss)	(924)	(671)	(210)
Policyholder liability discount rate remeasurement gain (loss)	157	(160)	2,012
Foreign currency translation adjustment	(3)	8	(20)
Funded status of employee benefit plans	(2)	(16)	(59)
Total other comprehensive income (loss), net of tax	(1,560)	2,876	(16,336)
Comprehensive income (loss)	$ 1,715	$ 2,124	$ (14,978)
Net Income (Loss) Available to Common Stockholders			
Net income (loss)	$ 3,275	(752)	1,358
Preferred stock dividends declared	(91)	(82)	–
Net income (loss) available to common stockholders	$ 3,184	$ (834)	$ 1,358
Net Income (Loss) Per Common Share			
Basic	$ 18.66	$ (4.92)	$ 7.93
Diluted	18.41	(4.92)	7.78
Cash Dividends Declared Per Common Share	$ 1.80	$ 1.80	$ 1.80

See accompanying Notes to Consolidated Financial Statements

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

	For the Years Ended December 31,		
	2024	**2023**	**2022**
Preferred Stock			
Balance as of beginning-of-year	$ 986	$ 986	$ –
Issuance of Series C preferred stock	–	–	493
Issuance of Series D preferred stock	–	–	493
Balance as of end-of-year	986	986	986
Common Stock			
Balance as of beginning-of-year	4,605	4,544	4,735
Stock compensation/issued for benefit plans	69	61	40
Retirement of common stock/cancellation of shares	–	–	(231)
Balance as of end-of-year	4,674	4,605	4,544
Retained Earnings			
Balance as of beginning-of-year	4,778	5,924	5,196
Net income (loss)	3,275	(752)	1,358
Retirement of common stock	–	–	(319)
Preferred stock dividends declared	(91)	(82)	–
Common stock dividends declared	(317)	(312)	(311)
Balance as of end-of-year	7,645	4,778	5,924
Accumulated Other Comprehensive Income (Loss)			
Balance as of beginning-of-year	(3,476)	(6,352)	9,984
Other comprehensive income (loss), net of tax	(1,560)	2,876	(16,336)
Balance as of end-of-year	(5,036)	(3,476)	(6,352)
Total stockholders' equity as of end-of-year	$ 8,269	$ 6,893	$ 5,102

See accompanying Notes to Consolidated Financial Statements

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

	For the Years Ended December 31,		
	2024	2023	2022
Cash Flows from Operating Activities			
Net income (loss)	$ 3,275	$ (752)	$ 1,358
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Realized (gain) loss	(269)	4,311	(840)
Market risk benefit (gain) loss	(2,677)	(2,264)	(3,246)
Sales and maturities (purchases) of trading securities, net	343	1,301	300
Impairment of intangibles	–	–	634
Net operating cash payments related to closing Fortitude Re reinsurance transaction	–	(1,438)	–
Change in:			
Deferred acquisition costs, value of business acquired, deferred sales inducements and deferred front-end loads	689	637	488
Accrued investment income	(39)	4	(67)
Insurance liabilities and reinsurance-related balances	(3,322)	(3,719)	4,377
Accrued expenses	251	109	(91)
Federal income tax accruals	747	(396)	421
Other	(1,005)	133	275
Net cash provided by (used in) operating activities	(2,007)	(2,074)	3,609
Cash Flows from Investing Activities			
Purchases of available-for-sale securities and equity securities	(11,442)	(11,131)	(14,813)
Sales of available-for-sale securities and equity securities	1,965	4,013	2,297
Maturities of available-for-sale securities	9,442	5,670	5,453
Purchases of alternative investments	(1,390)	(630)	(664)
Sales and repayments of alternative investments	352	111	446
Issuance of mortgage loans on real estate	(4,146)	(1,946)	(2,507)
Repayment and maturities of mortgage loans on real estate	1,673	1,268	2,255
Repayment (issuance) of policy loans, net	–	(119)	5
Net change in collateral on investments, certain derivatives and related settlements	4,052	(260)	(4,070)
Cash received from disposition, net of cash transferred	619	–	–
Other	(304)	(310)	(48)
Net cash provided by (used in) investing activities	821	(3,334)	(11,646)
Cash Flows from Financing Activities			
Payment of long-term debt, including current maturities	(100)	(500)	(300)
Issuance of long-term debt, net of issuance costs	346	–	296
Payment related to sale-leaseback transactions	(17)	(79)	(70)
Proceeds from certain financing arrangements	53	86	186
Payment related to certain financing arrangements	(137)	(49)	–
Net financing cash proceeds related to closing Fortitude Re reinsurance transaction	–	1,246	–
Deposits of fixed account balances	16,060	16,404	16,203
Withdrawals of fixed account balances	(12,153)	(10,660)	(7,674)
Transfers from (to) separate accounts, net	(27)	(624)	19
Common stock issued for benefit plans	(5)	(7)	(16)
Issuance of preferred stock, net of issuance costs	–	–	986
Repurchase of common stock	–	–	(550)
Dividends paid to preferred stockholders	(91)	(82)	–
Dividends paid to common stockholders	(307)	(305)	(310)
Other	–	–	(2)
Net cash provided by (used in) financing activities	3,622	5,430	8,768
Net increase (decrease) in cash, invested cash and restricted cash	2,436	22	731
Cash, invested cash and restricted cash as of beginning-of-year	3,365	3,343	2,612
Cash, invested cash and restricted cash as of end-of-year	$ 5,801	$ 3,365	$ 3,343

See accompanying Notes to Consolidated Financial Statements

LINCOLN NATIONAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of Operations, Basis of Presentation and Summary of Significant Accounting Policies

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 income products and solutions. These products primarily include variable annuities, fixed annuities (including indexed), registered index-linked annuities ("RILA"), universal life insurance ("UL"), variable universal life insurance ("VUL"), linked-benefit UL and VUL, indexed universal life insurance ("IUL"), term life insurance, group life, disability and dental and employer-sponsored retirement plans and services. For more information on our segments and the products and solutions we provide, see Note 19.

Basis of Presentation

The accompanying consolidated financial statements are prepared in accordance with United States of America generally accepted accounting principles ("GAAP"). Certain GAAP policies, which significantly affect the determination of financial condition, results of operations and cash flows, are summarized below.

Certain amounts reported in prior year consolidated financial statements have been reclassified to conform to the presentation adopted in the current year. Effective in the third quarter of 2024, we collapsed the amortization of deferred gain (loss) on business sold through reinsurance line item, reclassifying the deferred gain amortization to other revenues and presenting the amortization of deferred loss within commissions and other expenses. The amortization of deferred gain (loss) on business sold through reinsurance was previously presented on a net basis within other revenues.

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

Business 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.

Sale of Wealth Management Business

On May 6, 2024, we closed the sale of all of the ownership interests in the subsidiaries of the Company that comprise the Company's wealth management business to Osaic Holdings, Inc., a Delaware corporation ("Osaic"), pursuant to the Stock Purchase Agreement entered into between LNC and Osaic on December 14, 2023 (the "Agreement"). Pursuant to the Agreement, the Company sold its ownership interests in the following subsidiaries: Lincoln Financial Securities Corporation, Lincoln Financial Advisors Corporation, California Fringe Benefit and Insurance Marketing Corporation, LFA, Limited Liability Company and LFA Management Corporation (collectively, the "Wealth Management Business"). We received $723 million in cash, inclusive of a post-closing adjustment, and recognized a $544 million pre-tax realized gain for the year ended December 31, 2024, net of transaction expenses. Transaction expenses for the year ended December 31, 2024, of $38 million were reported in commissions and other expenses on the Consolidated Statements of Comprehensive Income (Loss). For more information, see Note 20.

Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of LNC and all other entities in which we have a controlling financial interest and any variable interest entities ("VIEs") in which we are the primary beneficiary. We use the equity method of accounting to recognize all of our investments in limited partnerships ("LPs"). All material inter-company accounts and transactions have been eliminated in consolidation.

Our involvement with VIEs is primarily to invest in assets that allow us to gain exposure to a broadly diversified portfolio of asset classes. A VIE is an entity that does not have sufficient equity to finance its own activities without additional financial support or where investors lack certain characteristics of a controlling financial interest. We assess our contractual, ownership or other interests in a VIE to determine if our interest participates in the variability the VIE was designed to absorb and pass onto variable interest holders. We perform an ongoing qualitative assessment of our variable interests in VIEs to determine whether we have a controlling financial interest and would therefore be considered the primary beneficiary of the VIE. If we determine we are the primary beneficiary of a VIE, we consolidate the assets and liabilities of the VIE in the consolidated financial statements.

Accounting Estimates and Assumptions

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions affecting the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. In applying these estimates and assumptions, management makes subjective and complex judgments that frequently require assumptions about matters that are uncertain and inherently subject to change. Actual results could differ from these estimates and assumptions. Included among the material (or potentially material) reported amounts and disclosures that require use of estimates are: fair value of certain financial assets, derivatives, allowances for credit losses, goodwill and other intangibles, MRBs, future contract benefits, income taxes including the recoverability of our deferred tax assets, and the potential effects of resolving litigated matters.

Business Combinations

We use the acquisition method of accounting for all business combination transactions, and accordingly, recognize the fair values of assets acquired, liabilities assumed and any noncontrolling interests in the consolidated financial statements. The allocation of fair values may be subject to adjustment after the initial allocation for up to a one-year period as more information becomes available relative to the fair values as of the acquisition date. The consolidated financial statements include the results of operations of any acquired company since the acquisition date.

Fair Value Measurement

Our measurement of fair value is based on assumptions used by market participants in pricing the asset or liability, which may include inherent risk, restrictions on the sale or use of an asset or non-performance risk, which would include our own credit risk. Our estimate of an exchange price is the price in an orderly transaction between market participants to sell the asset or transfer the liability ("exit price") in the principal market, or the most advantageous market in the absence of a principal market, for that asset or liability, as opposed to the price that would be paid to acquire the asset or receive a liability ("entry price"). Pursuant to the Fair Value Measurements and Disclosures Topic of the FASB *Accounting Standards Codification*™, we categorize our financial instruments carried at fair value into a three-level fair value hierarchy, based on the priority of inputs to the respective valuation technique. The three-level hierarchy for fair value measurement is defined as follows:

- Level 1 – inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date, except for large holdings subject to "blockage discounts" that are excluded;
- Level 2 – inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and
- Level 3 – inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability, and we make estimates and assumptions related to the pricing of the asset or liability, including assumptions regarding risk.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

When a determination is made to classify an asset or liability within Level 3 of the fair value hierarchy, the determination is based upon the significance of the unobservable inputs to the overall fair value measurement. Because certain securities trade in less liquid or illiquid markets with limited or no pricing information, the determination of fair value for these securities is inherently more difficult. However, Level 3 fair value investments may include, in addition to the unobservable or Level 3 inputs, observable components, which are components that are actively quoted or can be validated to market-based sources.

Fixed Maturity Available-For-Sale Securities – Fair Valuation Methodologies and Associated Inputs

Securities classified as available-for-sale ("AFS") consist of fixed maturity securities and are stated at fair value with unrealized gains and losses included within accumulated other comprehensive income (loss) ("AOCI").

We measure the fair value of our securities classified as fixed maturity AFS based on assumptions used by market participants in pricing the security. The most appropriate valuation methodology is selected based on the specific characteristics of the fixed maturity security, and we consistently apply the valuation methodology to measure the security's fair value. Our fair value measurement is based on a market approach that utilizes prices and other relevant information generated by market transactions involving identical or comparable securities. Sources of inputs to the market approach primarily include third-party pricing services, independent broker quotations or pricing matrices. We do not adjust prices received from third parties; however, we do analyze the third-party pricing services' valuation methodologies and related inputs and perform additional evaluation to determine the appropriate level within the fair value hierarchy.

The observable and unobservable inputs to our valuation methodologies are based on a set of standard inputs that we generally use to evaluate all of our fixed maturity AFS securities. Observable inputs include benchmark yields, reported trades, broker-dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data. In addition, market indicators, industry and economic events are monitored, and further market data is acquired if certain triggers are met. For certain security types, additional inputs may be used, or some of the inputs described above may not be applicable. For private placement securities, we use pricing matrices that utilize observable pricing inputs of similar public securities and Treasury yields as inputs to the fair value measurement. Depending on the type of security or the daily market activity, standard inputs may be prioritized differently or may not be available for all fixed maturity AFS securities on any given day. For broker-quoted only securities, non-binding quotes from market makers or broker-dealers are obtained from sources recognized as market participants. For securities trading in less liquid or illiquid markets with limited or no pricing information, we use unobservable inputs to measure fair value.

The following summarizes our fair valuation methodologies and associated inputs, which are particular to the specified security type and are in addition to the defined standard inputs to our valuation methodologies for all of our fixed maturity AFS securities discussed above:

- Corporate bonds and U.S. government bonds – We also use Trade Reporting and Compliance Engine™ reported tables for our corporate bonds and vendor trading platform data for our U.S. government bonds.
- Mortgage- and asset-backed securities ("ABS") – We also utilize additional inputs, which include new issues data, monthly payment information and monthly collateral performance, including prepayments, severity, delinquencies, step-down features and over collateralization features for each of our mortgage-backed securities ("MBS"), which include collateralized mortgage obligations and mortgage pass through securities backed by residential mortgages ("RMBS"), commercial mortgage-backed securities ("CMBS") and collateralized loan obligations ("CLOs").
- State and municipal bonds – We also use additional inputs that include information from the Municipal Securities Rule Making Board, as well as material event notices, new issue data, issuer financial statements and Municipal Market Data benchmark yields for our state and municipal bonds.
- Hybrid and redeemable preferred securities – We also utilize additional inputs of exchange prices (underlying and common stock of the same issuer) for our hybrid and redeemable preferred securities.

In order to validate the pricing information and broker-dealer quotes, we employ, where possible, procedures that include comparisons with similar observable positions, comparisons with subsequent sales and observations of general market movements for those security classes. We have policies and procedures in place to review the process that is utilized by our third-party pricing service and the output that is provided to us by the pricing service. On a periodic basis, we test the pricing for a sample of securities to evaluate the inputs and assumptions used by the pricing service, and we perform a comparison of the pricing service output to an alternative pricing source. We also evaluate prices provided by our primary pricing service to ensure that they are not stale or unreasonable by reviewing the prices for unusual changes from period to period based on certain parameters or for lack of change from one period to the next.

Fixed Maturity AFS Securities – Evaluation for Recovery of Amortized Cost

We regularly review our fixed maturity AFS securities (also referred to as "debt 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 loss allowance.

For our debt securities, we generally consider the following to determine whether our debt securities with unrealized losses are credit impaired:

- The estimated range and average period until recovery;
- The estimated range and average holding period to maturity;
- Remaining payment terms of the security;
- Current delinquencies and nonperforming assets of underlying collateral;
- Expected future default rates;
- Collateral value by vintage, geographic region, industry concentration or property type;
- Subordination levels or other credit enhancements as of the balance sheet date as compared to origination; and
- Contractual and regulatory cash obligations.

For a debt security, if we intend to sell a security, or it is more likely than not we will be required to sell a debt security before recovery of its amortized cost basis and the fair value of the debt security is below amortized cost, we conclude that an impairment has occurred and the amortized cost is written down to current fair value, with a corresponding charge to realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss). For debt securities where impairment has been recognized, the difference between the new amortized cost basis and the cash flows expected to be collected are accreted as interest income and recognized in net investment income on the Consolidated Statements of Comprehensive Income (Loss). If we do not intend to sell a debt security, or it is not more likely than not we will be required to sell a debt security before recovery of its amortized cost basis but the present value of the cash flows expected to be collected is less than the amortized cost of the debt security (referred to as the credit loss), we conclude that an impairment has occurred, and a credit loss allowance is recorded, with a corresponding charge to realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss). The remainder of the decline to fair value related to factors other than credit loss is recorded in other comprehensive income ("OCI") to unrealized losses on fixed maturity AFS securities on the Consolidated Statements of Stockholders' Equity, as this amount is considered a noncredit impairment.

When assessing our intent to sell a debt security, or if it is more likely than not we will be required to sell a debt security before recovery of its cost basis, we evaluate facts and circumstances such as, but not limited to, decisions to reposition our security portfolio, sales of securities to meet cash flow needs and sales of securities to capitalize on favorable pricing. Management considers 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.

In order to determine the amount of the credit loss for a debt security, we calculate the recovery value by performing a discounted cash flow analysis based on the current cash flows and future cash flows we expect to recover. The discount rate is the effective interest rate implicit in the underlying debt security. The effective interest rate is the original yield, or the coupon if the debt security was previously impaired. See the discussion below for additional information on the methodology and significant inputs, by security type, that we use to determine the amount of a credit loss.

To determine the recovery period of a debt security, we consider 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.

In periods subsequent to the recognition of a credit loss impairment through a credit loss allowance, we continue to reassess the expected cash flows of the debt security at each subsequent measurement date as necessary. If the measurement of credit loss changes, we recognize a provision for (or reversal of) credit loss expense through realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss), limited by the amount that amortized cost exceeds fair value. Losses are charged against the allowance for credit losses when management believes the uncollectibility of a debt security is confirmed or when either of the criteria regarding intent or requirement to sell is met. Accrued interest on debt securities is written-off through net investment income on the Consolidated Statements of Comprehensive Income (Loss) when deemed uncollectible.

To determine the recovery value of a corporate bond or CLO, we perform additional analysis related to the underlying issuer including, but not limited to, the following:

- Fundamentals of the issuer to determine what we would recover if they were to file bankruptcy versus the price at which the market is trading;
- Fundamentals of the industry in which the issuer operates;
- Earnings multiples for the given industry or sector of an industry that the underlying issuer operates within, divided by the outstanding debt to determine an expected recovery value of the security in the case of a liquidation;
- Expected cash flows of the issuer (e.g., whether the issuer has cash flows in excess of what is required to fund its operations);
- Expectations regarding defaults and recovery rates;
- Changes to the rating of the security by a rating agency; and
- Additional market information (e.g., if there has been a replacement of the corporate debt security).

Each quarter, we review the cash flows for the MBS portfolio, including current credit enhancements and trends in the underlying collateral performance to determine whether or not they are sufficient to provide for the recovery of our amortized cost. To determine recovery value of a MBS, we perform additional analysis related to the underlying issuer including, but not limited to, the following:

- Discounted cash flow analysis based on the current cash flows and future cash flows we expect to recover;
- Level of borrower creditworthiness of the home equity loans or residential mortgages that back an RMBS or commercial mortgages that back a CMBS;
- Susceptibility to fair value fluctuations for changes in the interest rate environment;
- Susceptibility to reinvestment risks, in cases where market yields are lower than the securities' book yield earned;
- Susceptibility to reinvestment risks, in cases where market yields are higher than the book yields earned on a security;
- Expectations of sale of such a security where market yields are higher than the book yields earned on a security; and
- Susceptibility to variability of prepayments.

When evaluating MBS and mortgage-related ABS, we consider a number of pool-specific factors as well as market level factors when determining whether or not the impairment on the security requires a credit loss allowance. The most important factor is the performance of the underlying collateral in the security and the trends of that performance in the prior periods. We use this information about the collateral to forecast the timing and rate of mortgage loan defaults, including making projections for loans that are already delinquent and for those loans that are currently performing but may become delinquent in the future. Other factors used in this analysis include the credit characteristics of borrowers, geographic distribution of underlying loans and timing of liquidations by state. Once default rates and timing assumptions are determined, we then make assumptions regarding the severity of a default if it were to occur. Factors that impact the severity assumption include expectations for future home price appreciation or depreciation, loan size, first lien versus second lien, existence of loan level private mortgage insurance, type of occupancy and geographic distribution of loans. Once default and severity assumptions are determined for the security in question, cash flows for the underlying collateral are projected including expected defaults and prepayments. These cash flows on the collateral are then translated to cash flows on our tranche based on the cash flow waterfall of the entire capital security structure. If this analysis indicates the entire principal on a particular security will not be returned, the security is reviewed for a credit loss by comparing the expected cash flows to amortized cost. To the extent that the security has already been impaired through a credit loss allowance or was purchased at a discount, such that the amortized cost of the security is less than or equal to the present value of cash flows expected to be collected, no credit loss allowance is required. Otherwise, if the amortized cost of the security is greater than the present value of the cash flows expected to be collected, and the security was not purchased at a discount greater than the expected principal loss, then an impairment through a credit loss allowance is recognized.

We further monitor the cash flows of all of our debt securities backed by mortgages on an ongoing basis. We also perform detailed analysis on all of our subprime, Alt-A, non-agency residential MBS and on a significant percentage of our debt securities backed by pools of commercial mortgages. The detailed analysis includes revising projected cash flows by updating the cash flows for actual cash received and applying assumptions with respect to expected defaults, foreclosures and recoveries in the future. These revised projected cash flows are then compared to the amount of credit enhancement (subordination) in the structure to determine whether the amortized cost of the security is recoverable. If it is not recoverable, we record an impairment through a credit loss allowance for the security.

Trading Securities

Trading securities consist of fixed maturity securities in designated portfolios, some of which support modified coinsurance and coinsurance with funds withheld reinsurance agreements. Investment results for the portfolios that support modified coinsurance and coinsurance with funds withheld reinsurance agreements, including gains and losses from sales, are passed directly to the reinsurers pursuant to contractual terms of the reinsurance agreements. Trading securities are carried at fair value, and changes in fair value and changes in the fair value of embedded derivative liabilities associated with the underlying reinsurance agreements are recorded in realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss) as they occur.

Equity Securities

Equity securities are carried at fair value, and changes in fair value are recorded in realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss) as they occur. Equity securities consist primarily of common stock of publicly-traded companies, privately placed securities and mutual fund shares. We measure the fair value of our equity securities based on assumptions used by market participants in pricing the security. The most appropriate valuation methodology is selected based on the specific characteristics of the equity security. Fair values of publicly-traded equity securities are determined using quoted prices in active markets for identical or comparable securities. When quoted prices are not available, we use valuation methodologies most appropriate for the specific asset. Fair values for private placement securities are determined using discounted cash flow, earnings multiple and other valuation models. The fair values of mutual fund shares that transact regularly are based on transaction prices of identical fund shares.

Mortgage Loans on Real Estate

Mortgage loans on real estate consist of commercial and residential mortgage loans and are generally carried at unpaid principal balances adjusted for amortization of premiums and accretion of discounts and are net of allowance for credit losses. We carry certain mortgage loans associated with modified coinsurance agreements at fair value where the fair value option has been elected. Interest income is accrued on the principal balance of the loan based on the loan's contractual interest rate. Premiums and discounts are amortized using the effective yield method over the life of the loan. Interest income and amortization of premiums and discounts are reported in net investment income on the Consolidated Statements of Comprehensive Income (Loss) along with mortgage loan fees, which are recorded as they are incurred.

Our policy for commercial mortgage loans is to report loans that are 60 or more days past due, which equates to two or more payments missed, as delinquent. Our policy for residential mortgage loans is to report loans that are 90 or more days past due, which equates to three or more payments missed, as delinquent. We do not accrue interest on loans 90 days past due, and any interest received on these loans is either applied to the principal or recorded in net investment income on the Consolidated Statements of Comprehensive Income (Loss) when received, depending on the assessment of the collectability of the loan. When a loan is placed on non-accrual status, uncollected past due accrued interest income that is considered uncollectible is charged off against net investment income. We resume accruing interest once a loan complies with all of its original terms or restructured terms. Mortgage loans deemed uncollectible are charged against the allowance for credit losses, and subsequent recoveries, if any, are likewise credited to the allowance for credit losses.

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. Our model estimates expected credit losses over the contractual terms of the loans, which are the periods over which we are exposed to credit risk, adjusted for expected prepayments. Credit loss estimates are segmented by commercial mortgage loans, residential mortgage loans, and unfunded commitments related to commercial mortgage loans.

The allowance for credit losses for pooled loans of similar risk (i.e., commercial and residential mortgage loans) is estimated using relevant historical credit loss information adjusted for current conditions and reasonable and supportable forecasts of future conditions. Historical credit loss experience provides the basis for the estimation of expected credit losses with adjustments for differences in current loan-specific risk characteristics, such as differences in underwriting standards, portfolio mix, delinquency level, or term lengths as well as adjustments for changes in environmental conditions, such as unemployment rates, property values, or other factors that management deems relevant. We apply probability weights to the positive, base and adverse scenarios we use. For periods beyond our reasonable and supportable forecast, we use implicit mean reversion over the remaining life of the recoverable, meaning our model will inherently revert to the baseline scenario as the baseline is representative of the historical average over a longer period of time.

Loans are considered impaired when it is probable that, based upon current information and events, we will be unable to collect all amounts due under the contractual terms of the loan agreement. When we determine that a loan is impaired, a specific credit loss allowance is established for the excess carrying value of the loan over its estimated value. The loan's estimated value is based on: the present value of expected future cash flows discounted at the loan's effective interest rate; the loan's observable market price; or the fair value of the loan's collateral.

Allowance for credit losses are maintained at a level we believe is adequate to absorb current expected lifetime credit losses. Our periodic evaluation of the adequacy of the allowance for credit losses is based on historical loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay (including the timing of future payments), the estimated value of the underlying collateral, composition of the loan portfolio, current economic conditions, reasonable and supportable forecasts about the future and other relevant factors.

Mortgage loans on real estate are presented net of the allowance for credit losses on the Consolidated Balance Sheets. Changes in the allowance are reported in realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss). Mortgage loans on real estate deemed uncollectible are charged against the allowance for credit losses, and subsequent recoveries, if any, are credited to the allowance for credit losses, limited to the aggregate of amounts previously charged off and expected to be charged off.

Our commercial loan portfolio is primarily comprised of long-term loans secured by existing commercial real estate. We believe all of the commercial loans in our portfolio share three primary risks: borrower credit worthiness; sustainability of the cash flow of the property; and market risk; therefore, our methods of monitoring and assessing credit risk are consistent for our entire portfolio.

For our commercial mortgage loan portfolio, trends in market vacancy and rental rates are incorporated into the analysis that we perform for monitored loans and may contribute to the establishment of (or an increase or decrease in) an allowance for credit losses. In addition, we review each loan individually in our commercial mortgage loan portfolio on an annual basis to identify emerging risks. We focus on properties that experienced a reduction in debt-service coverage or that have significant exposure to tenants with deteriorating credit profiles. Where warranted, we establish or increase a credit loss allowance for a specific loan based upon this analysis.

We measure and assess the credit quality of our commercial mortgage loans by using loan-to-value ("LTV") and debt-service coverage ratios. The LTV ratio compares the principal amount of the loan to the fair value at origination of the underlying property collateralizing the loan and is commonly expressed as a percentage. LTV ratios greater than 100% indicate that the principal amount is greater than the collateral value. Therefore, all else being equal, a lower LTV ratio generally indicates a higher quality loan. The debt-service coverage ratio compares a property's net operating income to its debt-service payments. Debt-service coverage ratios of less than 1.0 indicate that property operations do not generate enough income to cover its current debt payments. Therefore, all else being equal, a higher debt-service coverage ratio generally indicates a higher quality loan. These credit quality metrics are monitored and reviewed at least annually.

We have off-balance sheet commitments related to commercial mortgage loans. As such, an allowance for credit losses is developed based on the commercial mortgage loan process outlined above, along with an internally developed conversion factor.

Our residential loan portfolio is primarily comprised of first lien mortgages secured by existing residential real estate. In contrast to the commercial mortgage loan portfolio, residential mortgage loans are primarily smaller-balance homogenous loans that share similar risk characteristics. Therefore, these pools of loans are collectively evaluated for inherent credit losses. Such evaluations consider numerous factors, including, but not limited to borrower credit scores, collateral values, loss forecasts, geographic location, delinquency rates and economic trends. These evaluations and assessments are revised as conditions change and new information becomes available, including updated forecasts, which can cause the allowance for credit losses to increase or decrease over time as such evaluations are revised. Generally, residential mortgage loan pools exclude loans that are nonperforming, as those loans are evaluated individually using the evaluation framework for specific allowance for credit losses described above.

For residential mortgage loans, our primary credit quality indicator is whether the loan is performing or nonperforming. We generally define nonperforming residential mortgage loans as those that are 90 or more days past due and/or in nonaccrual status. There is generally a higher risk of experiencing credit losses when a residential mortgage loan is nonperforming. We monitor and update aging schedules and nonaccrual status on a monthly basis.

Policy Loans

Policy loans represent loans we issue to policyholders that use the cash surrender value of their life insurance policy as collateral. Policy loans are carried at unpaid principal balances.

Derivative Instruments

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. Our derivative instruments are recognized as either assets or liabilities on the Consolidated Balance Sheets at estimated fair value. We have master netting agreements with each of our derivative counterparties that allow for the netting of our derivative asset and liability positions by counterparty. We categorize derivatives into a three-level hierarchy, based on the priority of the inputs to the respective valuation technique as discussed above in "Fair Value Measurement." The accounting for changes in the estimated fair value of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship, and further, on the type of hedging relationship. For those derivative instruments that are designated and

qualify as hedging instruments, we designate the hedging instrument based upon the exposure being hedged: as a cash flow hedge or a fair value hedge.

For derivative instruments that are designated and qualify as a cash flow hedge, the gain or loss on the derivative instrument is reported as a component of AOCI and reclassified into net income in the same period or periods during which the hedged transaction affects net income. For derivative instruments that are designated and qualify as a fair value hedge, the gain or loss on the derivative instrument, as well as the offsetting gain or loss on the hedged item attributable to the hedged risk are recognized in net income during the period of change in estimated fair values. For derivative instruments not designated as hedging instruments, but that are economic hedges, the gain or loss is recognized in net income. Cash flows from derivatives are reported in the operating, investing or financing activities sections in the Consolidated Statements of Cash Flows based on the nature and purpose of the derivative.

We purchase and issue financial instruments and products that contain embedded derivative instruments that are recorded with the associated host contract. When it is determined that the embedded derivative possesses economic characteristics that are not clearly and closely related to the economic characteristics of the host contract, and a separate instrument with the same terms would qualify as a derivative instrument, the embedded derivative is bifurcated from the host for measurement purposes and reported within other assets or other liabilities on the Consolidated Balance Sheets. The embedded derivative is carried at fair value with changes in fair value recognized in net income during the period of change.

We employ several different methods for determining the fair value of our derivative instruments. The fair value of our derivative contracts are measured based on current settlement values, which are based on quoted market prices, industry standard models that are commercially available and broker quotes. These techniques project cash flows of the derivatives using current and implied future market conditions. We calculate the present value of the cash flows to measure the current fair market value of the derivative.

Other Investments

Other investments consist primarily of alternative investments, cash collateral receivables related to our derivative instruments, Federal Home Loan Bank ("FHLB") common stock and short-term investments.

Alternative investments consist primarily of investments in LPs. We account for our investments in LPs using the equity method to determine the carrying value. Recognition of alternative investment income is delayed due to the availability of the related financial statements, which are generally obtained from the partnerships' general partners. As a result, our private equity investments are generally on a three-month delay and our hedge funds are on a one-month delay. In addition, the impact of audit adjustments related to completion of calendar-year financial statement audits of the investees are typically received during the second quarter of each calendar year. Accordingly, our investment income from alternative investments for any calendar-year period may not include the complete impact of the change in the underlying net assets for the partnership for that calendar-year period.

In uncleared derivative transactions, we and the counterparty enter into a credit support annex requiring either party to post collateral, which may be in the form of cash, equal to the net derivative exposure. Cash collateral we have posted to a counterparty is recorded within other investments on the Consolidated Balance Sheets. Cash collateral a counterparty has posted is recorded within payables for collateral on investments on the Consolidated Balance Sheets. We also have investments in FHLB common stock, carried at cost, that enable access to the FHLB lending program. For more information on our collateralized financing arrangements, see "Payables for Collateral on Investments" below.

Short-term investments consist of securities with original maturities of one year or less, but greater than three months. Securities included in short-term investments are carried at fair value, with valuation methods and inputs consistent with those applied to fixed maturity AFS securities.

Cash and Invested Cash

Cash and invested cash is carried at cost and includes all highly liquid debt instruments purchased with an original maturity of three months or less.

DAC, VOBA, DSI and DFEL

Acquisition costs directly related to successful contract acquisitions or renewals of annuities, UL, VUL, traditional life insurance, group life and disability insurance and other investment contracts have been deferred (i.e., deferred acquisition costs ("DAC")). Such acquisition costs are capitalized in the period they are incurred and primarily include commissions, certain bonuses, a portion of total compensation and benefits of certain employees involved in the acquisition process and medical and inspection fees. Value of business acquired ("VOBA") is an intangible asset that reflects the estimated fair value of in-force contracts in a life insurance company acquisition and represents the portion of the purchase price that is allocated to the value of the right to receive future cash flows from the business in force at the acquisition date. Bonus credits and excess interest for dollar cost averaging contracts are considered deferred sales

inducements ("DSI") and reported in deferred acquisition costs, value of business acquired and deferred sales inducements on the Consolidated Balance Sheets. Contract sales charges that are collected in the early years of an insurance contract are deferred and reported as deferred front-end loads ("DFEL") on the Consolidated Balance Sheets.

DAC, VOBA, DSI and DFEL amortization is reported within the following financial statement line items on the Consolidated Statements of Comprehensive Income (Loss):

- DAC and VOBA – commissions and other expenses
- DSI – interest credited
- DFEL – fee income

DAC, VOBA, DSI and DFEL are amortized on a constant level basis relative to the insurance in force over the expected term of the related contracts using the groupings and actuarial assumptions that are consistent with those used for calculating the related policyholder liability balances. Actuarial assumptions include, but are not limited to, mortality, morbidity and certain policyholder behaviors such as persistency, which are adjusted for emerging experience and expected trends of the related long-duration insurance contracts and certain investment contracts by segment. During the third quarter of each year, we conduct our comprehensive review and update these actuarial assumptions. We may update our actuarial assumptions in other quarters as we become aware of information that warrants updating outside of our comprehensive review. These resulting changes are applied prospectively.

The following provides a summary of our DAC, VOBA, DSI and DFEL amortization basis and expected amortization period by segment:

Business Segment	Amortization Basis	Expected Amortization Period
Annuities	Total deposits paid to date on policies in force	Life of contract
Life Insurance	Policy count of policies in force	On average 60 years
Group Protection	Group certificate contracts in force	4 years
Retirement Plan Services	Lives in force	Life of contract or 40 years

We account for modifications of insurance contracts that result in a substantially unchanged contract as a continuation of the replaced contract. We account for modifications of insurance contracts that result in a substantially changed contract as an extinguishment of the replaced contract.

For reinsurance transactions where we receive proceeds that represent recovery of our previously incurred acquisition costs, we reduce the applicable unamortized acquisition cost such that net acquisition costs are capitalized and charged to commissions and other expenses.

Reinsurance

Our insurance subsidiaries enter into reinsurance agreements in the normal course of business to limit our exposure to the risk of loss and to enhance our capital management.

In order for a reinsurance agreement to qualify for reinsurance accounting, the agreement must satisfy certain risk transfer conditions that include, among other items, a reasonable possibility of a significant loss for the assuming entity. When we apply reinsurance accounting, insurance premiums, benefits and DAC and VOBA amortization are reported net of reinsurance ceded, as applicable, on the Consolidated Statements of Comprehensive Income (Loss). Amounts currently recoverable, such as ceded reserves, other than ceded MRBs, are reported in reinsurance recoverables, and amounts currently payable to the reinsurers, such as premiums, are included in other liabilities on the Consolidated Balance Sheets.

In a modified coinsurance or coinsurance with funds withheld reinsurance structured agreement, the investments that would have been sent to the reinsurer as premiums are withheld by us and remain on our Consolidated Balance Sheets, with the existing accounting maintained. A corresponding liability is recognized on our Consolidated Balance Sheets within funds withheld reinsurance liabilities representing our obligation to pay the reinsurer. This liability includes embedded derivatives, which are total return swaps with contractual returns that are attributable to various assets and liabilities associated with these reinsurance agreements. The changes in the embedded derivative liabilities are reported within realized gain (loss) on our Consolidated Statements of Comprehensive Income (Loss).

We use deposit accounting to recognize reinsurance agreements that do not transfer significant insurance risk. This accounting treatment results in amounts paid or received by our insurance subsidiaries to be considered on deposit with the reinsurer and such amounts are reported in deposit assets, net of allowance for credit losses and other liabilities, respectively, on the Consolidated Balance Sheets. As amounts are paid or received, consistent with the underlying contracts, deposit assets or liabilities are adjusted. Interest income on deposit

assets and interest expense on deposit liabilities is reported in other revenues and commissions and other expenses, respectively, on the Consolidated Statements of Comprehensive Income (Loss).

Reinsurance recoverables are measured and recognized consistent with the liabilities related to the underlying contracts. The interest assumption used for discounting reinsurance recoverables associated with limited payment life-contingent annuity contracts and non-participating traditional life insurance contracts is the upper-medium grade fixed income instrument ("single-A") interest rate locked-in at the reinsurance contract issuance date. We remeasure reinsurance recoverables associated with limited payment life-contingent annuity contracts and non-participating traditional life insurance contracts with the current single-A interest rate as of the end of each reporting period. Ceded MRBs are accounted for separately from reinsurance recoverables. See "MRBs" below for additional information.

We estimated an allowance for credit losses for all reinsurance recoverables and related reinsurance deposit assets held by our subsidiaries, other than ceded MRB assets. As such, we performed a quantitative analysis using a probability of loss model approach to estimate expected credit losses for reinsurance recoverables, inclusive of similar assets recognized using the deposit method of accounting. The credit loss allowance is a general allowance for pools of receivables with similar risk characteristics segmented by credit risk ratings and receivables assessed on an individual basis that do not share similar risk characteristics where we anticipate a credit loss over the life of reinsurance-related assets, other than ceded MRB assets.

Our model uses relevant internal or external historical loss information adjusted for current conditions and reasonable and supportable forecasts of future events and conditions in developing our credit loss estimate. We utilized historical credit rating data to form an estimation of probability of default of counterparties by means of a transition matrix that provides the rates of credit migration for credit ratings transitioning to impairment. We updated reinsurer credit ratings during the period to incorporate the most up-to-date information on the current state of the financial stability of our reinsurers. To simulate changes in economic conditions, we used positive, base and adverse scenarios that include varying levels of loss given default assumptions to reflect the impact of changes in severity of losses. We applied probability weights to the positive, base and adverse scenarios. For periods beyond our reasonable and supportable forecasts, we used implicit mean reversion over the remaining life of the recoverable. Additionally, we considered factors that impact our exposure at default that are driven by actuarial expectations around term assumptions rather than being directly driven by market or economic environment.

Our model estimates the expected credit losses over the life of the reinsurance asset. Credit loss estimates are segmented based on counterparty credit risk. Our modeling process utilizes counterparty credit ratings, collateral types and amounts, and term and run-off assumptions. For reinsurance recoverables that do not share similar risk characteristics, we assessed on an individual basis to determine a specific credit loss allowance.

We estimated expected credit losses over the contractual term of the recoverable, which is the period during which we are exposed to the credit risk. Reinsurance recoverables may not have explicit contractual lives, but are tied to the underlying insurance products; as a result, we estimated the contractual life by utilizing actuarial estimates of the timing of payouts related to those underlying products.

Reinsurance agreements often require the reinsurer to collateralize the recoverable with funds in a trust account or with a letter of credit for the benefit of the ceding insurance entity that can reduce the expected credit losses on a given agreement. As such, we review reinsurance collateral by individual agreement to sensitize risk of loss based on level of collateralization. This review is driven by the assumption that non-collateralized reinsurance recoverables would have materially higher losses in times of default. Therefore, reinsurance recoverables are pooled as either fully-collateralized or non-collateralized.

Reinsurance recoverables are presented net of the allowance for credit losses on the Consolidated Balance Sheets. Changes in the allowance for credit losses are reported in realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss). Reinsurance recoverables deemed uncollectible are charged against the allowance for credit losses, and subsequent recoveries, if any, are credited to the allowance for credit losses, limited to the aggregate of amounts previously charged off and expected to be charged off.

Where applicable, gains or losses recognized on reinsurance transactions are deferred and amortized into net income (loss) using an amortization basis reflective of the characteristics of the underlying ceded business. Our deferred gains and losses on reinsurance of our interest-sensitive life insurance products are recognized over the projected life of the policies, based on projected profitability or projected reserve development for blocks with negative profitability. Our deferred gains and losses on reinsurance of our annuity products are recognized over the period in which the majority of account balances is expected to run off. Deferred gains and losses are reported within other liabilities and other assets, respectively, on the Consolidated Balance Sheets. Amortization of deferred gains and losses is reported within other revenues and commissions and other expenses, respectively, on the Consolidated Statements of Comprehensive Income (Loss).

Goodwill

We recognize the excess of the purchase price, plus the fair value of any noncontrolling interest in the acquiree, over the fair value of identifiable net assets acquired as goodwill. Goodwill is not amortized, but is reviewed for impairment annually as of October 1 and more

frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value.

We perform a quantitative goodwill impairment test where the fair value of the reporting unit is determined and compared to the carrying value of the reporting unit. If the carrying value of the reporting unit is greater than the reporting unit's fair value, goodwill is impaired and written down to the reporting unit's fair value; and a charge is reported in impairment of intangibles on the Consolidated Statements of Comprehensive Income (Loss). The results of one goodwill impairment test on one reporting unit cannot subsidize the results of another reporting unit.

Other Assets and Other Liabilities

Other assets consist primarily of deferred loss on business sold through reinsurance, certain reinsurance assets, current and deferred taxes, property and equipment, balances associated with corporate-owned and bank-owned life insurance, premiums and fees receivable, specifically identifiable intangible assets, receivables resulting from sales of securities that had not yet settled as of the balance sheet date, operating lease right-of-use ("ROU") assets, ceded MRB liabilities and other receivables and prepaid expenses. Other liabilities consist primarily of other policyholder liabilities, pension and other employee benefit liabilities, certain reinsurance payables, certain financing arrangements, ceded MRB assets, derivative instrument liabilities, deferred gain on business sold through reinsurance, long-term operating lease liabilities, payables resulting from purchases of securities that had not yet settled as of the balance sheet date and other accrued expenses.

The carrying values of specifically identifiable intangible assets are reviewed at least annually for indicators of impairment in value that are related to credit loss or non-credit, including unexpected or adverse changes in the following: the economic or competitive environments in which the company operates; profitability analyses; cash flow analyses; and the fair value of the relevant business operation. If there was an indication of impairment, then the discounted cash flow method would be used to measure the impairment, and the carrying value would be adjusted as necessary and reported in impairment of intangibles on the Consolidated Statements of Comprehensive Income (Loss). Sales force intangibles are attributable to the value of the new business distribution system acquired through business combinations. These assets are amortized on a straight-line basis over their useful life of 25 years. Specifically identifiable intangible assets also includes the value of customer relationships acquired ("VOCRA") and value of distribution agreements ("VODA"). The carrying values of VOCRA and VODA are amortized using a straight-line basis over their weighted average life of 20 years and 13 years, respectively. See Note 8 for more information regarding specifically identifiable intangible assets.

Property and equipment owned for company use is carried at cost less allowances for depreciation. Provisions for depreciation of investment real estate and property and equipment owned for company use are computed principally on the straight-line method over the estimated useful lives of the assets, which include buildings, computer hardware and software and other property and equipment. Certain assets on the Consolidated Balance Sheets are related to certain financing arrangements and are depreciated in a manner consistent with our current depreciation policy for owned assets. We periodically review the carrying value of our long-lived assets, including property and equipment, for impairment whenever events or circumstances indicate that the carrying amount of such assets may not be fully recoverable. For long-lived assets to be held and used, impairments are recognized when the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. An impairment loss is measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value.

Long-lived assets to be disposed of by abandonment or in an exchange for a similar productive long-lived asset are classified as held-for-use until they are disposed. Long-lived assets to be sold are classified as held-for-sale and are no longer depreciated. Certain criteria have to be met in order for the long-lived asset to be classified as held-for-sale, including that a sale is probable and expected to occur within one year. Long-lived assets classified as held-for-sale are recorded at the lower of their carrying amount or fair value less cost to sell.

We lease office space and certain equipment under various long-term lease agreements. We determine if an arrangement is a lease at inception. Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. Our leases do not provide an implicit rate; therefore, we use our incremental borrowing rate at the commencement date in determining the present value of future payments. The ROU asset is calculated using the lease liability carrying amount, plus or minus prepaid/accrued lease payments, minus the unamortized balance of lease incentives received, plus unamortized initial direct costs. Lease terms used to calculate our lease obligation include options when we are reasonably certain that we will exercise such options. Our lease agreements may contain both lease and non-lease components, which are accounted for separately. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Separate Account Assets and Liabilities

Separate accounts represent segregated funds that are maintained to meet specific investment objectives of policyholders who direct the investments and bear the investment risk, except to the extent of minimum guarantees made by the Company with respect to certain

accounts. The assets of each account are legally segregated and are not subject to claims that arise out of any other business of the Company.

We report separate account assets as a summary total on the Consolidated Balance Sheets based on the fair value of the underlying investments. Investment income and net realized and unrealized gains (losses) of the separate accounts generally accrue directly to the policyholders; therefore, they are not reflected on the Consolidated Statements of Comprehensive Income (Loss), and the Consolidated Statements of Cash Flows do not reflect investment activity of the separate accounts. Asset-based fees and contract administration charges (collectively referred to as "policyholder assessments") are assessed against the accounts and included within fee income on the Consolidated Statements of Comprehensive Income (Loss). An amount equivalent to the separate account assets is recorded as separate account liabilities, representing the account balance obligated to be returned to the policyholder.

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. The liability for policyholder account balances includes UL and VUL and investment-type annuity products where account balances are equal to deposits plus interest credited less withdrawals, surrender charges, policyholder assessments, as well as amounts representing the fair value of embedded derivative instruments associated with our IUL and indexed annuity products. During the third quarter of each year, we conduct our comprehensive review of the assumptions and projection models used in estimating these 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.

Future Contract Benefits

Future contract benefits represent liability reserves, including liability for future policy benefits ("LFPB"), liability for future claims reserves and additional liability for other insurance benefits that we have established and carry based on estimates of how much we will need to pay for future benefits and claims.

The LFPB associated with limited payment life-contingent annuity contracts and non-participating traditional life insurance contracts is measured using a net premium ratio approach. This approach accrues expected benefits and claims in proportion to the premium revenue recognized. For life-contingent payout annuity contracts with limited premium payments, as premium collection is not the completion of the earnings process, gross premiums in excess of net premiums are deferred. This excess of gross premiums received over the related net premiums is referred to as the deferred profit liability ("DPL"). The DPL is included in the LFPB, and profits are recognized over the life of the contracts.

In measuring our LFPB, we establish cohorts, which are groupings of long-duration contracts. Factors that we consider in determining cohorts include, but are not limited to, our contract classification and issue year requirements, product risk characteristics, assumptions and modeling level used in the valuation systems. The net premium ratio is capped at 100% at the individual cohort level. Expected benefits and claims in excess of premium revenue recognized are expensed immediately.

We use actuarial assumptions to best estimate future premium and benefit cash flows ("cash flow assumptions") as well as the actual historical cash flows received and paid to derive a net premium ratio in measuring the LFPB. These actuarial assumptions 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 (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 such update. On a quarterly basis, we retrospectively update the net premium ratio for actual experience. The remeasurement of LFPB for both assumption updates and actual experience are reported within policyholder liability remeasurement gain (loss) on the Consolidated Statements of Comprehensive Income (Loss). 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, which is reported within policyholder liability discount rate remeasurement gain (loss) on the Consolidated Statements of Comprehensive Income (Loss).

We evaluate the liability for future claims on our long-term life and disability group products. Given the term and renewal features of our product and funding nature of the associated premiums, we have determined that the liability value is generally zero for policies that are not on claim. Therefore, the liability for future claims represents future payments on claims for which a disability event has occurred as of the valuation date. In measuring the liability for future claims, we establish cohorts similar to the process described above and use actuarial assumptions primarily based on claim termination rates, offsets for other insurance including social security and long-term disability incidence and severity assumptions. Cash flow assumptions are subject to the comprehensive review process discussed above. On a quarterly basis, the liability for future claims is updated for actual claims experience. The remeasurement of the liability for future

claims for both assumption updates and actual experience are reported within policyholder liability remeasurement gain (loss) on the Consolidated Statements of Comprehensive Income (Loss). We remeasure the liability for future claims using a single-A interest rate as of the end of each reporting period, which is reported within policyholder liability discount rate remeasurement gain (loss) on the Consolidated Statements of Comprehensive Income (Loss).

We use the single-A interest rate curve to discount cash flows used to calculate the LFPB and the liability for future claims. This curve is developed using the upper-medium grade (low credit risk) fixed-income instrument yields that are intended to reflect the duration characteristics of the applicable insurance liabilities.

We issue UL contracts with separate accounts that may include various types of guaranteed benefits that are not accounted for as MRBs or embedded derivatives. 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") multiplied by the cumulative assessments recorded from the contract inception through the balance sheet date less the cumulative payments plus interest on the liability. 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 such update. On a quarterly basis, we retrospectively update the benefit ratio for actual experience. The remeasurement of additional liability for both assumptions and actual experience are reported within policyholder liability remeasurement gain (loss) on the Consolidated Statements of Comprehensive Income (Loss). As future cash flow assumption and experience updates result in changes in expected benefit payments or assessments, the benefit ratio is recalculated using the updated expected benefit payments and assessments over the life of the contract since inception. The revised benefit ratio is then applied to the liability calculation described above.

Premium deficiency testing is performed for interest-sensitive life products periodically using best estimate assumptions as of the testing date to test the adequacy and appropriateness of the established net reserve (i.e., GAAP reserves net of any DSI or VOBA assets). The premium deficiency test is also performed using a discount rate based on the average crediting rate. A premium deficiency exists when the net reserve plus the present value of expected future gross premiums are determined to be insufficient to cover expected future benefits and non-level expenses.

The business written or assumed by us includes participating life insurance contracts, under which the policyholder is entitled to share in the earnings of such contracts via receipt of dividends. The dividend scale for participating policies is reviewed annually and may be adjusted to reflect recent experience and future expectations. As of December 31, 2024, 2023 and 2022, participating policies comprised less than 1% of the face amount of business in force, and dividend expenses were $40 million, $41 million and $49 million for the years ended December 31, 2024, 2023 and 2022, respectively.

MRBs

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. MRBs do not include the death benefit component of a life insurance contract (i.e., the difference between the account balance and the death benefit amount). All long-duration insurance contracts and certain investment contracts are subject to MRB evaluation. 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 classified as MRBs. For contracts that contain multiple features 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. Ceded MRB liabilities are included in other assets and ceded MRB assets are included in other liabilities on the Consolidated Balance Sheets.

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, policyholder behavior (e.g., policy lapse, rider utilization, etc.) mortality, risk margin and administrative expenses. These assumptions are based on a combination of historical data and actuarial judgments. During the third quarter of each year, we conduct our comprehensive review of the actuarial assumptions and projection models used in estimating 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. The assumptions 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 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. For information on fair value inputs, see Note 14.

Short-Term and Long-Term Debt

Short-term debt has contractual or expected maturities of one year or less. Long-term debt has contractual or expected maturities greater than one year.

Payables for Collateral on Investments

When we enter into collateralized financing transactions on our investments, a liability is recorded equal to the cash or non-cash collateral received. This liability is included within payables for collateral on investments on the Consolidated Balance Sheets. Income and expenses associated with these transactions are recorded as investment income and investment expenses within net investment income on the Consolidated Statements of Comprehensive Income (Loss). Changes in payables for collateral on investments are reflected within cash flows from investing activities on the Consolidated Statements of Cash Flows.

Contingencies and Commitments

A loss contingency is an existing condition, situation or set of circumstances involving uncertainty as to possible loss that will ultimately be resolved when one or more future events occur or fail to occur. Contingencies arising from environmental remediation costs, regulatory judgments, claims, assessments, guarantees, litigation, recourse reserves, fines, penalties and other sources are recorded when deemed probable and reasonably estimable, based on our best estimate.

Fee Income

Fee income for investment and interest-sensitive life insurance contracts consists of asset-based fees, percent of premium charges, contract administration charges and surrender charges that are assessed against policyholder account balances. Investment products consist primarily of individual and group variable and fixed annuities. Interest-sensitive life insurance products include UL, VUL, linked-benefit UL and VUL and other interest-sensitive life insurance policies. These products include life insurance sold to individuals, corporate-owned life insurance and bank-owned life insurance.

The timing of revenue recognition as it relates to fees assessed on investment contracts is determined based on the nature of such fees. Asset-based fees and contract administration charges are assessed on a daily or monthly basis and recognized as revenue as performance obligations are met, over the period underlying customer assets are owned or advisory services are provided. Percent of premium charges are assessed at the time of premium payment and recognized as revenue when assessed and earned. Certain amounts assessed that represent compensation for services to be provided in future periods are reported as unearned revenue and recognized in income over the periods benefited. Surrender charges are recognized upon surrender of a contract by the policyholder in accordance with contractual terms. For investment and interest-sensitive life insurance contracts, the amounts collected from policyholders are considered deposits and are not included in revenue.

Wholesaling-related 12b-1 fees received from separate account fund sponsors as compensation for servicing the underlying mutual funds are recorded as revenues based on a contractual percentage of the market value of mutual fund assets over the period shares are owned by customers. Net investment advisory fees related to asset management of certain separate account funds are recorded as revenues based on a contractual percentage of the customer's managed assets over the period advisory services are provided. Fee income related to 12b-1 fees and net investment advisory fees, reported primarily within our Annuities segment, was $774 million, $715 million and $743 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Insurance Premiums

Insurance premiums consist primarily of group insurance products, payout annuities with life contingencies and traditional life insurance. These insurance premiums are recognized as revenue when due.

Net Investment Income

We earn investment income on the underlying general account investments supporting our fixed products less related expenses. Dividends and interest income, recorded in net investment income, are recognized when earned. Amortization of premiums and accretion of discounts on investments in debt securities are reflected in net investment income over the contractual terms of the investments in a manner that produces a constant effective yield.

For CLOs and MBS, included in the trading and fixed maturity AFS securities portfolios, we recognize income using a constant effective yield based on anticipated prepayments and the estimated economic life of the securities. When actual prepayments differ significantly from originally anticipated prepayments, the retrospective effective yield is recalculated to reflect actual payments to date and a catch up adjustment is recorded in the current period. In addition, the new effective yield, which reflects anticipated future payments, is used prospectively. Any adjustments resulting from changes in effective yield are reflected in net investment income on the Consolidated Statements of Comprehensive Income (Loss).

Realized Gain (Loss)

Realized gain (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 of mortgage loans on real estate accounted for under the fair value option, changes in fair value of equity securities, certain 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 reported 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 to cede realized gains and losses to the reinsurer.

MRB Gain (Loss)

MRB gain (loss) includes the change in fair value of MRB and ceded MRB assets and liabilities. Changes in the fair value of MRB assets and liabilities are recognized in net income (loss), except for the portion attributable to the change in non-performance risk that is recognized in OCI. Changes in the fair value of ceded MRB assets and liabilities, including the changes in our counterparties' non-performance risks, are recognized in net income (loss).

Other Revenues

Other revenues consist primarily of fees attributable to broker-dealer services recorded as performance obligations are met, either at the time of sale or over time based on a contractual percentage of customer account balances, and proceeds from reinsurance recaptures. The broker-dealer services primarily relate to our wealth management business, which was sold during 2024, and consist of commission revenue for the sale of non-affiliated securities recorded on a trade date basis and advisory fee income. Advisory fee income is asset-based revenues recorded as earned based on a contractual percentage of customer account balances. Other revenues attributable to broker-dealer services and advisory fee income, reported primarily within our Annuities segment, were $225 million, $564 million and $584 million for the years ended December 31, 2024, 2023 and 2022, respectively. See "Sale of Wealth Management Business" above for additional information. Other revenues earned by our Group Protection segment consist of fees from administrative services performed, which are recognized as performance obligations are met over the terms of the underlying agreements, and were $224 million, $210 million and $203 million for the years ended December 31, 2024, 2023 and 2022, respectively.

Interest Credited

We credit interest to our policyholder account balances based on the contractual terms supporting our products.

Benefits

Benefits for UL and other interest-sensitive life insurance products include benefit claims incurred during the period in excess of contract account balances. Benefits also include the change in reserves for annuity products with guaranteed death and living benefits, certain annuities with life contingencies and life insurance products with secondary guarantee benefits. For traditional life, group life and disability income products, benefits are recognized when incurred in a manner consistent with the related premium recognition policies.

Policyholder Liability Remeasurement Gain (Loss)

Policyholder liability remeasurement gain (loss) recognized in net income (loss) includes remeasurement gains and losses resulting 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 limited payment life-contingent annuity products and traditional life insurance, liabilities for future claims associated with our group products, and additional liabilities for other insurance benefits on certain guaranteed benefits associated with our UL products.

Policyholder liability remeasurement gain (loss) recognized in OCI includes any changes resulting from the discount rate remeasurement of future policy benefits associated with limited payment life-contingent annuity products and traditional life insurance and liabilities for future claims associated with our group products as of each reporting period.

Stock-Based Compensation

In general, we expense the fair value of stock awards included in our incentive compensation plans. As of the date our stock awards are approved, the fair value of stock options is determined using a Black-Scholes options valuation methodology, and the fair value of other stock awards is based upon the market value of the stock. The fair value of the awards is expensed over the performance or service period, which generally corresponds to the vesting period, and is recognized as an increase to common stock in stockholders' equity. We apply an estimated forfeiture rate to our accrual of compensation cost. Stock-based compensation expense is reflected in commissions and other expenses on the Consolidated Statements of Comprehensive Income (Loss).

Interest and Debt Expense

Interest expense on our short-term and long-term debt is recognized as due and any associated premiums, discounts and debt issuance costs are amortized (accreted) over the term of the related borrowing utilizing the effective interest method. In addition, gains or losses related to certain derivative instruments associated with debt are recognized in interest and debt expense during the period of the change.

Income Taxes

We file a U.S. consolidated income tax return that includes all of our eligible subsidiaries. Ineligible subsidiaries file separate individual corporate tax returns. Subsidiaries operating outside of the U.S. are taxed, and income tax expense is recorded, based on applicable foreign statutes. Deferred income taxes are recognized, based on enacted rates, when assets and liabilities have different values for financial statement and tax reporting purposes. A valuation allowance is recorded to the extent required. 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 temporary differences; the length of time carryovers can be utilized; and any tax planning strategies we would employ to avoid a tax benefit from expiring unused.

We use the individual security approach for releasing income tax effects from AOCI.

Foreign Currency Translation

The balance sheet accounts and income statement items of foreign subsidiaries reported in functional currencies other than the U.S. dollar are translated at the current and average exchange rates for the year, respectively. Resulting translation adjustments and other translation adjustments for foreign currency transactions that affect cash flows are reported in AOCI, a component of stockholders' equity.

Earnings Per Share

Basic earnings per share ("EPS") is computed by dividing net income (loss) available to common stockholders by the average common shares outstanding. Diluted EPS is computed assuming the conversion or exercise of non-vested stock, stock options and performance share units outstanding during the year. For any period where a net loss is experienced, shares used in the diluted EPS calculation represent basic shares, as the use of diluted shares would result in a lower loss per share.

2. New Accounting Standards

Adoption of New Accounting Standards

The following table provides a description of current period adoptions of new Accounting Standards Updates ("ASUs").

Standard	Description	Effective Date	Effect on Financial Statements or Other Significant Matters
ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures	This ASU aims to enhance reportable segment disclosure requirements. It requires that a public entity disclose significant segment expenses that are regularly provided to the chief operating decision maker ("CODM"), disclose and describe other segment items and report additional measures of a segment's profit or loss if used by the CODM.	January 1, 2024 (Annual Filings) and January 1, 2025 (Quarterly Filings)	We adopted this ASU effective January 1, 2024, incorporating the required disclosures in Note 19 to the consolidated financial statements, along with retrospectively updating the applicable tabular disclosures.

Future Adoption of New Accounting Standards

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

Standard	Description	Effective Date	Effect on Financial Statements or Other Significant Matters
ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures	This ASU establishes new income tax disclosure requirements, as well as adjusts certain existing requirements. It specifically requires expanded and disaggregated disclosures around the tax rate reconciliation.	January 1, 2025	We are evaluating the impact of this ASU to disclosures within the Federal Income Taxes Note to the consolidated financial statements.
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	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 AFS securities (in millions) were as follows:

	As of December 31, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Fair Value
Fixed maturity AFS securities:					
Corporate bonds	$ 75,556	$ 563	$ 9,655	$ 14	$ 66,450
U.S. government bonds	429	3	41	–	391
State and municipal bonds	2,798	18	445	–	2,371
Foreign government bonds	282	11	56	–	237
RMBS	2,066	24	220	7	1,863
CMBS	1,817	4	156	–	1,665
ABS	14,226	99	421	24	13,880
Hybrid and redeemable preferred securities	241	25	11	1	254
Total fixed maturity AFS securities	$ 97,415	$ 747	$ 11,005	$ 46	$ 87,111

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

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

	Amortized Cost	Fair Value
Due in one year or less	$ 3,526	$ 3,508
Due after one year through five years	17,958	17,453
Due after five years through ten years	13,928	12,867
Due after ten years	43,894	35,875
Subtotal	79,306	69,703
Structured securities (RMBS, CMBS, ABS)	18,109	17,408
Total fixed maturity AFS securities	$ 97,415	$ 87,111

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 December 31, 2024					
	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	$ 24,657	$ 4,054	$ 29,786	$ 5,601	$ 54,443	$ 9,655
U.S. government bonds	86	3	224	38	310	41
State and municipal bonds	1,087	228	760	217	1,847	445
Foreign government bonds	32	5	118	51	150	56
RMBS	795	76	760	144	1,555	220
CMBS	579	50	777	106	1,356	156
ABS	2,907	118	3,827	303	6,734	421
Hybrid and redeemable preferred securities	23	3	93	8	116	11
Total fixed maturity AFS securities	$ 30,166	$ 4,537	$ 36,345	$ 6,468	$ 66,511	$ 11,005

Total number of fixed maturity AFS securities in an unrealized loss position	6,985

	As of December 31, 2023					
	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	$ 14,005	$ 3,270	$ 34,595	$ 5,002	$ 48,600	$ 8,272
U.S. government bonds	65	6	195	23	260	29
State and municipal bonds	371	72	874	345	1,245	417
Foreign government bonds	111	31	57	16	168	47
RMBS	360	20	886	177	1,246	197
CMBS	583	56	589	147	1,172	203
ABS	1,900	68	7,217	517	9,117	585
Hybrid and redeemable preferred securities	32	3	95	14	127	17
Total fixed maturity AFS securities	$ 17,427	$ 3,526	$ 44,508	$ 6,241	$ 61,935	$ 9,767

Total number of fixed maturity AFS securities in an unrealized loss position	7,605

[1] As of December 31, 2024 and 2023, we recognized $23 million and $8 million of gross unrealized losses, respectively, in 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 December 31, 2024		
	Fair Value	Gross Unrealized Losses	Number of Securities [1]
Less than six months	$ 5,405	$ 1,621	799
Six months or greater, but less than nine months	371	198	216
Nine months or greater, but less than twelve months	71	28	37
Twelve months or greater	4,440	2,218	741
Total	$ 10,287	$ 4,065	1,793

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

[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 $1.2 billion for the year ended December 31, 2024. As discussed further below, we do not believe the unrealized loss position as of December 31, 2024, required an impairment recognized in earnings as: (i) we did not intend to sell these fixed maturity AFS securities; (ii) it is not more likely than not that we will be required to sell the fixed maturity AFS securities before recovery of their amortized cost basis; and (iii) the difference in the fair value compared to the amortized cost was due to factors other than credit loss. Based upon this evaluation as of December 31, 2024, management believes we have the ability to generate adequate amounts of cash from our normal operations (e.g., insurance premiums, fee income and investment income) to meet cash requirements with a prudent margin of safety without requiring the sale of our impaired securities.

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

Credit ratings express opinions about the credit quality of a security. Securities rated investment grade (those rated BBB- or higher by S&P Global Ratings ("S&P") or Baa3 or higher by Moody's Investors Service ("Moody's")) are generally considered by the rating agencies and market participants to be low credit risk. As of December 31, 2024 and 2023, 96% of the fair value of our corporate bond portfolio was rated investment grade. As of December 31, 2024 and 2023, the portion of our corporate bond portfolio rated below investment grade had an amortized cost of $2.9 billion and $3.0 billion, respectively, and a fair value of $2.8 billion. Based upon the analysis discussed above, we believe that as of December 31, 2024 and 2023, we would have recovered the amortized cost of each corporate bond.

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

Credit Loss Impairment on Fixed Maturity AFS Securities

We regularly review our fixed maturity AFS securities for declines in fair value that we determine to be impairment-related, including those attributable to credit risk factors that may require an allowance for credit losses. See Note 1 for a discussion regarding our accounting policy relating to the allowance for credit losses on our fixed maturity AFS securities.

Changes in the allowance for credit losses on fixed maturity AFS securities (in millions), aggregated by investment category, were as follows:

	For the Year Ended December 31, 2024				
	Corporate Bonds	RMBS	ABS	Hybrids	Total
Balance as of beginning-of-year	$ 8	$ 6	$ 4	$ 1	$ 19
Additions from purchases of PCD debt securities [1]	–	–	–	–	–
Additions for securities for which credit losses were not previously recognized	10	–	15	–	25
Additions (reductions) for securities for which credit losses were previously recognized	11	1	5	–	17
Reductions for securities charged off	(15)	–	–	–	(15)
Balance as of end-of-year [2]	$ 14	$ 7	$ 24	$ 1	$ 46

	For the Year Ended December 31, 2023				
	Corporate Bonds	RMBS	ABS	Hybrids	Total
Balance as of beginning-of-year	$ 9	$ 7	$ 5	$ 1	$ 22
Additions from purchases of PCD debt securities [1]	–	–	–	–	–
Additions for securities for which credit losses were not previously recognized	25	1	–	–	26
Additions (reductions) for securities for which credit losses were previously recognized	(2)	(2)	(1)	–	(5)
Reductions for securities disposed	(2)	–	–	–	(2)
Reductions for securities charged off	(22)	–	–	–	(22)
Balance as of end-of-year [2]	$ 8	$ 6	$ 4	$ 1	$ 19

	For the Year Ended December 31, 2022				
	Corporate Bonds	RMBS	ABS	Hybrids	Total
Balance as of beginning-of-year	$ 17	$ 1	$ 1	$ –	$ 19
Additions from purchases of PCD debt securities [1]	–	–	–	–	–
Additions for securities for which credit losses were not previously recognized	4	3	–	1	8
Additions (reductions) for securities for which credit losses were previously recognized	2	3	4	–	9
Reductions for securities disposed	(2)	–	–	–	(2)
Reductions for securities charged off	(12)	–	–	–	(12)
Balance as of end-of-year [2]	$ 9	$ 7	$ 5	$ 1	$ 22

[1] Represents purchased credit-deteriorated ("PCD") fixed maturity AFS securities.

[2] As of December 31, 2024, 2023 and 2022, accrued investment income on fixed maturity AFS securities totaled $876 million, $908 million and $1.1 billion, respectively, and was excluded from the estimate of credit losses.

Losses from debt instrument modifications were $3 million and less than $1 million for the years ended December 31, 2024 and 2023, respectively.

Trading Securities

Trading securities at fair value (in millions) consisted of the following:

	As of December 31,	
	2024	2023
Fixed maturity securities:		
Corporate bonds	$ 1,409	$ 1,653
State and municipal bonds	13	21
Foreign government bonds	41	46
RMBS	63	62
CMBS	109	104
ABS	371	455
Hybrid and redeemable preferred securities	19	18
Total trading securities	$ 2,025	$ 2,359

The portion of the market adjustment for trading gains and losses recognized in realized gain (loss) that relate to trading securities still held as of December 31, 2024, 2023 and 2022, was $(2) million, $81 million and $(632) million, respectively.

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 December 31, 2024			As of December 31, 2023		
	Commercial	Residential	Total	Commercial	Residential	Total
Current	$ 17,567	$ 3,387	$ 20,954	$ 17,256	$ 1,665	$ 18,921
30 to 59 days past due	6	71	77	61	28	89
60 to 89 days past due	–	33	33	–	9	9
90 or more days past due	35	90	125	–	60	60
Allowance for credit losses	(99)	(53)	(152)	(86)	(28)	(114)
Unamortized premium (discount)	(6)	83	77	(7)	43	36
Mark-to-market gains (losses) [1]	(31)	–	(31)	(37)	(1)	(38)
Total carrying value	$ 17,472	$ 3,611	$ 21,083	$ 17,187	$ 1,776	$ 18,963

[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 December 31, 2024, the amortized cost and fair value of such mortgage loans on real estate that were in nonaccrual status was $30 million and $21 million, respectively. As of December 31, 2023, the amortized cost and fair value of such mortgage loans on real estate that were in nonaccrual status was less than $1 million. As of December 31, 2024 and 2023, there were no such mortgage loans on real estate that were more than 90 days past due and still accruing interest. See Note 14 for additional information.

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

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

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 December 31, 2024	As of December 31, 2023
Commercial mortgage loans on real estate	$ 4	$ –
Residential mortgage loans on real estate	92	62
Total	$ 96	$ 62

We use 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 December 31, 2024						
	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
Origination Year							
2024	$ 1,548	1.73	$ 83	1.41	$ –	–	$ 1,631
2023	1,348	1.78	44	1.36	–	–	1,392
2022	1,724	2.11	94	1.55	4	1.30	1,822
2021	2,267	3.50	47	1.52	–	–	2,314
2020	1,167	3.33	4	1.53	–	–	1,171
2019 and prior	9,138	2.38	126	1.58	8	1.30	9,272
Total	$ 17,192		$ 398		$ 12		$ 17,602

	As of December 31, 2023						
	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
Origination Year							
2023	$ 1,368	1.90	$ 54	1.38	$ –	–	$ 1,422
2022	1,710	2.06	140	1.54	–	–	1,850
2021	2,335	3.34	61	1.55	–	–	2,396
2020	1,214	3.24	11	1.38	–	–	1,225
2019	2,446	2.40	80	1.56	10	2.33	2,536
2018 and prior	7,789	2.39	78	1.60	14	0.87	7,881
Total	$ 16,862		$ 424		$ 24		$ 17,310

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

	As of December 31, 2024		
	Performing	Nonperforming	Total
Origination Year			
2024	$ 1,895	$ 14	$ 1,909
2023	557	16	573
2022	492	33	525
2021	427	11	438
2020	65	4	69
2019 and prior	136	14	150
Total	$ 3,572	$ 92	$ 3,664

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

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. See Note 1 for a discussion regarding our accounting policy relating to the allowance for credit losses on our mortgage loans on real estate.

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

	For the Year Ended December 31, 2024		
	Commercial	Residential	Total
Balance as of beginning-of-year	$ 86	$ 28	$ 114
Additions (reductions) from provision for credit loss expense [1]	63	25	88
Additions from purchases of PCD mortgage loans on real estate	–	–	–
Reductions for mortgage loans on real estate charged off	(50)	–	(50)
Balance as of end-of-year [2]	$ 99	$ 53	$ 152

	For the Year Ended December 31, 2023		
	Commercial	Residential	Total
Balance as of beginning-of-year	$ 84	$ 15	$ 99
Additions (reductions) from provision for credit loss expense [1]	2	13	15
Additions from purchases of PCD mortgage loans on real estate	–	–	–
Balance as of end-of-year [2]	$ 86	$ 28	$ 114

	For the Year Ended December 31, 2022		
	Commercial	Residential	Total
Balance as of beginning-of-year	$ 79	$ 17	$ 96
Additions (reductions) from provision for credit loss expense [1]	5	(2)	3
Additions from purchases of PCD mortgage loans on real estate	–	–	–
Balance as of end-of-year [2]	$ 84	$ 15	$ 99

[1] We recognized less than $1 million and $(1) million of credit loss benefit (expense) related to unfunded commitments for mortgage loans on real estate for the years ended December 31, 2024 and 2023, respectively. We did not recognize any credit loss benefit (expense) related to unfunded commitments for mortgage loans on real estate for the year ended December 31, 2022.

[2] Accrued investment income on mortgage loans on real estate totaled $94 million, $68 million and $51 million as of December 31, 2024, 2023 and 2022, respectively, and was excluded from the estimate of credit losses.

Alternative Investments

As of December 31, 2024 and 2023, alternative investments included investments in 371 and 352 different partnerships, respectively, and represented approximately 3% of total investments.

Net Investment Income

The major categories of net investment income (in millions) on the Consolidated Statements of Comprehensive Income (Loss) were as follows:

	For the Years Ended December 31,		
	2024	2023	2022
Fixed maturity AFS securities	$ 4,222	$ 4,819	$ 4,469
Trading securities	118	161	182
Equity securities	21	13	11
Mortgage loans on real estate	887	755	689
Policy loans	95	103	101
Cash and invested cash	194	129	13
Commercial mortgage loan prepayment and bond make-whole premiums	15	10	105
Alternative investments	319	243	66
Consent fees	–	3	8
Other investments	(30)	(33)	79
Investment income	5,841	6,203	5,723
Investment expense	(316)	(324)	(208)
Net investment income	$ 5,525	$ 5,879	$ 5,515

Impairments on Fixed Maturity AFS Securities

Details underlying intent to sell impairments and 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 Years Ended December 31,		
	2024	2023	2022
Intent to Sell Impairments [1]			
Fixed maturity AFS securities:			
Corporate bonds	$ –	$ (941)	$ –
State and municipal bonds	–	(48)	–
RMBS	–	(28)	–
CMBS	–	(36)	–
ABS	–	(37)	–
Hybrid and redeemable preferred securities	–	(1)	–
Total intent to sell impairments	$ –	$ (1,091)	$ –
Credit Loss Benefit (Expense)			
Fixed maturity AFS securities:			
Corporate bonds	$ (21)	$ (24)	$ (5)
RMBS	(1)	1	(6)
ABS	(20)	1	(4)
Total credit loss benefit (expense)	$ (42)	$ (22)	$ (15)

[1] For the year ended December 31, 2023, this includes impairments of certain fixed maturity AFS securities in an unrealized loss position, resulting from the Company's intent to sell these securities as part of the fourth quarter 2023 reinsurance transaction.

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 December 31, 2024		As of December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Collateral payable for derivative investments [1]	$ 7,213	$ 7,213	$ 5,250	$ 5,250
Securities pledged under securities lending agreements [2]	157	151	205	197
Investments pledged for FHLBI [3]	2,650	3,657	2,650	3,603
Total payables for collateral on investments	$ 10,020	$ 11,021	$ 8,105	$ 9,050

[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.

[3] Our pledged investments for FHLBI are included in fixed maturity AFS securities and mortgage loans on real estate on the Consolidated Balance Sheets. The collateral requirements are generally 105% to 115% of the fair value for fixed maturity AFS securities and 155% to 175% of the fair value for mortgage loans on real estate. The cash received in these transactions is primarily invested in cash and invested cash or fixed maturity AFS securities.

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

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

	For the Years Ended December 31,		
	2024	2023	2022
Collateral payable for derivative investments	$ 1,963	$ 1,966	$ (2,291)
Securities pledged under securities lending agreements	(48)	(93)	57
Investments pledged for FHLBI	–	(480)	–
Total increase (decrease) in payables for collateral on investments	$ 1,915	$ 1,393	$ (2,234)

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 December 31, 2024				
	Overnight and Continuous	Up to 30 Days	30-90 Days	Greater Than 90 Days	Total
Securities Lending					
Corporate bonds	$ 144	$ –	$ –	$ –	$ 144
U.S. government bonds	1	–	–	–	1
Equity securities	12	–	–	–	12
Total gross secured borrowings	$ 157	$ –	$ –	$ –	$ 157

	As of December 31, 2023				
	Overnight and Continuous	Up to 30 Days	30-90 Days	Greater Than 90 Days	Total
Securities Lending					
Corporate bonds	$ 202	$ –	$ –	$ –	$ 202
Equity securities	3	–	–	–	3
Total gross secured borrowings	$ 205	$ –	$ –	$ –	$ 205

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 December 31, 2024, 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 December 31, 2024, the fair value of this collateral received that we are permitted to sell or re-pledge was $2.6 billion, and we had re-pledged $63 million of this collateral to cover our collateral requirements.

We had not pledged any held fixed maturity AFS securities to derivative counterparties as of December 31, 2024.

Investment Commitments

As of December 31, 2024, our investment commitments were $4.3 billion, which included $3.2 billion of LPs, $828 million of mortgage loans on real estate and $230 million of private placement securities.

Concentrations of Financial Instruments

As of December 31, 2024 and 2023, our most significant investments in one issuer were our investments in securities issued by the Federal National Mortgage Association with a fair value of $851 million and $739 million, respectively, or 1% of total investments, and our investments in securities issued by the Federal Home Loan Mortgage Corporation with a fair value of $566 million and $570 million, respectively, or less than 1% and 1%, respectively, of total investments. These concentrations include fixed maturity AFS, trading and equity securities.

As of December 31, 2024 and 2023, our most significant investments in one industry were our investments in securities in the financial services industry with a fair value of $13.4 billion and $14.0 billion, respectively, or 10% and 11%, respectively, of total investments, and our investments in securities in the consumer non-cyclical industry with a fair value of $12.9 billion and $13.8 billion, respectively, or 10% and 11%, respectively, of total investments. These concentrations include fixed maturity AFS, trading and equity securities.

4. Variable Interest Entities

Consolidated VIEs

Reinsurance-Related Notes

We are the sole equity owner of Lincoln Financial Limited Liability Company I ("LFLLCI"), which we formed in July 2013. The activities of LFLLCI relate solely to our captive reinsurance subsidiary, the Lincoln Reinsurance Company of Vermont V ("LRCVV"), and are primarily to acquire, hold and issue notes with LRCVV as well as pay and collect interest on the notes. LFLLCI holds a surplus note issued by LRCVV that had an outstanding principal balance of $522 million as of December 31, 2024. LFLLCI issued a long-term note to LRCVV that has a principal balance that moves concurrently with any variability in the face amount of the surplus note LFLLCI received from LRCVV. We concluded that LFLLCI is a VIE and that LNC is the primary beneficiary as we have the power to direct the most significant activities affecting the performance of LFLLCI.

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

	As of December 31, 2024			As of December 31, 2023		
	Number of Instruments	Notional Amounts	Carrying Value	Number of Instruments	Notional Amounts	Carrying Value
Assets						
Total return swap	1	$ 522	$ –	1	$ 544	$ –

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

Unconsolidated VIEs

Reinsurance-Related Notes

Effective September 30, 2014, we entered into a transaction with a non-affiliated VIE whose primary activities are to acquire, hold and issue notes and loans, pay and collect interest on the notes and loans, and enter into derivative instruments. We issued a long-term senior note to the non-affiliated VIE in exchange for a corporate bond AFS security of like principal and duration that was assigned to one of our subsidiaries. The outstanding principal balance of this long-term senior note was $1.1 billion as of December 31, 2024, and it is variable in nature; moving concurrently with any variability in the face amount of the corporate bond AFS security up to a maximum amount of $1.1 billion. We have concluded that we are not the primary beneficiary of the non-affiliated VIE because we do not have power over the activities that most significantly affect its economic performance. In addition, the terms of the senior note provide us with a set-off right with the corporate bond AFS security we purchased from the VIE; therefore, neither appears on the Consolidated Balance Sheets. The VIE has entered into a total return swap with an unaffiliated third party that supports any necessary principal funding of the corporate bond AFS security required by our subsidiaries while the security is outstanding.

Effective October 1, 2017, our captive reinsurance subsidiary, the Lincoln Reinsurance Company of Vermont VI, restructured the $275 million, long-term surplus note which was originally issued to a non-affiliated VIE in October 2015 in exchange for two corporate bond AFS securities of like principal and duration. The activities of the VIE are primarily to acquire, hold and issue notes and loans and to pay and collect interest on the notes and loans. The outstanding principal balance of the long-term surplus note is variable in nature; moving concurrently with any variability in the face amount of the corporate bond AFS securities. We have concluded that we are not the primary beneficiary of the non-affiliated VIE because we do not have power over the activities that most significantly affect its economic performance. As of December 31, 2024, the principal balance of the long-term surplus note was zero and we do not currently have any exposure to this VIE.

Effective November 1, 2019, we entered into a transaction with a non-affiliated VIE whose primary activities are to acquire, hold and issue notes, as well as pay and collect interest on the notes. We issued a long-term senior note to the non-affiliated VIE in exchange for a corporate bond AFS security of like principal and duration that was assigned to one of our subsidiaries. The outstanding principal balance of this long-term senior note was $410 million as of December 31, 2024, and it is variable in nature, moving concurrently with any variability in the face amount of the corporate bond AFS security up to a maximum amount of $500 million. We have concluded that we are not the primary beneficiary of the non-affiliated VIE due to our lack of power over the activities that most significantly affect its economic performance as well as the extent of our obligation to absorb its losses. In addition, the terms of the senior note provide us with a set-off right with the corporate bond AFS security we purchased from the VIE; therefore, neither appears on the Consolidated Balance Sheets.

Effective September 30, 2021, we entered into a transaction with a non-affiliated VIE whose primary activities are to acquire, hold and issue notes, as well as pay and collect interest on the notes. We issued a long-term senior note to the non-affiliated VIE in exchange for a corporate bond AFS security of like principal and duration that was assigned to one of our subsidiaries. The outstanding principal balance of this long-term senior note was $399 million as of December 31, 2024, and it is variable in nature, moving concurrently with any variability in the face amount of the corporate bond AFS security up to a maximum amount of $400 million. We have concluded that we are not the primary beneficiary of the non-affiliated VIE due to our lack of power over the activities that most significantly affect its economic performance as well as the extent of our obligation to absorb its losses. In addition, the terms of the senior note provide us with a set-off right with the corporate bond AFS security we purchased from the VIE; therefore, neither appears on the Consolidated Balance Sheets.

Effective December 31, 2022, we entered into a transaction with a non-affiliated VIE whose primary activities are to acquire, hold and issue notes, as well as pay and collect interest on the notes. We issued a long-term note to the non-affiliated VIE in exchange for a corporate bond AFS security of like principal and duration that was assigned to one of our subsidiaries. The outstanding principal balance of this long-term note was $1.5 billion as of December 31, 2024, and it is variable in nature, moving concurrently with any variability in the face amount of the corporate bond AFS security up to a maximum amount of $1.5 billion. We have concluded that we are not the primary beneficiary of the non-affiliated VIE due to our lack of power over the activities that most significantly affect its economic performance as well as the extent of our obligation to absorb its losses. In addition, the terms of the note provide us with a set-off right with the corporate bond AFS security we received from the VIE; therefore, neither appears on the Consolidated Balance Sheets.

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

Limited Partnerships and Limited Liability Companies

We invest in certain LPs and limited liability companies ("LLCs") that we have concluded are VIEs. Our exposure to loss is limited to the capital we invest in the LPs and LLCs. We do not hold any substantive kick-out or participation rights in the LPs and LLCs, and we do not receive any performance fees or decision maker fees from the LPs and LLCs. Based on our analysis of the LPs and LLCs, we are not the primary beneficiary of the VIEs as we do not have the power to direct the most significant activities of the LPs and LLCs. The carrying amounts of our investments in the LPs and LLCs are recognized in other investments on the Consolidated Balance Sheets and were $5.3 billion and $4.2 billion as of December 31, 2024 and 2023, respectively.

5. Derivative Instruments

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

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

See Note 1 for a discussion of the accounting treatment for derivative instruments. See Note 14 for additional disclosures related to the fair value of our derivative instruments and Note 4 for derivative instruments related to our consolidated VIEs.

Interest Rate Contracts

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

Forward-Starting Interest Rate Swaps

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

Interest Rate Cap Corridors

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

Interest Rate Futures

We use interest rate futures contracts to hedge the liability exposure on certain options in variable annuity 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:

Currency Futures

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

Foreign Currency Swaps

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

We also use foreign currency swaps designated and qualifying as cash flow 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.

Commodity Contracts

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

Credit Contracts

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

Credit Default Swaps – Buying Protection

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

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

CDSs – Selling Protection

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

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

Embedded Derivatives

We have embedded derivatives that include:

RILA, Fixed Indexed Annuity and IUL Contracts Embedded Derivatives

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

Reinsurance-Related Embedded Derivatives

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

Primary Risks Managed by Derivatives

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

	As of December 31, 2024			As of December 31, 2023		
	Notional Amounts	Fair Value		Notional Amounts	Fair Value	
		Asset	Liability		Asset	Liability
Qualifying Hedges						
Cash flow hedges:						
Interest rate contracts [1]	$ 1,230	$ 156	$ 16	$ 1,698	$ 181	$ 47
Foreign currency contracts [1]	4,738	556	44	4,662	423	78
Total cash flow hedges	5,968	712	60	6,360	604	125
Fair value hedges:						
Interest rate contracts [1]	1,066	10	16	1,081	1	39
Foreign currency contracts [1]	25	1	–	25	–	1
Total fair value hedges	1,091	11	16	1,106	1	40
Non-Qualifying Hedges						
Interest rate contracts [1]	75,445	63	439	90,829	636	979
Foreign currency contracts [1]	348	30	2	306	11	6
Equity market contracts [1]	191,666	13,072	3,879	225,626	10,244	4,227
Credit contracts [1]	57	–	–	91	–	–
Embedded derivatives:						
Reinsurance-related [2]	–	–	30	–	–	552
RILA, fixed indexed annuity and IUL contracts [3]	–	1,115	12,449	–	940	9,077
Total derivative instruments	$ 274,575	$ 15,003	$ 16,875	$ 324,318	$ 12,436	$ 15,006

[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 as described in Note 1.

[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 December 31, 2024					
	Less Than 1 Year	1 - 5 Years	6 - 10 Years	11 - 30 Years	Over 30 Years	Total
Interest rate contracts [1]	$ 7,601	$ 21,088	$ 24,060	$ 24,394	$ 598	$ 77,741
Foreign currency contracts [2]	191	1,226	1,782	1,870	42	5,111
Equity market contracts	149,075	30,818	9,693	8	2,072	191,666
Credit contracts	–	57	–	–	–	57
Total derivative instruments with notional amounts	$ 156,867	$ 53,189	$ 35,535	$ 26,272	$ 2,712	$ 274,575

[1] As of December 31, 2024, the latest maturity date for which we were hedging our exposure to the variability in future cash flows for these instruments was April 20, 2067.

[2] As of December 31, 2024, the latest maturity date for which we were hedging our exposure to the variability in future cash flows for these instruments was June 16, 2061.

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

	Amortized Cost of the Hedged Assets / (Liabilities)		Cumulative Fair Value Hedging Adjustment Included in the Amortized Cost of the Hedged Assets / (Liabilities)	
	As of December 31, 2024	As of December 31, 2023	As of December 31, 2024	As of December 31, 2023
Line Item in the Consolidated Balance Sheets in which the Hedged Item is Included				
Fixed maturity AFS securities, at fair value	$ 484	$ 534	$ 7	$ 39
Long-term debt [1]	(676)	(703)	199	172

[1] Includes $(310) million and $(326) million of unamortized adjustments from discontinued hedges as of December 31, 2024 and 2023, respectively.

The change in our unrealized gain (loss) on derivative instruments within AOCI (in millions) was as follows:

	For the Years Ended December 31,		
	2024	2023	2022
Unrealized Gain (Loss) on Derivative Instruments			
Balance as of beginning-of-year	$ 375	$ 388	$ (85)
Other comprehensive income (loss):			
Unrealized holding gains (losses) arising during the period:			
Cash flow hedges:			
Interest rate contracts	180	293	196
Foreign currency contracts	21	(50)	182
Change in foreign currency exchange rate adjustment	220	(169)	312
Income tax benefit (expense)	(88)	(15)	(144)
Less:			
Reclassification adjustment for gains (losses) included in net income (loss):			
Cash flow hedges:			
Interest rate contracts [1]	(3)	(1)	2
Interest rate contracts [2]	25	31	(11)
Foreign currency contracts [1]	59	54	62
Foreign currency contracts [3]	8	7	39
Income tax benefit (expense)	(19)	(19)	(19)
Balance as of end-of-year	$ 638	$ 375	$ 388

[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 Year Ended December 31, 2024		
	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	$ 269	$ 5,525	$ 336
Qualifying Hedges			
Gain or (loss) on fair value hedging relationships:			
Interest rate contracts:			
Hedged items	–	(30)	27
Derivatives designated as hedging instruments	–	30	(27)
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	–	(3)	25
Foreign currency contracts:			
Amount of gain or (loss) reclassified from AOCI into income	8	59	–
Non-Qualifying Hedges			
Interest rate contracts	(318)	–	–
Equity market contracts	5,271	–	–
Embedded derivatives:			
Reinsurance-related	522	–	–
RILA, fixed indexed annuity and IUL contracts	(2,920)	–	–

	Gain (Loss) Recognized in Income For the Year Ended December 31, 2023		
	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	$ (4,311)	$ 5,879	$ 331
Qualifying Hedges			
Gain or (loss) on fair value hedging relationships:			
Interest rate contracts:			
Hedged items	–	(5)	(5)
Derivatives designated as hedging instruments	–	5	5
Gain or (loss) on cash flow hedging relationships:			
Interest rate contracts:			
Amount of gain or (loss) reclassified from AOCI into income	–	(1)	31
Foreign currency contracts:			
Amount of gain or (loss) reclassified from AOCI into income	7	54	–
Non-Qualifying Hedges			
Interest rate contracts	(161)	–	–
Foreign currency contracts	(2)	–	–
Equity market contracts	1,387	–	–
Commodity contracts	8	–	–
Credit contracts	(4)	–	–
Embedded derivatives:			
Reinsurance-related	(968)	–	–
RILA, fixed indexed annuity and IUL contracts	(3,187)	–	–

	Gain (Loss) Recognized in Income For the Year Ended December 31, 2022		
	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	$ 840	$ 5,515	$ 283
Qualifying Hedges			
Gain or (loss) on fair value hedging relationships:			
Interest rate contracts:			
Hedged items	–	(167)	156
Derivatives designated as hedging instruments	–	167	(156)
Gain or (loss) on cash flow hedging relationships:			
Interest rate contracts:			
Amount of gain or (loss) reclassified from AOCI into income	–	2	(11)
Foreign currency contracts:			
Amount of gain or (loss) reclassified from AOCI into income	39	62	–
Non-Qualifying Hedges			
Interest rate contracts	(2,113)	–	–
Foreign currency contracts	3	–	–
Equity market contracts	(2,075)	–	–
Commodity contracts	11	–	–
Credit contracts	(4)	–	–
Embedded derivatives:			
Reinsurance-related	622	–	–
RILA, fixed indexed annuity and IUL contracts	1,760	–	–

As of December 31, 2024, $92 million of the deferred net gains (losses) on derivative instruments in AOCI were expected to be reclassified to earnings during the next 12 months. This reclassification would be due primarily to interest rate variances related to our interest rate swap agreements.

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

As of December 31, 2024 and 2023, 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 December 31, 2024, the non-performance risk adjustment was zero. The credit risk associated with such agreements is minimized by entering into agreements with financial institutions with long-standing, superior performance records. Additionally, we maintain a policy of requiring derivative contracts to be governed by an International Swaps and Derivatives Association ("ISDA") Master Agreement. We are required to maintain minimum ratings as a matter of routine practice in negotiating ISDA agreements. Under nearly all 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 December 31, 2024 or 2023.

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

S&P Credit Rating of Counterparty	As of December 31, 2024		As of December 31, 2023	
	Collateral Posted by Counterparty	Collateral Posted to Counterparty	Collateral Posted by Counterparty	Collateral Posted to Counterparty
AA-	$ 4,043	$ (21)	$ 2,378	$ (63)
A+	2,460	(89)	2,496	(125)
A	47	–	82	–
A-	632	–	273	–
Total cash collateral	$ 7,182	$ (110)	$ 5,229	$ (188)

Balance Sheet Offsetting

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

	As of December 31, 2024		
	Derivative Instruments	Embedded Derivative Instruments	Total
Financial Assets			
Gross amount of recognized assets	$ 13,483	$ 1,115	$ 14,598
Gross amounts offset	(3,806)	–	(3,806)
Net amount of assets	9,677	1,115	10,792
Gross amounts not offset:			
Cash collateral	(7,182)	–	(7,182)
Non-cash collateral [1]	(2,495)	–	(2,495)
Net amount	$ –	$ 1,115	$ 1,115
Financial Liabilities			
Gross amount of recognized liabilities	$ 617	$ 12,479	$ 13,096
Gross amounts offset	(432)	–	(432)
Net amount of liabilities	185	12,479	12,664
Gross amounts not offset:			
Cash collateral	(110)	–	(110)
Non-cash collateral [2]	(75)	–	(75)
Net amount	$ –	$ 12,479	$ 12,479

[1] Excludes excess non-cash collateral received of $817 million, 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 $39 million, as the collateral offset is limited to the net estimated fair value of derivatives after application of netting arrangements.

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

[1] Excludes excess non-cash collateral received of $1.3 billion, as the collateral offset is limited to the net estimated fair value of derivatives after application of netting arrangements.

[2] Excludes excess non-cash collateral pledged of $82 million, as the collateral offset is limited to the net estimated fair value of derivatives after application of netting arrangements.

6. DAC, VOBA, DSI and DFEL

The following table reconciles DAC, VOBA and DSI (in millions) to the Consolidated Balance Sheets:

	As of December 31,	
	2024	2023
DAC, VOBA and DSI		
Variable Annuities	$ 3,964	$ 3,873
Fixed Annuities	423	455
Traditional Life	1,370	1,418
UL and Other	6,318	6,232
Group Protection	178	154
Retirement Plan Services	284	265
Total DAC, VOBA and DSI	$ 12,537	$ 12,397

The following table reconciles DFEL (in millions) to the Consolidated Balance Sheets:

	As of December 31,	
	2024	2023
DFEL		
Variable Annuities	$ 273	$ 278
UL and Other [1]	6,406	5,579
Other Operations [2]	51	44
Total DFEL	$ 6,730	$ 5,901

[1] We reported $256 million and $257 million of ceded DFEL in reinsurance recoverables on the Consolidated Balance Sheets as of December 31, 2024 and 2023, respectively.

[2] Represents DFEL reported in Other Operations attributable to the indemnity reinsurance agreement with Protective that is excluded from the following tables. We reported $51 million and $44 million of ceded DFEL in reinsurance recoverables on the Consolidated Balance Sheets as of December 31, 2024 and 2023, respectively.

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

	For the Year Ended December 31, 2024					
	Variable Annuities	Fixed Annuities	Traditional Life	UL and Other	Group Protection	Retirement Plan Services
Balance as of beginning-of-year	$ 3,751	$ 421	$ 1,376	$ 5,791	$ 154	$ 239
Deferrals	454	44	107	434	135	21
Amortization	(354)	(71)	(148)	(309)	(111)	(18)
Balance as of end-of-year	$ 3,851	$ 394	$ 1,335	$ 5,916	$ 178	$ 242

	For the Year Ended December 31, 2023					
	Variable Annuities	Fixed Annuities	Traditional Life	UL and Other	Group Protection	Retirement Plan Services
Balance as of beginning-of-year	$ 3,751	$ 439	$ 1,333	$ 5,605	$ 141	$ 236
Deferrals	361	49	188	482	113	21
Amortization	(361)	(67)	(145)	(296)	(100)	(18)
Balance as of end-of-year	$ 3,751	$ 421	$ 1,376	$ 5,791	$ 154	$ 239

DAC amortization expense of $1.0 billion, $987 million and $964 million was recorded in commissions and other expenses on the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2024, 2023 and 2022, respectively.

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

	For the Year Ended December 31, 2024		
	Fixed Annuities	Traditional Life	UL and Other
Balance as of beginning-of-year	$ 15	$ 42	$ 413
Deferrals	–	–	1
Amortization	(2)	(7)	(39)
Balance as of end-of-year	$ 13	$ 35	$ 375

	For the Year Ended December 31, 2023		
	Fixed Annuities	Traditional Life	UL and Other
Balance as of beginning-of-year	$ 17	$ 50	$ 465
Business acquired (sold) through reinsurance	–	–	(11)
Deferrals	–	–	2
Amortization	(2)	(8)	(43)
Balance as of end-of-year	$ 15	$ 42	$ 413

VOBA amortization expense of $48 million, $53 million and $60 million was recorded in commissions and other expenses on the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2024, 2023 and 2022, respectively. No additions or write-offs were recorded for each respective year.

Estimated future amortization of VOBA (in millions), as of December 31, 2024, was as follows:

2025	$ 37
2026	33
2027	29
2028	24
2029	21

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

	For the Year Ended December 31, 2024			
	Variable Annuities	Fixed Annuities	UL and Other	Retirement Plan Services
Balance as of beginning-of-year	$ 122	$ 19	$ 28	$ 26
Deferrals	2	–	1	17
Amortization	(11)	(3)	(2)	(1)
Balance as of end-of-year	$ 113	$ 16	$ 27	$ 42

	For the Year Ended December 31, 2023			
	Variable Annuities	Fixed Annuities	UL and Other	Retirement Plan Services
Balance as of beginning-of-year	$ 128	$ 23	$ 30	$ 17
Deferrals	6	–	–	10
Amortization	(12)	(4)	(2)	(1)
Balance as of end-of-year	$ 122	$ 19	$ 28	$ 26

DSI amortization expense of $17 million, $19 million and $19 million was recorded in interest credited on the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2024, 2023 and 2022, respectively.

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

	For the Year Ended December 31, 2024		For the Year Ended December 31, 2023	
	Variable Annuities	UL and Other	Variable Annuities	UL and Other
Balance as of beginning-of-year	$ 278	$ 5,579	$ 286	$ 4,766
Deferrals	19	1,114	19	1,074
Amortization	(24)	(287)	(27)	(261)
Balance as of end-of-year	273	6,406	278	5,579
Less: reinsurance recoverables	–	256	–	257
Balance as of end-of-year, net of reinsurance	273	$ 6,150	$ 278	$ 5,322

DFEL amortization of $311 million, $288 million and $257 million was recorded in fee income on the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2024, 2023 and 2022, respectively.

7. Reinsurance

The following summarizes reinsurance amounts (in millions) recorded on the Consolidated Statements of Comprehensive Income (Loss), excluding amounts attributable to the indemnity reinsurance agreements with Protective and Swiss Re:

	For the Years Ended December 31,		
	2024	2023	2022
Direct insurance premiums and fee income	$ 14,160	$ 13,782	$ 13,607
Reinsurance assumed	86	90	98
Reinsurance ceded [1]	(2,419)	(4,733)	(2,015)
Total insurance premiums and fee income	$ 11,827	$ 9,139	$ 11,690
Direct insurance benefits	$ 10,857	$ 10,829	$ 10,345
Reinsurance ceded [1]	(2,939)	(4,691)	(1,866)
Total benefits	$ 7,918	$ 6,138	$ 8,479
Direct market risk benefit (gain) loss	$ (2,818)	$ (2,309)	$ (3,517)
Reinsurance ceded	141	45	271
Total market risk benefit (gain) loss	$ (2,677)	$ (2,264)	$ (3,246)
Direct policyholder liability remeasurement (gain) loss	$ 86	$ (224)	$ 3,294
Reinsurance ceded	(276)	72	(528)
Total policyholder liability remeasurement (gain) loss	$ (190)	$ (152)	$ 2,766

[1] Includes impacts related to the fourth quarter 2023 reinsurance transaction.

Our insurance companies cede insurance to other companies. The portion of our life insurance risks exceeding each of our insurance companies' retention limit is reinsured with other insurers. We seek annuity and life reinsurance coverage to limit our exposure to mortality losses and/or to enhance our capital and risk management. Reinsurance does not discharge us from our primary obligation to contract holders for losses incurred under the policies we issue. We evaluate each reinsurance agreement to determine whether the agreement provides indemnification against loss or liability.

As of December 31, 2024, the policy for our reinsurance program was to retain no more than $20 million on a single insured life, with the retention on most policies being significantly below that. As the amount we retain varies by policy, we reinsured 25% of the mortality risk on newly issued life insurance contracts in 2024.

Reinsurance Exposures

We focus on obtaining reinsurance from a diverse group of reinsurers, and we monitor concentration as well as financial strength ratings of our reinsurers. Significant reinsurance agreements are discussed below.

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 December 31, 2024.

The first agreement is 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 $10.6 billion and $10.5 billion as of December 31, 2024 and 2023, respectively. We reported a deferred loss on the transaction of $2.6 billion and $2.7 billion as of December 31, 2024 and 2023, respectively. We amortized $90 million and $11 million of the deferred loss during the years ended December 31, 2024 and 2023, respectively. Annuities that are not life-contingent do not contain significant insurance risk; therefore, we reported deposit assets for these contracts of $3.0 billion and $4.2 billion as of December 31, 2024 and 2023, respectively.

The second agreement is 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 $8.1 billion and $7.8 billion as of December 31, 2024 and 2023, 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 $9.3 billion and $9.9 billion in support of reserves associated with the Fortitude Re transaction in a funds withheld arrangement as of December 31, 2024 and 2023, respectively, which consisted of the following (in millions):

	As of December 31,	
	2024	2023
Fixed maturity AFS securities	$ 7,764	$ 8,867
Derivative investments	30	–
Other investments	1,419	759
Cash and invested cash	28	141
Accrued investment income	96	103
Other assets	–	1
Total	$ 9,337	$ 9,871

See "Realized Gain (Loss)" in Note 20 for information on reinsurance-related embedded derivatives.

Resolution Life

Effective October 1, 2021, we entered into a reinsurance agreement with Security Life of Denver Insurance Company (a subsidiary of Resolution Life that we refer to herein as "Resolution Life") to reinsure liabilities under a block of in-force executive benefit and universal life policies. The agreement is structured as coinsurance for the general account reserves and modified coinsurance for the separate account reserves. Amounts recoverable from Resolution Life were $4.9 billion and $5.0 billion as of December 31, 2024 and 2023, respectively. Resolution Life has funded trusts, the balances of which change as a result of ongoing reinsurance activity to support the business ceded, that totaled $3.8 billion as of December 31, 2024 and 2023.

Commonwealth

Effective January 15, 2020, we entered into a coinsurance agreement with Commonwealth Annuity and Life Insurance Company ("Commonwealth") to reinsure fixed annuity products, which resulted in a net deposit asset of $9.5 billion and $6.2 billion as of December 31, 2024 and 2023, respectively. Commonwealth has funded trusts, the balances of which change as a result of ongoing reinsurance activity to support the business ceded, that totaled $9.0 billion and $5.9 billion as of December 31, 2024 and 2023, respectively.

Protective

The sale of individual life and individual and group annuity business acquired from Liberty Life Assurance Company of Boston completed May 1, 2018 resulted in amounts recoverable from Protective of $8.4 billion and $9.1 billion as of December 31, 2024 and 2023, respectively. Protective has funded trusts, of which the balance in the trusts changes as a result of ongoing reinsurance activity, to support the business ceded, which totaled $9.9 billion and $10.5 billion as of December 31, 2024 and 2023, respectively.

Athene

Effective October 1, 2018, we entered into a modified coinsurance agreement with Athene Holding Ltd. ("Athene") to reinsure fixed annuity products, which resulted in a deposit asset of $2.1 billion and $2.7 billion as of December 31, 2024 and 2023, respectively. We held assets in support of reserves associated with the Athene transaction in a modified coinsurance investment portfolio, which consisted of the following (in millions):

	As of December 31,	
	2024	2023
Fixed maturity AFS securities	$ 142	$ 177
Trading securities	1,385	1,556
Equity securities	42	58
Mortgage loans on real estate	232	288
Derivative investments	46	43
Other investments	54	41
Cash and invested cash	147	582
Accrued investment income	18	23
Other assets	1	6
Total	$ 2,067	$ 2,774

The portfolio was supported by $61 million of over-collateralization and a $63 million letter of credit as of December 31, 2024. Additionally, we recorded a deferred gain on business sold through reinsurance related to the transaction with Athene and amortized $26 million, $33 million and $25 million of the gain during 2024, 2023 and 2022, respectively.

Swiss Re

Our reinsurance operations were acquired by Swiss Re in December 2001 through a series of indemnity reinsurance transactions. As such, Swiss Re reinsured certain liabilities and obligations under the indemnity reinsurance agreements. As we are not relieved of our liability to the ceding companies for this business, the liabilities and obligations associated with the reinsured policies remain on the Consolidated Balance Sheets with a corresponding reinsurance recoverable from Swiss Re, which totaled $1.3 billion and $1.6 billion as of December 31, 2024 and 2023, respectively. Swiss Re has funded a trust, with a balance of $617 million and $656 million as of December 31, 2024 and 2023, respectively, to support this business. In addition to various remedies that we would have in the event of a default by Swiss Re, we continue to hold assets in support of certain of the transferred reserves. These assets consist of those reported as trading securities and certain mortgage loans.

Credit Losses on Reinsurance-Related Assets

In connection with our recognition of an allowance for credit losses for reinsurance-related assets, we perform a quantitative analysis using a probability of loss approach to estimate expected credit losses for reinsurance recoverables, inclusive of similar assets recognized using the deposit method of accounting. Our allowance for credit losses was $100 million and $81 million as of December 31, 2024 and 2023, respectively.

8. Goodwill and Specifically Identifiable Intangible Assets

The changes in the carrying amount of goodwill (in millions) by segment were as follows:

	For the Year Ended December 31, 2024				
	Gross Goodwill as of Beginning-of-Year	Accumulated Impairment as of Beginning-of-Year	Net Goodwill as of Beginning-of-Year	Impairment	Net Goodwill as of End-of-Year
Annuities	$ 1,040	$ (600)	$ 440	$ –	$ 440
Group Protection	684	–	684	–	684
Retirement Plan Services	20	–	20	–	20
Total goodwill	$ 1,744	$ (600)	$ 1,144	$ –	$ 1,144

	For the Year Ended December 31, 2023				
	Gross Goodwill as of Beginning-of-Year	Accumulated Impairment as of Beginning-of-Year	Net Goodwill as of Beginning-of-Year	Impairment	Net Goodwill as of End-of-Year
Annuities	$ 1,040	$ (600)	$ 440	$ –	$ 440
Group Protection	684	–	684	–	684
Retirement Plan Services	20	–	20	–	20
Total goodwill	$ 1,744	$ (600)	$ 1,144	$ –	$ 1,144

The fair values of our reporting units (Level 3 fair value estimates) are comprised of the value of in-force (i.e., existing) business and the value of new business. Specifically, new business is representative of cash flows and profitability associated with policies or contracts we expect to issue in the future, reflecting our forecasts of future sales volume and product mix over a 10-year period. To determine the values of in-force and new business, we use a discounted cash flows technique that applies a discount rate reflecting the market expected, weighted-average rate of return adjusted for the risk factors associated with operations to the projected future cash flows for each reporting unit.

2024 and 2023 Analysis

As of October 1, 2024 and 2023, we performed our annual quantitative goodwill impairment test for our Annuities, Group Protection and Retirement Plan Services reporting units, and, as of each such date, the fair value was in excess of each reporting unit's carrying value.

2022 Analysis

As a result of the capital market environment during the third quarter of 2022, including (i) declining equity markets and (ii) the impact of rising interest rates on our discount rate assumption, we accelerated our quantitative goodwill impairment test for our Life Insurance reporting unit as we concluded that there were indicators of impairment. Based on this quantitative test, which included updating our best estimate assumptions therein, we incurred an impairment during the third quarter of 2022 of the Life Insurance reporting unit goodwill of $634 million, which represented a write-off of the entire balance of goodwill for the reporting unit.

As of October 1, 2022, we performed our annual quantitative goodwill impairment test for our other reporting units, and, as of such date, the fair value was in excess of the carrying value for each of the Annuities, Group Protection and Retirement Plan Services reporting units.

The gross carrying amounts and accumulated amortization (in millions) for each major specifically identifiable intangible asset class by segment were as follows:

	As of December 31, 2024		As of December 31, 2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Life Insurance:				
Sales force	$ 100	$ 75	$ 100	$ 71
Group Protection:				
VOCRA	576	175	576	145
VODA	31	15	31	12
Retirement Plan Services:				
Mutual fund contract rights [1]	5	–	5	–
Total	$ 712	$ 265	$ 712	$ 228

[1] No amortization recorded as the intangible asset has indefinite life.

Future estimated amortization of specifically identifiable intangible assets (in millions) as of December 31, 2024, was as follows:

2025	$ 37
2026	37
2027	37
2028	37
2029	35
Thereafter	259

9. MRBs

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

	As of December 31, 2024			As of December 31, 2023		
	Assets	Liabilities	Net (Assets) Liabilities	Assets	Liabilities	Net (Assets) Liabilities
Variable Annuities	$ 4,737	$ 933	$ (3,804)	$ 3,763	$ 1,583	$ (2,180)
Fixed Annuities	78	110	32	96	128	32
Retirement Plan Services	45	3	(42)	35	5	(30)
Total MRBs	$ 4,860	$ 1,046	$ (3,814)	$ 3,894	$ 1,716	$ (2,178)

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

	As of or For the Year Ended December 31, 2024			As of or For the Year Ended December 31, 2023		
	Variable Annuities	Fixed Annuities	Retirement Plan Services	Variable Annuities	Fixed Annuities	Retirement Plan Services
Balance as of beginning-of-year	$ (2,180)	$ 32	$ (30)	$ (662)	$ (45)	$ (22)
Less: Effect of cumulative changes in non-performance risk	(1,299)	(58)	(4)	(2,173)	(40)	(2)
Balance as of beginning-of-year, before the effect of changes in non-performance risk	(881)	90	(26)	1,511	(5)	(20)
Issuances	6	–	–	8	–	–
Attributed fees collected	1,520	31	8	1,497	32	6
Benefit payments	(34)	–	–	(64)	–	–
Effect of changes in interest rates	(1,918)	(70)	(18)	(110)	(24)	5
Effect of changes in equity markets	(2,277)	(16)	(8)	(3,167)	(12)	(13)
Effect of changes in equity index volatility	(88)	(5)	–	(593)	9	(3)
In-force updates and other changes in MRBs [1]	213	6	8	136	5	1
Effect of assumption review:						
Effect of changes in future expected policyholder behavior	7	11	–	(33)	70	–
Effect of changes in other future expected assumptions [2]	(199)	18	(6)	(66)	15	(2)
Balance as of end-of-year, before the effect of changes in non-performance risk	(3,651)	65	(42)	(881)	90	(26)
Effect of cumulative changes in non-performance risk	(153)	(33)	–	(1,299)	(58)	(4)
Balance as of end-of-year	(3,804)	32	(42)	(2,180)	32	(30)
Less: ceded MRB assets (liabilities)	(379)	–	–	(238)	–	–
Balance as of end-of-year, net of reinsurance	$ (3,425)	$ 32	$ (42)	$ (1,942)	$ 32	$ (30)
Weighted-average age of policyholders (years)	73	70	63	72	68	63
Net amount at risk [3]	$ 1,962	$ 240	$ 3	$ 3,031	$ 203	$ 4

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

(2) Consists primarily of the update of fund mapping, volatility and other capital market assumptions.

(3) 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 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.

Effect of Assumption Review

For the year ended December 31, 2024, Variable Annuities had a favorable impact to net income (loss) attributable to the annual assumption review driven by model enhancements and updates to capital market assumptions. For the year ended December 31, 2024, Fixed Annuities had an unfavorable impact to net income (loss) attributable to the annual assumption review driven by model enhancements and updates to policyholder GLB utilization assumptions. Retirement Plan Services did not have any significant assumption updates.

For the year ended December 31, 2023, Variable Annuities had a favorable impact to net income (loss) attributable to the annual assumption review from updates to volatility and policyholder GLB utilization behavior assumptions, partially offset by unfavorable impacts from updates to mortality and policyholder lapse behavior assumptions. For the year ended December 31, 2023, Fixed Annuities

had an unfavorable impact to net income (loss) attributable to the annual assumption review from updates to mortality and policyholder GLB utilization and lapse behavior assumptions. Retirement Plan Services did not have any significant assumption updates.

See "MRBs" in Note 1 and Note 14 for details related to our fair value judgments, assumptions, inputs and valuation methodology.

10. 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 December 31,	
	2024	2023
Mutual funds and collective investment trusts	$ 167,759	$ 157,578
Exchange-traded funds	336	350
Fixed maturity AFS securities	161	167
Cash and invested cash	12	25
Other investments	170	137
Total separate account assets	$ 168,438	$ 158,257

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

	As of December 31,	
	2024	2023
Variable Annuities	$ 117,998	$ 113,356
UL and Other	28,841	25,150
Retirement Plan Services	21,541	19,699
Other Operations [1]	58	52
Total separate account liabilities	$ 168,438	$ 158,257

[1] Represents separate account liabilities reported in Other Operations primarily attributable to the indemnity reinsurance agreements with Protective ($49 million and $46 million as of December 31, 2024 and December 31, 2023, respectively) that are excluded from the following tables.

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

	As of or For the Year Ended December 31, 2024			As of or For the Year Ended December 31, 2023		
	Variable Annuities	UL and Other	Retirement Plan Services	Variable Annuities	UL and Other	Retirement Plan Services
Balance as of beginning-of-year	$ 113,356	$ 25,150	$ 19,699	$ 105,573	$ 20,920	$ 16,996
Gross deposits	4,765	1,483	2,302	2,982	1,630	2,222
Withdrawals	(14,074)	(477)	(3,378)	(10,177)	(313)	(2,527)
Policyholder assessments	(2,639)	(995)	(182)	(2,510)	(964)	(163)
Change in market performance	15,548	3,876	3,072	16,870	3,973	3,221
Net transfers from (to) general account	1,042	(196)	28	618	(96)	(50)
Balance as of end-of-year	$ 117,998	$ 28,841	$ 21,541	$ 113,356	$ 25,150	$ 19,699
Cash surrender value	$ 116,612	$ 26,435	$ 21,526	$ 111,928	$ 22,760	$ 19,684

11. Policyholder Account Balances

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

	As of December 31,	
	2024	2023
Variable Annuities	$ 35,267	$ 29,141
Fixed Annuities	25,963	25,355
UL and Other	36,599	37,180
Retirement Plan Services	23,619	23,784
Other [1]	4,749	5,277
Total policyholder account balances	$ 126,197	$ 120,737

[1] Represents policyholder account balances reported primarily in Other Operations attributable to the indemnity reinsurance agreements with Protective ($4.4 billion and $4.9 billion as of December 31, 2024 and December 31, 2023, respectively) that are excluded from the following tables.

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

	As of or For the Year Ended December 31, 2024			
	Variable Annuities	Fixed Annuities	UL and Other	Retirement Plan Services
Balance as of beginning-of-year	$ 29,141	$ 25,355	$ 37,180	$ 23,784
Gross deposits	4,756	4,226	3,619	3,407
Withdrawals	(1,321)	(4,828)	(1,464)	(4,495)
Policyholder assessments	(1)	(61)	(4,522)	(14)
Net transfers from (to) separate account	(477)	–	196	251
Interest credited	695	802	1,474	686
Change in fair value of embedded derivative instruments and other	2,474	469	116	–
Balance as of end-of-year	$ 35,267	$ 25,963	$ 36,599	$ 23,619
Weighted-average crediting rate	2.1%	3.1%	4.0%	2.9%
Net amount at risk [1][2]	$ 1,962	$ 240	$ 297,555	$ 3
Cash surrender value	34,018	24,867	32,999	23,586

	As of or For the Year Ended December 31, 2023			
	Variable Annuities	Fixed Annuities	UL and Other	Retirement Plan Services
Balance as of beginning-of-year	$ 22,184	$ 23,365	$ 37,694	$ 25,138
Gross deposits	4,709	5,130	3,755	2,776
Withdrawals	(742)	(3,929)	(1,454)	(4,494)
Policyholder assessments	(1)	(56)	(4,512)	(14)
Net transfers from (to) separate account	(427)	–	97	(295)
Interest credited	548	643	1,479	673
Change in fair value of embedded derivative instruments and other	2,870	202	121	–
Balance as of end-of-year	$ 29,141	$ 25,355	$ 37,180	$ 23,784
Weighted-average crediting rate	2.1%	2.7%	4.0%	2.7%
Net amount at risk [1][2]	$ 3,031	$ 203	$ 302,712	$ 4
Cash surrender value	27,975	24,349	33,629	23,765

[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 December 31, 2024					
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%	511	–	–	–	–	511
3.01% - 4.00%	1,231	–	–	–	–	1,231
4.01% and above	8	–	–	–	–	8
Other [1]	–	–	–	–	–	33,507
Total	$ 1,753	$ –	$ –	$ –	$ 7	$ 35,267
Fixed Annuities						
Up to 1.00%	$ 298	$ 801	$ 540	$ 255	$ 2,319	$ 4,213
1.01% - 2.00%	235	174	150	218	4,728	5,505
2.01% - 3.00%	1,570	27	1	2	37	1,637
3.01% - 4.00%	1,540	–	–	–	–	1,540
4.01% and above	170	–	–	–	–	170
Other [1]	–	–	–	–	–	12,898
Total	$ 3,813	$ 1,002	$ 691	$ 475	$ 7,084	$ 25,963
UL and Other						
Up to 1.00%	$ 264	$ –	$ 226	$ 122	$ 486	$ 1,098
1.01% - 2.00%	543	–	–	–	2,974	3,517
2.01% - 3.00%	6,600	10	151	–	–	6,761
3.01% - 4.00%	15,073	–	1	–	–	15,074
4.01% and above	3,564	–	–	–	–	3,564
Other [1]	–	–	–	–	–	6,585
Total	$ 26,044	$ 10	$ 378	$ 122	$ 3,460	$ 36,599
Retirement Plan Services						
Up to 1.00%	$ 524	$ 305	$ 735	$ 3,332	$ 5,551	$ 10,447
1.01% - 2.00%	470	1,001	1,890	942	588	4,891
2.01% - 3.00%	2,195	28	85	1	–	2,309
3.01% - 4.00%	4,272	111	8	12	–	4,403
4.01% and above	1,569	–	–	–	–	1,569
Total	$ 9,030	$ 1,445	$ 2,718	$ 4,287	$ 6,139	$ 23,619

Range of Guaranteed Minimum Crediting Rate	As of December 31, 2023					
	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	–	–	–	7	12
2.01% - 3.00%	576	–	–	–	–	576
3.01% - 4.00%	1,370	–	–	–	–	1,370
4.01% and above	10	–	–	–	–	10
Other [1]	–	–	–	–	–	27,173
Total	$ 1,961	$ –	$ –	$ –	$ 7	$ 29,141
Fixed Annuities						
Up to 1.00%	$ 696	$ 511	$ 546	$ 505	$ 2,429	$ 4,687
1.01% - 2.00%	426	97	235	527	3,081	4,366
2.01% - 3.00%	1,806	35	6	–	18	1,865
3.01% - 4.00%	927	–	–	–	–	927
4.01% and above	180	–	–	–	–	180
Other [1]	–	–	–	–	–	13,330
Total	$ 4,035	$ 643	$ 787	$ 1,032	$ 5,528	$ 25,355
UL and Other						
Up to 1.00%	$ 275	$ –	$ 195	$ 121	$ 352	$ 943
1.01% - 2.00%	557	–	–	–	3,125	3,682
2.01% - 3.00%	6,925	11	148	–	–	7,084
3.01% - 4.00%	15,587	–	1	–	–	15,588
4.01% and above	3,730	–	–	–	–	3,730
Other [1]	–	–	–	–	–	6,153
Total	$ 27,074	$ 11	$ 344	$ 121	$ 3,477	$ 37,180
Retirement Plan Services						
Up to 1.00%	$ 452	$ 569	$ 744	$ 4,904	$ 2,979	$ 9,648
1.01% - 2.00%	550	2,065	1,575	832	–	5,022
2.01% - 3.00%	2,492	–	–	–	–	2,492
3.01% - 4.00%	5,012	–	–	–	–	5,012
4.01% and above	1,610	–	–	–	–	1,610
Total	$ 10,116	$ 2,634	$ 2,319	$ 5,736	$ 2,979	$ 23,784

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

12. Future Contract Benefits

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

	As of December 31,	
	2024	2023
Payout Annuities [1]	$ 2,009	$ 2,085
Traditional Life [1]	3,774	3,841
Group Protection [2]	5,628	5,689
UL and Other [3]	16,062	15,000
Other Operations [4]	9,070	9,879
Other [5]	3,264	3,371
Total future contract benefits	$ 39,807	$ 39,864

(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 ($5.4 billion and $5.6 billion as of December 31, 2024 and 2023, respectively) and Swiss Re ($1.8 billion and $2.2 billion as of December 31, 2024 and 2023, respectively) that are excluded from the following tables.
(5) Represents other miscellaneous reserves that are not representative of long-duration contracts and are excluded from the following tables.

LFPB

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

	As of or For the Year Ended December 31, 2024		As of or For the Year Ended December 31, 2023	
	Payout Annuities	Traditional Life	Payout Annuities	Traditional Life
Present Value of Expected Net Premiums				
Balance as of beginning-of-year	$ –	$ 6,200	$ –	$ 6,063
Less: Effect of cumulative changes in discount rate assumptions	–	(148)	–	(582)
Beginning balance at original discount rate	–	6,348	–	6,645
Effect of changes in cash flow assumptions	–	28	–	(12)
Effect of actual variances from expected experience	–	(53)	–	(303)
Adjusted balance as of beginning-of-year	–	6,323	–	6,330
Issuances	–	360	–	579
Interest accrual	–	251	–	244
Net premiums collected	–	(785)	–	(804)
Flooring impact of LFPB	–	(1)	–	(1)
Ending balance at original discount rate	–	6,148	–	6,348
Effect of cumulative changes in discount rate assumptions	–	(275)	–	(148)
Balance as of end-of-year	$ –	$ 5,873	$ –	$ 6,200
Present Value of Expected LFPB				
Balance as of beginning-of-year	$ 2,085	$ 10,041	$ 2,004	$ 9,572
Less: Effect of cumulative changes in discount rate assumptions	(187)	(189)	(263)	(785)
Beginning balance at original discount rate [1]	2,272	10,230	2,267	10,357
Effect of changes in cash flow assumptions	–	(68)	–	(29)
Effect of actual variances from expected experience	2	(70)	1	(333)
Adjusted balance as of beginning-of-year	2,274	10,092	2,268	9,995
Issuances	102	361	109	580
Interest accrual	87	399	86	387
Benefit payments	(203)	(767)	(191)	(732)
Ending balance at original discount rate [1]	2,260	10,085	2,272	10,230
Effect of cumulative changes in discount rate assumptions	(251)	(438)	(187)	(189)
Balance as of end-of-year	$ 2,009	$ 9,647	$ 2,085	$ 10,041
Net balance as of end-of-year	$ 2,009	$ 3,774	$ 2,085	$ 3,841
Less: reinsurance recoverables	1,477	385	1,617	445
Net balance as of end-of-year, net of reinsurance	$ 532	$ 3,389	$ 468	$ 3,396
Weighted-average duration of future policyholder benefit liability (years)	9	9	9	9

[1] Includes deferred profit liability within Payout Annuities of $62 million, $56 million and $38 million as of December 31, 2024, December 31, 2023 and December 31, 2022, respectively.

For the year ended December 31, 2024, Payout Annuities did not have a significant cash flow assumption impact to net income (loss) attributable to the annual assumption review, and Traditional Life had a favorable cash flow assumption impact from updates to mortality

assumptions, partially offset by an unfavorable impact from updates to policyholder behavior assumptions. For the year ended December 31, 2024, Payout Annuities and Traditional Life did not have any significantly different actual experience compared to expected.

For the year ended December 31, 2023, Payout Annuities did not have a significant cash flow assumption impact to net income (loss) attributable to the annual assumption review. For the year ended December 31, 2023, Traditional Life had a favorable cash flow assumption impact from updates to mortality assumptions, partially offset by an unfavorable impact from updates to policyholder lapse behavior assumptions. For the year ended December 31, 2023, Payout Annuities and Traditional Life did not have any significantly different actual experience compared to expected.

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

	As of December 31, 2024		As of December 31, 2023	
	Undiscounted	Discounted	Undiscounted	Discounted
Payout Annuities				
Expected future gross premiums	$ –	$ –	$ –	$ –
Expected future benefit payments	3,428	2,009	3,483	2,085
Traditional Life				
Expected future gross premiums	14,025	9,471	14,015	9,815
Expected future benefit payments [(1)]	14,319	9,647	13,894	10,041

(1) We refined the process for calculating undiscounted expected future benefit payments during 2024, which, if applied to 2023, would increase the prior year reported number by $681 million.

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 Years Ended December 31,		
	2024	2023	2022
Payout Annuities			
Gross premiums	$ 108	$ 116	$ 133
Interest accretion	87	86	84
Traditional Life			
Gross premiums	1,251	1,252	1,211
Interest accretion	148	143	134

The following table summarizes the weighted-average interest rates:

	For the Years Ended December 31,	
	2024	2023
Payout Annuities		
Interest accretion rate	4.0 %	3.9 %
Current discount rate	5.4 %	4.9 %
Traditional Life		
Interest accretion rate	5.0 %	5.0 %
Current discount rate	5.1 %	4.6 %

Liability for Future Claims

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 Years Ended December 31,	
	2024	2023
Balance as of beginning-of-year	$ 5,689	$ 5,462
Less: Effect of cumulative changes in discount rate assumptions	(490)	(597)
Beginning balance at original discount rate	6,179	6,059
Effect of changes in cash flow assumptions	(2)	(27)
Effect of actual variances from expected experience	(345)	(261)
Adjusted beginning-of-year balance	5,832	5,771
New incidence	1,641	1,702
Interest	181	159
Benefit payments	(1,476)	(1,453)
Ending balance at original discount rate	6,178	6,179
Effect of cumulative changes in discount rate assumptions	(550)	(490)
Balance as of end-of-year	5,628	5,689
Less: reinsurance recoverables	118	123
Balance as of end-of-year, net of reinsurance	$ 5,510	$ 5,566
Weighted-average duration of liability for future claims (years)	5	5

For the year ended December 31, 2024, we did not have a significant cash flow assumption impact to net income (loss) attributable to the annual assumption review. For the year ended December 31, 2024, we experienced more favorable reported incidence and claim terminations than assumed.

For the year ended December 31, 2023, we had a favorable cash flow assumption impact to net income (loss) attributable to the annual assumption review from updates to long-term disability and life waiver claim termination rate assumptions, partially offset by unfavorable impacts from updates to long-term disability social security offset assumptions. For the year ended December 31, 2023, we experienced more favorable reported incidence and claim terminations than assumed.

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

	As of December 31, 2024		As of December 31, 2023	
	Undiscounted	Discounted	Undiscounted	Discounted
Group Protection				
Expected future benefit payments	$ 7,368	$ 5,628	$ 7,250	$ 5,689

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 Years Ended December 31,		
	2024	2023	2022
Group Protection			
Gross premiums	$ 3,563	$ 3,549	$ 3,393
Interest accretion	181	159	141

The following table summarizes the weighted-average interest rates:

	For the Years Ended December 31,	
	2024	2023
Group Protection		
Interest accretion rate	3.3 %	3.0 %
Current discount rate	5.1 %	4.7 %

Additional Liabilities for Other Insurance Benefits

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

	UL and Other	
	As of or For the Years Ended December 31,	
	2024	2023
Balance as of beginning-of-year	$ 15,000	$ 14,818
Less: Effect of cumulative changes in shadow balance in AOCI	(2,222)	(905)
Balance as of beginning-of-year, excluding shadow balance in AOCI	17,222	15,723
Effect of changes in cash flow assumptions	244	173
Effect of actual variances from expected experience	289	(71)
Adjusted beginning-of-year balance	17,755	15,825
Interest accrual	863	775
Net assessments collected	1,168	1,210
Benefit payments	(1,051)	(588)
Balance as of end-of-year, excluding shadow balance in AOCI	18,735	17,222
Effect of cumulative changes in shadow balance in AOCI	(2,673)	(2,222)
Balance as of end-of-year	16,062	15,000
Less: reinsurance recoverables	5,211	4,708
Balance as of end-of-year, net of reinsurance	$ 10,851	$ 10,292
Weighted-average duration of additional liabilities for other insurance benefits (years)	16	17

For the year ended December 31, 2024, we had an unfavorable cash flow assumption impact to net income (loss) attributable to the annual assumption review impacting reinsured blocks of *MoneyGuard*® business for updates to policyholder behavior and mortality assumptions that were partially offset by updates to capital market assumptions. For the year ended December 31, 2024, we had unfavorable actual mortality experience compared to expected on reinsured and retained business.

For the year ended December 31, 2023, we had an unfavorable cash flow assumption impact to net income (loss) attributable to the annual assumption review from updates to policyholder lapse behavior assumptions, partially offset by a favorable impact from updates to interest rate assumptions. For the year ended December 31, 2023, we did not have any significantly different actual experience compared to expected.

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

	For the Years Ended December 31,		
	2024	2023	2022
UL and Other			
Gross assessments	$ 2,937	$ 3,219	$ 2,818
Interest accretion	863	775	626

The following table summarizes the weighted-average interest rates:

	For the Years Ended December 31,	
	2024	2023
UL and Other		
Interest accretion rate	5.4 %	5.3 %

13. Short-Term and Long-Term Debt

Details underlying short-term and long-term debt (in millions) were as follows:

	As of December 31,	
	2024	2023
Short-Term Debt		
Current maturities of long-term debt	$ 300	$ 250
Total short-term debt	$ 300	$ 250
Long-Term Debt, Excluding Current Portion		
Senior notes:		
3.35% notes, due 2025 [1]	$ –	$ 300
3.625% notes, due 2026 [1]	400	400
3.80% notes, due 2028 [1]	500	500
3.05% notes, due 2030 [1]	500	500
3.40% notes, due 2031 [1]	500	500
3.40% notes, due 2032 [1]	300	300
5.852% notes, due 2034 [1]	350	–
6.15% notes, due 2036 [1]	243	243
6.30% notes, due 2037 [1][2]	375	375
7.00% notes, due 2040 [1][2]	500	500
4.35% notes, due 2048 [1]	450	450
4.375% notes, due 2050 [1]	300	300
Total senior notes	4,418	4,368
Term loans:		
Variable, due 2027 [3]	150	–
Total term loans	150	–
Subordinated notes:		
Variable, due 2066 [4] [5]	562	562
Variable, due 2067 [4] [6]	433	433
Total subordinated notes	995	995
Capital securities:		
Variable, due 2066 [4] [7]	160	160
Variable, due 2067 [4] [8]	58	58
Total capital securities	218	218
Unamortized premiums (discounts)	(6)	(6)
Unamortized debt issuance costs	(30)	(30)
Unamortized adjustments from discontinued hedges	310	326
Fair value hedge on interest rate swap agreements	(199)	(172)
Total long-term debt	$ 5,856	$ 5,699

[1] We have the option to repurchase the outstanding notes by paying the greater of 100% of the principal amount of the notes to be redeemed or the make-whole amount (as defined in each note agreement), plus in each case any accrued and unpaid interest as of the date of redemption.

[2] Categorized as operating debt for leverage ratio calculations as the proceeds were primarily used as a long-term structured solution to reduce the strain on increasing statutory reserves associated with secondary guarantee UL and term policies.

[3] Transitioned from London Interbank Offered Rate ("LIBOR")-based to Secured Overnight Financing Rate ("SOFR")-based interest rates, plus an applicable transition spread of 10 basis points due to the discontinued publication of LIBOR effective after June 30, 2023. Our applicable credit spread was 137.5 and 112.5 basis points as of December 31, 2024 and 2023, respectively. In 2024, we repaid $100 million and refinanced and extended the term loan into a $150 million variable-rate term loan due July 16, 2027.

[4] To hedge the variability in rates, we purchased interest rate swaps to lock in a fixed rate of approximately 5% over the remaining terms of the subordinated notes and capital securities.

(5) Transitioned from LIBOR-based to 3-Month ISDA SOFR-based interest rates after June 30, 2023, plus a credit spread of 236 basis points.
(6) Transitioned from LIBOR-based to 3-Month ISDA SOFR-based interest rates after June 30, 2023, plus a credit spread of 204 basis points.
(7) Transitioned from LIBOR-based to 3-Month Term SOFR-based interest rates after June 30, 2023, plus a transition spread of 26.161 basis points after June 30, 2023, plus a credit spread of 236 basis points.
(8) Transitioned from LIBOR-based to 3-Month Term SOFR-based interest rates after June 30, 2023, plus a transition spread of 26.161 basis points after June 30, 2023, plus a credit spread of 204 basis points.

Future principal payments due on long-term debt (in millions) as of December 31, 2024, were as follows:

2025	$	300
2026		400
2027		150
2028		500
2029		–
Thereafter		4,731
Total	$	6,081

For our long-term debt outstanding, unsecured senior debt, which consists of senior notes and a term loan, ranks highest in priority, followed by subordinated notes and then capital securities.

Facility Agreement for Senior Notes Issuance

During August 2020, LNC entered into a 10-year facility agreement (the "facility agreement") with a Delaware trust in connection with the sale by the trust of $500 million of pre-capitalized trust securities in a private placement pursuant to Rule 144A of the Securities Act of 1933, as amended. The trust invested the proceeds from the sale of the trust securities in a portfolio of principal and interest strips of U.S. Treasury securities. The facility agreement provides LNC the right to issue and sell to the trust, on one or more occasions, up to an aggregate principal amount outstanding at any one time of $500 million of LNC's 2.330% senior notes due August 15, 2030 ("2.330% senior notes") in exchange for a corresponding amount of U.S. Treasury securities held by the trust. The 2.330% senior notes will not be issued unless and until the issuance right is exercised. In return, LNC pays a semi-annual facility fee to the trust at a rate of 1.691% per year (applied to the unexercised portion of the maximum amount of senior notes that LNC could issue and sell to the trust), and LNC reimburses the trust for its expenses.

The issuance right will be exercised automatically in full upon our failure to make certain payments to the trust, such as paying the facility fee or reimbursing the trust for its expenses, if the failure to pay is not cured within 30 days, or upon certain bankruptcy events involving LNC. We are also required to exercise the issuance right in full if our consolidated stockholders' equity (excluding AOCI) falls below a minimum threshold (which was $2.75 billion as of December 31, 2024, and is subject to adjustment from time to time in certain cases) and upon certain other events described in the facility agreement.

Prior to any involuntary exercise of the issuance right, LNC has the right to repurchase any or all of the 2.330% senior notes then held by the trust in exchange for U.S. Treasury securities. LNC may redeem any outstanding 2.330% senior notes, in whole or in part, prior to their maturity. Prior to May 15, 2030, the redemption price will equal the greater of par or a make-whole redemption price. After May 15, 2030, any outstanding 2.330% senior notes may be redeemed at par.

Credit Facilities

Credit facilities, which allow for borrowing or issuances of letters of credit ("LOCs"), (in millions) were as follows:

		As of December 31, 2024	
	Expiration Date	Maximum Available	LOCs Issued
Credit Facilities			
Five-year revolving credit facility	December 21, 2028	$ 2,000	$ 250
LOC facility [1]	August 26, 2031	965	895
LOC facility [1]	October 1, 2031	827	827
Total		$ 3,792	$ 1,972

[1] Our wholly owned subsidiaries entered into irrevocable LOC facility agreements with third-party lenders supporting inter-company reinsurance agreements.

On December 21, 2023, we entered into a second amended and restated credit agreement with a syndicate of banks, which amended and restated our existing five-year revolving amended and restated credit agreement. The credit agreement, which is unsecured, allows for the issuance of LOCs and borrowing of up to $2.0 billion and has a commitment termination date of December 21, 2028. 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.

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 $8.626 billion plus 50% of the aggregate net proceeds of equity issuances received by us after September 30, 2023, 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 December 31, 2024, we were in compliance with all such covenants.

Our LOC facility agreements each contain customary terms and conditions, including early termination fees, covenants restricting the ability of the subsidiaries to incur liens, merge or consolidate with another entity and dispose of all or substantially all of their assets. Upon an event of early termination, the agreements require the immediate payment of all or a portion of the present value of the future LOC fees that would have otherwise been paid. Further, the agreements contain customary events of default, subject to certain materiality thresholds and grace periods for certain of those events of default. The events of default include payment defaults, covenant defaults, material inaccuracies in representations and warranties, bankruptcy and liquidation proceedings and other customary defaults. Upon an event of default, the agreements provide that, among other things, obligations to issue, amend or increase the amount of any LOC shall be terminated and any obligations shall become immediately due and payable. As of December 31, 2024, we were in compliance with all such covenants.

Shelf Registration

We currently have 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, depositary shares and trust preferred securities.

14. 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 December 31, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Investments:				
Fixed maturity AFS securities:				
Corporate bonds	$ –	$ 63,585	$ 2,865	$ 66,450
U.S. government bonds	371	20	–	391
State and municipal bonds	–	2,371	–	2,371
Foreign government bonds	–	237	–	237
RMBS	–	1,851	12	1,863
CMBS	–	1,657	8	1,665
ABS	–	11,781	2,099	13,880
Hybrid and redeemable preferred securities	48	133	73	254
Trading securities	–	1,760	265	2,025
Equity securities	–	260	34	294
Mortgage loans on real estate	–	–	232	232
Derivative investments [1]	–	13,884	3	13,887
Other investments – short-term investments	–	369	23	392
MRB assets	–	–	4,860	4,860
Other assets:				
Ceded MRBs	–	–	2	2
Indexed annuity ceded embedded derivatives	–	–	1,115	1,115
Separate account assets	391	168,047	–	168,438
Total assets	$ 810	$ 265,955	$ 11,591	$ 278,356
Liabilities				
Policyholder account balances – RILA, fixed annuity and IUL contracts	$ –	$ –	$ (12,449)	$ (12,449)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives	–	204	(234)	(30)
MRB liabilities	–	–	(1,046)	(1,046)
Other liabilities:				
Ceded MRBs	–	–	(381)	(381)
Derivative liabilities [1]	–	(4,256)	(139)	(4,395)
Total liabilities	$ –	$ (4,052)	$ (14,249)	$ (18,301)

	As of December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets				
Investments:				
Fixed maturity AFS securities:				
Corporate bonds	$ –	$ 67,160	$ 2,497	$ 69,657
U.S. government bonds	374	19	–	393
State and municipal bonds	–	2,785	5	2,790
Foreign government bonds	–	283	–	283
RMBS	–	1,760	13	1,773
CMBS	–	1,416	8	1,424
ABS	–	10,687	1,484	12,171
Hybrid and redeemable preferred securities	46	153	48	247
Trading securities	–	2,075	284	2,359
Equity securities	1	263	42	306
Mortgage loans on real estate	–	–	288	288
Derivative investments [1]	–	10,874	622	11,496
Other investments – short-term investments	–	233	–	233
MRB assets	–	–	3,894	3,894
Other assets:				
Ceded MRBs	–	–	2	2
Indexed annuity ceded embedded derivatives	–	–	940	940
Separate account assets	402	157,855	–	158,257
Total assets	$ 823	$ 255,563	$ 10,127	$ 266,513
Liabilities				
Policyholder account balances – RILA, fixed annuity and IUL contracts	$ –	$ –	$ (9,077)	$ (9,077)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives	–	237	(789)	(552)
MRB liabilities	–	–	(1,716)	(1,716)
Other liabilities:				
Ceded MRBs	–	–	(239)	(239)
Derivative liabilities [1]	–	(4,792)	(586)	(5,378)
Total liabilities	$ –	$ (4,555)	$ (12,407)	$ (16,962)

[1] 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 9.

	For the Year Ended December 31, 2024					
	Beginning 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 Fair Value
Assets						
Investments: [2]						
Fixed maturity AFS securities:						
Corporate bonds	$ 2,497	$ (1)	$ (14)	$ 514	$ (131)	$ 2,865
State and municipal bonds	5	–	–	–	(5)	–
RMBS	13	–	(2)	6	(5)	12
CMBS	8	–	(1)	29	(28)	8
ABS	1,484	–	25	1,037	(447)	2,099
Hybrid and redeemable preferred securities	48	–	3	12	10	73
Trading securities	284	1	–	(20)	–	265
Equity securities	42	(4)	–	–	(4)	34
Mortgage loans on real estate	288	9	1	(66)	–	232
Other investments	–	–	–	13	10	23
Other assets:						
Ceded MRBs [3]	2	–	–	–	–	2
Indexed annuity ceded embedded derivatives [4]	940	161	–	14	–	1,115
Liabilities						
Policyholder account balances – RILA, fixed annuity and IUL contracts [4]	(9,077)	(3,059)	–	(313)	–	(12,449)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives [4]	(789)	555	–	–	–	(234)
Other liabilities:						
Ceded MRBs [3]	(239)	(142)	–	–	–	(381)
Derivative liabilities	36	(124)	–	3	(51)	(136)
Total, net	$ (4,458)	$ (2,604)	$ 12	$ 1,229	$ (651)	$ (6,472)

	For the Year Ended December 31, 2023					
	Beginning 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 Fair Value
Assets						
Investments: [2]						
Fixed maturity AFS securities:						
Corporate bonds	$ 2,295	$ 2	$ 17	$ 194	$ (11)	$ 2,497
State and municipal bonds	35	(4)	4	(30)	–	5
RMBS	1	–	–	5	7	13
CMBS	–	–	–	(4)	12	8
ABS	1,117	–	9	733	(375)	1,484
Hybrid and redeemable preferred securities	49	–	(2)	(2)	3	48
Trading securities	581	17	–	(313)	(1)	284
Equity securities	153	(19)	–	(98)	6	42
Mortgage loans on real estate	487	(7)	5	(197)	–	288
Derivative investments	2	(13)	–	16	31	36
Other assets:						
Ceded MRBs [3]	12	(10)	–	–	–	2
Indexed annuity ceded embedded derivatives [4]	525	6	–	409	–	940
Liabilities						
Policyholder account balances – RILA, fixed annuity and IUL contracts [4]	(4,783)	(3,193)	–	(1,101)	–	(9,077)
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives [4]	–	(789)	–	–	–	(789)
Other liabilities – ceded MRBs [3]	(205)	(34)	—	—	–	(239)
Total, net	$ 269	$ (4,044)	$ 33	$ (388)	$ (328)	$ (4,458)

	For the Year Ended December 31, 2022					
	Beginning 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 Fair Value
Assets						
Investments: [2]						
Fixed maturity AFS securities:						
Corporate bonds	$ 5,720	$ 1	$ (1,550)	$ 796	$ (2,672)	$ 2,295
State and municipal bonds	–	–	(1)	–	36	35
Foreign government bonds	41	–	(6)	(30)	(5)	–
RMBS	4	–	1	21	(25)	1
CMBS	–	–	–	17	(17)	–
ABS	870	–	(113)	676	(316)	1,117
Hybrid and redeemable preferred securities	93	(6)	(22)	(12)	(4)	49
Trading securities	828	(80)	–	(152)	(15)	581
Equity securities	95	54	–	19	(15)	153
Mortgage loans on real estate	739	(20)	(5)	(227)	–	487
Derivative investments	21	2	(6)	–	(15)	2
Other assets:						
Ceded MRBs [3]	95	(83)	–	–	–	12
Indexed annuity ceded embedded derivatives [4]	528	(215)	–	212	–	525
Liabilities						
Policyholder account balances – indexed annuity and IUL contracts embedded derivatives [4]	(6,131)	1,975	–	(627)	–	(4,783)
Other liabilities – ceded MRBs [3]	(17)	(188)	–	–	–	(205)
Total, net	$ 2,886	$ 1,440	$ (1,702)	$ 693	$ (3,048)	$ 269

(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 Year Ended December 31, 2024					
	Issuances	Sales	Maturities	Settlements	Calls	Total
Investments:						
Fixed maturity AFS securities:						
Corporate bonds	$ 1,350	$ (301)	$ (2)	$ (532)	$ (1)	$ 514
State and municipal	–	–	–	–	–	–
RMBS	6	–	–	–	–	6
CMBS	29	–	–	–	–	29
ABS	1,495	(82)	–	(319)	(57)	1,037
Hybrid and redeemable preferred securities	16	–	–	–	(4)	12
Trading securities	6	(2)	–	(24)	–	(20)
Equity securities	1	(1)	–	–	–	–
Mortgage loans on real estate	1	(31)	(29)	(7)	–	(66)
Other investments	16	–	(3)	–	–	13
Other assets – indexed annuity ceded embedded derivatives	135	–	–	(121)	–	14
Policyholder account balances – RILA, fixed annuity and IUL contracts	(1,137)	–	–	824	–	(313)
Other liabilities – derivative liabilities	4	–	(1)	–	–	3
Total, net	$ 1,922	$ (417)	$ (35)	$ (179)	$ (62)	$ 1,229

	For the Year Ended December 31, 2023					
	Issuances	Sales	Maturities	Settlements	Calls	Total
Investments:						
Fixed maturity AFS securities:						
Corporate bonds	$ 797	$ (149)	$ (34)	$ (409)	$ (11)	$ 194
State and municipal	–	(30)	–	–	–	(30)
RMBS	5	–	–	–	–	5
CMBS	–	–	–	(4)	–	(4)
ABS	971	(2)	–	(230)	(6)	733
Hybrid and redeemable preferred securities	–	–	–	–	(2)	(2)
Trading securities	–	(231)	–	(82)	–	(313)
Equity securities	1	(99)	–	–	–	(98)
Mortgage loans on real estate	5	–	–	(202)	–	(197)
Derivative investments	19	–	(3)	–	–	16
Other assets – indexed annuity ceded embedded derivatives	404	–	–	5	–	409
Policyholder account balances – RILA, fixed annuity and IUL contracts	(1,110)	–	–	9	–	(1,101)
Total, net	$ 1,092	$ (511)	$ (37)	$ (913)	$ (19)	$ (388)

	For the Year Ended December 31, 2022					
	Issuances	Sales	Maturities	Settlements	Calls	Total
Investments:						
Fixed maturity AFS securities:						
Corporate bonds	$ 1,263	$ (100)	$ (82)	$ (235)	$ (50)	$ 796
Foreign government bonds	–	–	(30)	–	–	(30)
RMBS	21	–	–	–	–	21
CMBS	17	–	–	–	–	17
ABS	918	–	–	(235)	(7)	676
Hybrid and redeemable preferred securities	–	–	–	–	(12)	(12)
Trading securities	287	(229)	–	(210)	–	(152)
Equity securities	28	(9)	–	–	–	19
Mortgage loans on real estate	15	–	–	(242)	–	(227)
Other assets – indexed annuity ceded embedded derivatives	124	–	–	88	–	212
Policyholder account balances – indexed annuity and IUL contracts embedded derivatives	(710)	–	–	83	–	(627)
Total, net	$ 1,963	$ (338)	$ (112)	$ (751)	$ (69)	$ 693

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

	For the Years Ended December 31,		
	2024	2023	2022
Investments:			
Trading securities [1]	$ –	$ 8	$ (81)
Equity securities [1]	(2)	(16)	56
Mortgage loans on real estate [1]	–	(8)	(20)
Derivative investments [1]	(121)	1	2
MRBs [2]	2,643	2,200	3,183
Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives [1]	555	(789)	–
Embedded derivatives – indexed annuity and IUL contracts [1]	1,061	(20)	(95)
Total, net	$ 4,136	$ 1,376	$ 3,045

[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 Years Ended December 31,		
	2024	2023	2022
Investments:			
Fixed maturity AFS securities:			
Corporate bonds	$ (37)	$ (5)	$ (1,562)
State and municipal bonds	–	3	(1)
Foreign government bonds	–	–	(7)
ABS	(3)	3	(116)
Hybrid and redeemable preferred securities	2	(1)	(22)
Mortgage loans on real estate	2	4	(5)
Total, net	$ (36)	$ 4	$ (1,713)

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

	For the Year Ended December 31, 2024		
	Transfers Into Level 3	Transfers Out of Level 3	Total
Investments:			
Fixed maturity AFS securities:			
Corporate bonds	$ 22	$ (153)	$ (131)
State and municipal bonds	–	(5)	(5)
RMBS	–	(5)	(5)
CMBS	–	(28)	(28)
ABS	50	(497)	(447)
Hybrid and redeemable preferred securities	10	–	10
Equity securities	–	(4)	(4)
Other investments	10	–	10
Other liabilities – derivative liabilities	–	(51)	(51)
Total, net	$ 92	$ (743)	$ (651)

	For the Year Ended December 31, 2023		
	Transfers Into Level 3	Transfers Out of Level 3	Total
Investments:			
Fixed maturity AFS securities:			
Corporate bonds	$ 195	$ (206)	$ (11)
RMBS	12	(5)	7
CMBS	12	–	12
ABS	2	(377)	(375)
Hybrid and redeemable preferred securities	16	(13)	3
Trading securities	6	(7)	(1)
Equity securities	6	–	6
Derivative investments	31	–	31
Total, net	$ 280	$ (608)	$ (328)

	For the Year Ended December 31, 2022		
	Transfers Into Level 3	Transfers Out of Level 3	Total
Investments:			
Fixed maturity AFS securities:			
Corporate bonds	$ 296	$ (2,968)	$ (2,672)
State and municipal bonds	36	–	36
Foreign government bonds	–	(5)	(5)
RMBS	–	(25)	(25)
CMBS	–	(17)	(17)
ABS	16	(332)	(316)
Hybrid and redeemable preferred securities	–	(4)	(4)
Trading securities	4	(19)	(15)
Equity securities	–	(15)	(15)
Derivative investments	–	(15)	(15)
Total, net	$ 352	$ (3,400)	$ (3,048)

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 years ended December 31, 2024, 2023 and 2022, transfers in and out of Level 3 were attributable primarily to the financial instruments' observable market information no longer being available or becoming available. In 2022, transfers out of Level 3 included corporate bonds and ABS for which we changed valuation techniques. This change in valuation technique was primarily from a change to a third-party-provided pricing model that did not use significant unobservable inputs. This updated valuation technique is considered industry standard and provides us with greater visibility into the economic valuation inputs.

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, 2024:

	Fair Value	Valuation Technique	Significant Unobservable Inputs	Assumption or Input Ranges	Weighted Average Input Range [1]
Assets					
Investments:					
Fixed maturity AFS securities:					
Corporate bonds	$ 187	Discounted cash flow	Liquidity/duration adjustment [2]	0 % – 3.1 %	1.7 %
ABS	10	Discounted cash flow	Liquidity/duration adjustment [2]	1.3 % – 1.3 %	1.3 %
CMBS	8	Discounted cash flow	Liquidity/duration adjustment [2]	1.9 % – 1.9 %	1.9 %
Hybrid and redeemable preferred securities	19	Discounted cash flow	Liquidity/duration adjustment [2]	1.4 % – 1.9 %	1.8 %
Equity securities	5	Discounted cash flow	Liquidity/duration adjustment [2]	4.5 % – 4.5 %	4.5 %
MRB assets	4,860				
Other assets – ceded MRBs	2	Discounted cash flow	Lapse [3]	1 % – 30 %	[10]
			Utilization of GLB withdrawals [4]	85 % – 100 %	92 %
			Claims utilization factor [5]	60 % – 100 %	[10]
			Premiums utilization factor [5]	80 % – 115 %	[10]
			Non-performance risk [6]	0.25 % – 2.00 %	1.58 %
			Mortality [7]	[9]	[10]
			Volatility [8]	1 % – 29 %	14.50 %
Other assets – indexed annuity ceded embedded derivatives	1,115	Discounted cash flow	Lapse [3]	0 % – 9 %	[10]
			Mortality [7]	[9]	[10]
Liabilities					
Policyholder account balances – indexed annuity contracts embedded derivatives	$ (12,402)	Discounted cash flow	Lapse [3]	0 % – 9 %	[10]
			Mortality [7]	[9]	[10]
MRB liabilities	(1,046)				
Other liabilities – ceded MRBs	(381)	Discounted cash flow	Lapse [3]	1 % – 30 %	[10]
			Utilization of GLB withdrawals [4]	85 % – 100 %	92 %
			Claims utilization factor [5]	60 % – 100 %	[10]
			Premiums utilization factor [5]	80 % – 115 %	[10]
			Non-performance risk [6]	0.25 % – 2.00 %	1.58 %
			Mortality [7]	[9]	[10]
			Volatility [8]	1 % – 29 %	14.50 %

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

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

[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.

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

The embedded derivative liability associated with Fortitude Re was excluded from the above table. As discussed in Note 7, this embedded derivative liability was created through a coinsurance with funds withheld reinsurance agreement where the investments supporting the reinsurance agreement were withheld by and continue to be reported on 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 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. For more information, see Note 1.

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.

	As of December 31,	
	2024	2023
Fair value	$ 232	$ 288
Aggregate contractual principal	263	326

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 December 31, 2024				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value	Carrying Amount
Assets					
Investments:					
Mortgage loans on real estate	$ –	$ 19,647	$ –	$ 19,647	$ 21,083
Other investments	–	1,119	5,469	6,588	6,588
Policy loans	–	2,476	–	2,476	2,476
Cash and invested cash	–	5,801	–	5,801	5,801
Liabilities					
Policyholder account balances and other liabilities	$ –	$ –	$ (30,505)	$ (30,505)	$ (40,394)
Short-term debt	–	(299)	–	(299)	(300)
Long-term debt	–	(5,304)	–	(5,304)	(5,856)
Funds withheld reinsurance-related liabilities – excluding embedded derivatives	–	–	(16,877)	(16,877)	(16,877)

	As of December 31, 2023				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value	Carrying Amount
Assets					
Investments:					
Mortgage loans on real estate	$ –	$ 17,047	$ –	$ 17,047	$ 18,963
Other investments	–	667	4,348	5,015	5,015
Policy loans	–	2,476	–	2,476	2,476
Cash and invested cash	–	3,365	–	3,365	3,365
Liabilities					
Policyholder account balances and other liabilities	$ –	$ –	$ (31,611)	$ (31,611)	$ (40,027)
Short-term debt	–	(249)	–	(249)	(250)
Long-term debt	–	(5,182)	–	(5,182)	(5,699)
Funds withheld reinsurance-related liabilities – excluding embedded derivatives	–	–	(17,089)	(17,089)	(17,089)

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

Other Investments

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

Policy Loans

The carrying value for policy loans are the unpaid principal balances. 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.

Policyholder Account Balances and Other Liabilities

Policyholder account balances and other liabilities 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.

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.

15. Retirement and Deferred Compensation Plans

Defined Benefit Pension and Other Postretirement Benefit Plans

We maintain U.S. defined benefit pension plans in which certain U.S. employees and agents are participants, and a U.K. plan we retained after the sale of the Lincoln UK business. Our defined benefit pension plans are closed to new entrants and existing participants do not accrue any additional benefits. We also sponsor other postretirement benefit plans that provide health care and life insurance to certain retired employees and agents. These retirement plans are not material to the Company's results of operations, financial condition or cash flows for the three years ended December 31, 2024.

Defined Contribution Plans

We sponsor tax-qualified defined contribution plans for eligible employees and agents. We administer these plans in accordance with the plan documents and various limitations under section 401(a) of the Internal Revenue Code of 1986. For the years ended December 31, 2024, 2023 and 2022, expenses for these plans were $111 million, $116 million and $102 million, respectively.

Deferred Compensation Plans

We sponsor non-qualified, unfunded, deferred compensation plans for certain current and former employees, agents and non-employee directors. The results of certain notional investment options within some of the plans are hedged by total return swaps. Our expenses increase or decrease in direct proportion to the change in market value of the participants' investment options. Participants of certain plans are able to select our stock as a notional investment option; however, it is not hedged by the total return swaps and is a primary source of expense volatility related to these plans. For the years ended December 31, 2024, 2023 and 2022, expenses for these plans were $48 million, $24 million and $(4) million, respectively. For further discussion of total return swaps related to our deferred compensation plans, see Note 5.

Information (in millions) with respect to these plans was as follows:

	As of December 31,	
	2024	2023
Total liabilities [1]	$ 809	$ 736
Investments dedicated to fund liabilities [2]	258	233

[1] Reported in other liabilities on the Consolidated Balance Sheets.
[2] Reported in other assets on the Consolidated Balance Sheets.

16. Stock-Based Incentive Compensation Plans

We sponsor stock-based incentive compensation plans for our employees and directors and for the employees and agents of our subsidiaries that provide for the issuance of stock options, performance shares and restricted stock units ("RSUs"), among other types of awards. We issue new shares to satisfy option exercises and vested performance shares and RSUs.

Total compensation expense (in millions) by award type for our stock-based incentive compensation plans was as follows:

	For the Years Ended December 31,		
	2024	2023	2022
Stock options	$ 5	$ 8	$ 6
Performance shares	8	12	10
RSUs	51	41	35
Total	$ 64	$ 61	$ 51
Recognized tax benefit	$ 11	$ 9	$ 11

Total unrecognized compensation expense (in millions) and expected weighted-average period (in years) by award type for our stock-based incentive compensation plans was as follows:

	For the Years Ended December 31,					
	2024		2023		2022	
	Expense	Weighted-Average Period	Expense	Weighted-Average Period	Expense	Weighted-Average Period
Stock options	$ 3	0.8	$ 9	0.8	$ 11	0.8
Performance shares	20	1.5	21	1.3	19	1.2
RSUs	40	1.4	54	1.6	55	1.4
Total unrecognized stock-based incentive compensation expense	$ 63		$ 84		$ 85	

Stock Options

The option price assumptions used for our stock option awards were as follows:

	For the Years Ended December 31,		
	2024	2023	2022
Weighted-average fair value per option granted	$ 9.53	$ 11.64	$ 18.13
Weighted-average assumptions:			
Dividend yield	4.4%	4.1%	3.2%
Expected volatility	54.5%	48.1%	44.4%
Risk-free interest rate [(1)]	4.3%	3.8-4.1%	1.9-3.8%
Expected life (in years)	4.1	5.8	5.8

(1) Risk-free interest rate expressed as a range, as applicable.

The fair value of options is determined using a Black-Scholes options valuation model with the assumptions disclosed in the table above. The dividend yield is based on the expected dividend rate during the expected life of the option. Expected volatility is based on the implied volatility of exchange-traded securities and the historical volatility of the LNC stock price. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of the grant. The expected life of the options granted represents the weighted-average period of time from the grant date to the date of exercise, expiration or cancellation based upon historical behavior.

Generally, stock options have a maximum contractual term of ten years and vest ratably over a three-year period based solely on a service condition. Information with respect to our incentive plans involving stock options with service conditions (aggregate intrinsic value shown in millions) was as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of December 31, 2023	3,876,978	$ 54.30		
Granted	–	–		
Exercised	(16,164)	21.13		
Forfeited or expired	(446,360)	50.85		
Outstanding as of December 31, 2024	3,414,454	$ 54.90	4.9	$ –
Vested or expected to vest as of December 31, 2024 [1]	3,323,463	$ 55.22	4.9	$ –
Exercisable as of December 31, 2024	2,793,542	$ 58.50	4.3	$ –

[1] Includes estimated forfeitures.

The total fair value of stock options with service conditions that vested during the years ended December 31, 2024, 2023 and 2022, was $6 million, $6 million and $8 million, respectively. The total intrinsic value of such options exercised during the years ended December 31, 2024, 2023 and 2022, was less than $1 million, less than $1 million and $1 million, respectively.

We award to certain agents stock options that have a maximum contractual term of five years and generally vest ratably over a two-year period depending on the satisfaction of the performance conditions. Information with respect to our incentive plans involving stock options with performance conditions (aggregate intrinsic value shown in millions) was as follows:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of December 31, 2023	112,537	$ 45.73		
Granted	10,969	27.34		
Exercised	(5,219)	24.47		
Forfeited or expired	(25,832)	58.72		
Outstanding as of December 31, 2024	92,455	$ 41.12	2.0	$ –
Vested or expected to vest as of December 31, 2024 [1]	90,283	$ 41.48	2.0	$ –
Exercisable as of December 31, 2024	85,216	$ 42.38	1.9	$ –

[1] Includes estimated forfeitures.

The total fair value of stock options with performance conditions that vested during the years ended December 31, 2024, 2023 and 2022, was less than $1 million, less than $1 million and $1 million, respectively. The total intrinsic value of such options exercised during the years ended December 31, 2024, 2023 and 2022, was less than $1 million.

Performance Shares

LNC performance shares vest, if at all, after the conclusion of the three-year performance period and certification of performance results by the Compensation Committee, and, generally, on the third anniversary of the grant date. Depending on the achievement level of performance measures pre-determined by the Compensation Committee for the three-year performance period, payouts could range from 0% to 200% of the target award for performance shares granted prior to 2021, 0% to 240% of the target award for performance shares granted in 2021, and 0% to 232% of the target award for performance shares granted in 2022, 2023 and 2024. Dividend equivalents accrue with respect to unvested performance shares when and as cash dividends are paid on the Company's common stock and vest if and to the extent that the underlying performance shares vest. Performance share information in the table below includes dividend equivalents credited on unvested performance share awards at target. Information with respect to our performance shares was as follows:

	Shares	Weighted-Average Grant Date Fair Value
Outstanding as of December 31, 2023 [1]	1,192,408	$ 50.06
Granted	834,632	32.25
Vested	–	–
Forfeited	(184,834)	37.47
Performance adjustment [2]	(248,174)	59.40
Outstanding as of December 31, 2024 [1]	1,594,032	$ 40.74

[1] Represents target award amounts.

[2] Represents the difference between the target shares granted and the actual shares vested based upon the achievement level of performance measures.

RSUs

LNC RSUs generally cliff vest on the third anniversary of the grant date, based solely on a service condition. Dividend equivalents accrue with respect to unvested RSUs when and as cash dividends are paid on the Company's common stock and vest if and when the underlying RSUs vest. RSU information in the table below includes dividend equivalents credited on unvested RSU awards. Information with respect to our RSUs was as follows:

	Shares	Weighted-Average Grant Date Fair Value
Outstanding as of December 31, 2023	2,919,318	$ 44.00
Granted	2,146,356	28.08
Vested	(870,900)	49.43
Forfeited	(418,541)	39.17
Outstanding as of December 31, 2024	3,776,233	$ 34.24

17. 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, 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 December 31, 2024.

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

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

Among other matters, we are presently engaged in litigation, including relating to cost of insurance rates ("Cost of Insurance and Other Litigation"), as described below. No accrual has been made for some of these matters. Although a loss is believed to be reasonably possible for these matters, for some of these matters, we are not able to estimate a reasonably possible amount or range of potential liability. An adverse outcome in one or more of these matters may have a material impact on the consolidated financial statements, but, based on information currently known, management does not believe those cases are likely to have such an impact.

Cost of Insurance and Other Litigation

Cost of Insurance Litigation

Glover v. Connecticut General Life Insurance Company and The Lincoln National Life Insurance Company, filed in the U.S. District Court for the District of Connecticut, No. 3:16-cv-00827, is a putative class action that was served on The Lincoln National Life Insurance Company ("LNL") on June 8, 2016. Plaintiff is the owner of a universal life insurance policy who alleges that LNL charged more for non-guaranteed cost of insurance than permitted by the policy. Plaintiff seeks to represent all universal life and variable universal life policyholders who owned policies containing non-guaranteed cost of insurance provisions that are similar to those of plaintiff's policy and seeks damages on behalf of all such policyholders. On January 11, 2019, the court dismissed plaintiff's complaint in its entirety. In response, plaintiff filed a motion for leave to amend the complaint, which, on September 25, 2023, the court granted in part and denied in part. Plaintiff filed an amended complaint on October 10, 2023. On March 7, 2024, the parties entered into a 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. The provisional settlement, which is still subject to final approval of the court, consists of a $147.5 million pre-tax cash payment for *Glover* class members (inclusive of all policyholders in *Iwanski*, *TVPX ARS INC.* and *Vida*). As of December 31, 2024, 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. The provisional settlement, which is still subject to final approval of the court, consists of a $147.5 million pre-tax cash payment for *Glover* class members (inclusive of all policyholders in *Iwanski*, *TVPX ARS INC.* and *Vida*). A motion has been filed to stay the proceedings in this matter pending the completion of the settlement approval process in *Glover*.

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

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 December 16, 2024, the court heard oral argument on the issue of whether to grant final approval of the provisional settlement. The provisional settlement, which is still subject to final approval of the court, consists of a $147.5 million pre-tax cash payment for *Glover* class members (inclusive of all policyholders in *Iwanski*, *TVPX ARS INC.* and *Vida*). On March 29, 2024, the court issued its summary judgment decision, granting LLANY's motion in part and denying it in part, and entering summary judgment against twenty-two policyholders that the court determined were not economically harmed. On 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*.

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; *Conestoga Trust, et al, v. Lincoln National Corp., et al.,* No. 18-cv-02379-GJP (E.D. Pa.), filed on June 6, 2018; *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 (or, in *LSH Co.* (discussed further below) and *Conestoga*, LNL and LNC) breached the terms of policyholders' contracts when it increased non-guaranteed cost of insurance rates beginning in 2016 (or, in *Brighton Trustees* and *LSH Co.*, in 2016 and 2017). We are vigorously defending these consolidated matters. *LSH CO, et al. v. Lincoln National Corp., et al.*, No. 18-cv-05529-GJP (E.D. Pa.), filed on December 21, 2018, was previously consolidated with the above civil actions. On February 8, 2025, we entered into an agreement with the plaintiffs in *LSH Co.* in full and final settlement of this matter and this matter is now concluded.

Wells Fargo Bank, N.A, solely in its capacity as securities intermediary v. The Lincoln National Life Insurance Company, pending in the U.S. District Court for the Eastern District of Pennsylvania, No. 25-cv-00152-GJP (E.D. Pa.), is a civil action initially filed on December 4, 2024, in the U.S. District Court for the Northern District of Indiana. On January 9, 2025, this case was transferred to the Eastern District of Pennsylvania. Plaintiff, purporting to act solely in its capacity as securities intermediary for the beneficial owner of universal life insurance policies originally issued by Jefferson-Pilot (now LNL), alleges, among other things, that LNL breached the terms of Plaintiff's contracts when it increased non-guaranteed cost of insurance rates beginning in 2016 and 2017. We are vigorously defending this matter.

Other Litigation

Andrew Nitkewicz v. Lincoln Life & Annuity Company of New York, pending in the U.S. District Court for the Southern District of New York, No. 1:20-cv-06805, is a putative class action that was filed on August 24, 2020. Plaintiff Andrew Nitkewicz, as trustee of the Joan C. Lupe Trust, seeks to represent all current and former owners of universal life (including variable universal life) policies who own or owned policies issued by LLANY and its predecessors in interest that were in force at any time on or after June 27, 2013, and for which planned annual, semi-annual, or quarterly premiums were paid for any period beyond the end of the policy month of the insured's death. Plaintiff alleges LLANY failed to refund unearned premium in violation of New York Insurance Law Section 3203(a)(2) in connection with the payment of death benefit claims for certain insurance policies. Plaintiff seeks compensatory damages and pre-judgment interest on behalf of the various classes and sub-class. On July 2, 2021, the court granted, with prejudice, LLANY's November 2020 motion to dismiss this matter. Plaintiff filed a notice of appeal on July 28, 2021, and on September 26, 2022, the U.S. Court of Appeals for the Second Circuit reserved its decision and certified a question to the New York Court of Appeals. On October 20, 2022, the New York Court of Appeals accepted the question. On October 19, 2023, the New York Court of Appeals answered the question in LLANY's favor and transmitted the decision to the U.S. Court of Appeals for the Second Circuit. Plaintiff sought, and was granted, supplemental briefing before the U.S. Court of Appeals for the Second Circuit with respect to certain aspects of the New York Court of Appeals' decision. The supplemental briefing was completed January 23, 2024. On August 8, 2024, the U.S. Court of Appeals for the Second Circuit affirmed the District Court's decision dismissing the case. Plaintiff's November 6, 2024, deadline by which to file a petition for a writ of certiorari to the Supreme Court has passed. As a result, with the affirmation of the decision dismissing the case, this matter is now concluded.

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. 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: L*awrence 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 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.

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, pending in the Court of Common Pleas of Delaware County, Pennsylvania, is a complaint that was filed on December 31, 2024. Plaintiff Anthony Morgan brings 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. Plaintiff Morgan alleges claims against the Individual Defendants for breach of fiduciary duties and for unjust enrichment. Plaintiff Morgan alleges, *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. Plaintiff Morgan alleges 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.

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, pending in the Court of Common Pleas of Delaware County, Pennsylvania, is a complaint that was filed on January 3, 2025. Plaintiff Harry Rosenthal brings 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. Plaintiff Rosenthal alleges claims against the Individual Defendants for breach of fiduciary duties and for unjust enrichment. Plaintiff Rosenthal alleges, *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. Plaintiff Rosenthal alleges 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.

Kelly Grink v. Virtua Health and Lincoln National Corporation et al., No. 1:24-cv-09919, is a putative class action filed on October 18, 2024, in the U.S. District Court for the District of New Jersey. Plaintiffs Kelly Grink and Diane Trump are participants in Virtua Health's defined contribution plans. Plaintiffs seek to represent all current and former participants or beneficiaries of Virtua's 401(k) savings plan and 403(b) retirement program who invested in the plan's fixed annuity option in the six years prior to the filing of this lawsuit. Lincoln offers a fixed annuity investment option to plan participants through its group annuity contract with the plans. Lincoln also provides recordkeeping and administration services to the plans. Plaintiffs allege that the Virtua defendants acted in breach of their fiduciary duty including by maintaining the plans' investment in the Lincoln stable value fund when other investment providers are alleged to have provided superior alternatives at substantially lower cost. Plaintiffs allege that Lincoln acted as a fiduciary with respect to the fixed annuity investment option and was a party in interest to a prohibited transaction under ERISA. The action seeks unspecified relief against Lincoln. We are vigorously defending this matter.

Tax Assessment Proceeding

Lincoln National Life Insurance Company v. Township of Radnor, pending in the Court of Common Pleas of Delaware County, Pennsylvania Civil Division, No. 2022-001894, is 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 to LNL for additional business privilege tax ("BPT") 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 of Radnor, 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. The court's ruling remains pending. We are vigorously defending this matter.

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. We reported the undiscounted expected state guaranty fund assessment liability within other liabilities on the Consolidated Balance Sheets of $63 million and $32 million as of December 31, 2024 and 2023, respectively. The actual amount of assessments levied against us in connection with insurance company insolvencies may vary from this estimate. Future guaranty fund

assessments are expected to be paid based on anticipated funding periods for each guaranty association obligation. In addition, we reported the related receivable for expected future state premium tax recoveries within other assets on the Consolidated Balance Sheets of $99 million and $32 million as of December 31, 2024 and 2023, respectively. Premium tax recoveries are expected to be realized based on regulations set forth by the various state taxing authorities. The balance sheet position as of December 31, 2024 and 2023, nets to recoveries of $36 million and assessments of less than $1 million, respectively.

Commitments

Operating Leases

As of December 31, 2024 and 2023, we had operating lease ROU assets of $85 million and $118 million, respectively, and associated lease liabilities of $89 million and $129 million, respectively. The weighted-average discount rate was 4.0% and 4.4%, respectively, and the weighted-average remaining lease term was four years as of December 31, 2024 and 2023. Operating lease expense for the years ended December 31, 2024, 2023 and 2022, was $36 million, $42 million and $45 million, respectively, and reported in commissions and other expenses on the Consolidated Statements of Comprehensive Income (Loss).

The table below presents cash flow information (in millions) related to operating leases:

	For the Years Ended December 31,		
	2024	2023	2022
Supplemental Cash Flow Information			
Cash paid for amounts included in the measurement of lease liabilities	$ 32	$ 42	$ 47
Supplemental Non-Cash Information			
ROU assets obtained in exchange for new lease obligations	$ 4	$ –	$ 23

Our future minimum lease payments (in millions) for operating leases as of December 31, 2024, were as follows:

2025	$ 29
2026	27
2027	23
2028	19
2029	8
Thereafter	2
Total future minimum lease payments	108
Less: Amount representing interest	19
Present value of minimum lease payments	$ 89

As of December 31, 2024, we had one lease that had not yet commenced.

Certain Financing Arrangements

We periodically enter into sale-leaseback arrangements that do not meet the criteria of a sale for accounting purposes. As such, we account for these transactions as financing arrangements. As of December 31, 2024 and 2023, we had $511 million and $595 million, respectively, of financing obligations reported within other liabilities on the Consolidated Balance Sheets. Future payments due on certain financing arrangements (in millions) as of December 31, 2024, were as follows:

2025	$ 174
2026	226
2027	130
2028	21
2029	12
Thereafter	8
Total future minimum lease payments	571
Less: Amount representing interest	60
Present value of minimum lease payments	$ 511

Vulnerability from Concentrations

As of December 31, 2024, we did not have a concentration of: business transactions with a particular customer or lender; sources of supply of labor or services used in the business; or a market or geographic area in which business is conducted that makes us vulnerable to an event that is at least reasonably possible to occur in the near term and which could cause a severe impact to our financial condition. For information on our investment and reinsurance concentrations, see Notes 3 and 7, respectively.

18. Shares and Stockholders' Equity

Preferred Shares

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

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

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

	For the Years Ended December 31,			
	2024		2023	
Series	Dividend Per Share	Aggregate Dividend	Dividend Per Share	Aggregate Dividend
Series C	$ 2,312.50	$ 46	$ 1,792.19	36
Series D	2,250.00	45	2,306.25	46
Total	$ 4,562.50	$ 91	$ 4,098.44	82

In November 2022, we issued 500,000 depositary shares ("Series C Depositary Shares"), each representing a 1/25th interest in a share of our 9.250% Fixed Rate Reset Non-Cumulative Preferred Stock, Series C liquidation preference $25,000 per share (the "Series C Preferred Stock") and in the aggregate representing 20,000 shares of Series C Preferred Stock, for aggregate net cash proceeds of $493 million. Dividends, if declared, will be payable commencing on March 1, 2023, and will accrue and be payable on the first day of March and

September each year, in arrears, at an annual rate of 9.250% on the liquidation preference of $25,000 per share. From, and including March 1, 2028 (the first "reset date"), the annual rate will reset every five years at a rate equal to the five-year treasury rate as of the most recent reset dividend determination date plus 5.318%. We may, at our option, redeem our Series C Preferred Stock in whole but not in part within 90 days after certain rating agency events, or a regulatory capital event, or in whole or in part, from time to time, during the three-month period prior to each reset date.

We may, at our option, redeem the Series C Preferred Stock, (a) in whole but not in part within 90 days after the occurrence of a rating agency event at a redemption price equal to 102% of the stated amount of a share of Series C Preferred Stock (initially, $25,500 per share of Series C Preferred Stock, equivalent to $1,020 per Depositary Share), plus an amount equal to any dividends per share that have accrued but not been declared and paid for the then-current dividend period to, but excluding, such redemption date; and (b)(i)in whole but not in part within 90 days after the occurrence of a regulatory capital event, or (ii) in whole or in part, from time to time, during the three-month period prior to March 1, 2028, and during the three-month period prior to each reset date thereafter in each case, at a redemption price equal to the stated amount of a share of Series C Preferred Stock (initially, $25,000 per share of Series C Preferred Stock, equivalent to $1,000 per Depositary Share), plus an amount equal to any dividends per share that have accrued but not been declared and paid for the then-current dividend period to, but excluding, such redemption date.

In November 2022, we issued 20,000,000 depositary shares ("Series D Depositary Shares"), each representing a $1/1000^{th}$ interest in a share of our 9.000% Series D, Non-Cumulative Preferred Stock, liquidation preference $25,000 per share (the "Series D Preferred Stock") and in the aggregate representing 20,000 shares of Series D Preferred Stock, for aggregate net cash proceeds of $493 million. Dividends, if declared, will be payable commencing on March 1, 2023, and will accrue and be payable quarterly on the first day of March, June, September, and December each year, in arrears, at an annual rate of 9.000%. We may, at our option, redeem our Series D Preferred Stock in whole but not in part within 90 days after certain rating agency events, or a regulatory capital event, or in whole or in part, at any time or from time to time, on or after December 1, 2027.

We may, at our option, redeem the Series D Preferred Stock, (a) in whole but not in part, at any time prior to December 1, 2027, within 90 days after the occurrence of a rating agency event at a redemption price equal to 102% of the stated amount of a share of Series D Preferred Stock (initially, $25,500 per share of Series D Preferred Stock, equivalent to $25.50 per Depositary Share), plus an amount equal to any dividends per share that have accrued but not been declared and paid for the then-current dividend period to, but excluding, such redemption date, and (b)(i) in whole but not in part, at any time prior to December 1, 2027, within 90 days after the occurrence of a regulatory capital event; or (ii) in whole or in part, at any time or from time to time on or after December 1, 2027, in each case, at a redemption price equal to the stated amount of a share of Series D Preferred Stock (initially, $25,000 per share of Series D Preferred Stock, equivalent to $25.00 per Depositary Share), plus an amount equal to any dividends per share that have accrued but not been declared and paid for the then-current dividend period to, but excluding, such redemption date.

The Series C Preferred Stock and the Series D Preferred Stock (together, the "Preferred Stock") rank equally with each other for liquidation preference. The Preferred Stock is senior to our common stock with respect to the payment of dividends, if declared, and distributions of assets upon any liquidation, dissolution or winding-up of the Company. The ability of the Company to declare or pay dividends on, or purchase, redeem or otherwise acquire, shares of its common stock or any shares of the Company that rank junior to, or on parity with, the Preferred Stock is subject to certain restrictions in the event that we do not declare and pay (or set aside) dividends on the Preferred Stock for the last preceding dividend period.

Except as otherwise provided by law, every holder of Preferred Stock will have the right at every shareholders' meeting to one vote for each share of Preferred Stock held in their name as of the record date for such meeting. In addition, at any time when six or more quarterly dividends, whether or not consecutive, on one or more series of the Preferred Stock is in default, the holders of all preferred stock at the time or times outstanding as to which such default shall exist shall have certain voting rights with respect to the election of additional directors to the Company's Board of Directors, as provided in the Certificate of Designations for each series of Preferred Stock.

Each share of Preferred Stock is perpetual and has no maturity date. The Preferred Stock is not convertible into, or exchangeable for, any other class or series of stock or other securities of the Company or its subsidiaries and is not subject to any mandatory redemption, sinking fund, retirement fund, purchase fund, or other similar provisions.

Our Series C and D Preferred Stock are without par value.

Common Shares

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

	For the Years Ended December 31,		
	2024	2023	2022
Common Stock			
Balance as of beginning-of-year	169,666,137	169,220,511	177,193,515
Stock compensation/issued for benefit plans	714,509	445,626	692,491
Retirement/cancellation of shares	–	–	(8,665,495)
Balance as of end-of-year	170,380,646	169,666,137	169,220,511

Our common stock is without par value.

EPS

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

	For the Years Ended December 31,		
	2024	2023	2022
Net income (loss) available to common stockholders – basic	$ 3,184	$ (834)	$ 1,358
Deferred units of LNC stock in our deferred compensation plans [1]	3	(1)	(13)
Net income (loss) available to common stockholders – diluted	$ 3,187	$ (835)	$ 1,345
Weighted-average shares, as used in basic calculation	170,597,104	169,562,903	171,034,695
Incremental common shares from assumed exercise or issuance of stock-based incentive compensation awards	1,789,530	570,943	1,152,890
Average deferred compensation shares [1]	693,791	604,809	512,570
Weighted-average shares, as used in diluted calculation [2]	173,080,425	170,738,655	172,700,155
Net income (loss) per share:			
Basic	$ 18.66	$ (4.92)	$ 7.93
Diluted	18.41	(4.92)	7.78

[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 year ended December 31, 2023, basic shares were used in the diluted EPS calculation for this year 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):

	For the Years Ended December 31,		
	2024	2023	2022
Unrealized Gain (Loss) on Fixed Maturity AFS Securities and Certain Other Investments			
Balance as of beginning-of-year	$ (5,188)	$ (8,916)	$ 9,616
Unrealized holding gains (losses) arising during the year	(1,787)	2,413	(25,552)
Change in foreign currency exchange rate adjustment	(220)	179	(322)
Change in future contract benefits and policyholder account balances, net of reinsurance	477	1,306	2,291
Income tax benefit (expense)	317	(849)	5,039
Less:			
Reclassification adjustment for gains (losses) included in net income (loss)	(205)	(860)	(15)
Income tax benefit (expense)	43	181	3
Balance as of end-of-year	$ (6,239)	$ (5,188)	$ (8,916)
Unrealized Gain (Loss) on Derivative Instruments			
Balance as of beginning-of-year	$ 375	$ 388	$ (85)
Unrealized holding gains (losses) arising during the year	201	243	378
Change in foreign currency exchange rate adjustment	220	(169)	312
Income tax benefit (expense)	(88)	(15)	(144)
Less:			
Reclassification adjustment for gains (losses) included in net income (loss)	89	91	92
Income tax benefit (expense)	(19)	(19)	(19)
Balance as of end-of-year	$ 638	$ 375	$ 388
Market Risk Benefit Non-Performance Risk Gain (Loss)			
Balance as of beginning-of-year	$ 1,070	$ 1,741	$ 1,951
Adjustment arising during the year	(1,175)	(854)	(266)
Income tax benefit (expense)	251	183	56
Balance as of end-of-year	$ 146	$ 1,070	$ 1,741
Policyholder Liability Discount Rate Remeasurement Gain (Loss)			
Balance as of beginning-of-year	$ 587	$ 747	$ (1,265)
Adjustment arising during the year	198	(206)	2,559
Income tax benefit (expense)	(41)	46	(547)
Balance as of end-of-year	$ 744	$ 587	$ 747
Foreign Currency Translation Adjustment			
Balance as of beginning-of-year	$ (26)	$ (34)	$ (14)
Foreign currency translation adjustment arising during the year	(3)	8	(20)
Balance as of end-of-year	$ (29)	$ (26)	$ (34)
Funded Status of Employee Benefit Plans			
Balance as of beginning-of-year	$ (294)	$ (278)	$ (219)
Adjustment arising during the year	(5)	(13)	(74)
Income tax benefit (expense)	3	(3)	15
Balance as of end-of-year	$ (296)	$ (294)	$ (278)

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 Years Ended December 31,			
	2024	2023	2022	
Unrealized Gain (Loss) on Fixed Maturity AFS Securities and Certain Other Investments				
Reclassification	$ (244)	$ (869)	$ (15)	Realized gain (loss)
Associated change in future contract benefits	39	9	–	Benefits
Reclassification before income tax benefit (expense)	(205)	(860)	(15)	Income (loss) before taxes
Income tax benefit (expense)	43	181	3	Federal income tax expense (benefit)
Reclassification, net of income tax	$ (162)	$ (679)	$ (12)	Net income (loss)
Unrealized Gain (Loss) on Derivative Instruments				
Interest rate contracts	$ (3)	$ (1)	$ 2	Net investment income
Interest rate contracts	25	31	(11)	Interest and debt expense
Foreign currency contracts	59	54	62	Net investment income
Foreign currency contracts	8	7	39	Realized gain (loss)
Reclassifications before income tax benefit (expense)	89	91	92	Income (loss) before taxes
Income tax benefit (expense)	(19)	(19)	(19)	Federal income tax expense (benefit)
Reclassifications, net of income tax	$ 70	$ 72	$ 73	Net income (loss)

19. Segment Information

We provide products and services and report results through our Annuities, Life Insurance, Group Protection and Retirement Plan Services business segments. We also have Other Operations, which includes the financial data for operations that are not directly related to the business segments. The accounting policies of the business segments and Other Operations are the same as those described in Note 1. Our business segments and Other Operations reflect the manner by which our CODM views and manages the business. Our CODM is the Chief Executive Officer. The following is a brief description of these segments and Other Operations.

The Annuities segment provides tax-deferred investment growth and lifetime income opportunities for its clients by offering variable annuities (including RILA) and fixed annuities (including indexed).

The Life Insurance segment focuses on the creation and protection of wealth for its clients by providing life insurance products, including term insurance, both single (including UL, corporate-owned UL and bank-owned UL) and survivorship versions of IUL and VUL products, linked-benefit products (which are UL and VUL with riders providing for long-term care costs), and critical illness and long-term care riders, which can be attached to IUL or VUL policies. We have in-force blocks of UL and VUL products with lifetime secondary guarantees, but we no longer offer new sales of UL and VUL products with lifetime guarantees.

The Group Protection segment offers group non-medical insurance products and services, including short- and long-term disability, statutory disability and paid family medical leave administration and absence management services, term life, dental, vision and accident, critical illness and hospital indemnity benefits and services to the employer marketplace through various forms of employee-paid and employer-paid plans.

The Retirement Plan Services segment provides employer-sponsored defined benefit and individual retirement accounts, as well as individual and group variable annuities, group fixed annuities and mutual-fund based programs in the retirement plan marketplace.

Other Operations includes the financial results for operations that are not directly related to our business segments and primarily consists of: investments related to the excess capital in our insurance subsidiaries; corporate investments; interest expense associated with debt; expenses associated with corporate strategic initiatives; expenses associated with benefit plans; the results of certain disability income business; and our run-off Institutional Pension business in the form of group annuity contracts.

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 unpredictable and not necessarily indicative of

current operating fundamentals or future performance, and, in many 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. In the third quarter of 2024, we revised our definition of income (loss) from operations to exclude the impact of certain additional items that are not indicative of the ongoing operations of the business and may obscure trends in the underlying performance of the Company. The presentation of prior period income (loss) from operations was recast for such third quarter 2024 revisions to conform to the current period presentation.

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

- Items related to annuity product features, which include changes in MRBs, including gains and losses and benefit payments, changes in the fair value of the derivative instruments we hold to hedge GLB and GDB riders, net of fee income allocated to support the cost of hedging them, and changes in the fair value of the embedded derivative liabilities of our indexed annuity contracts and the associated index options we hold to hedge them, including collateral expense associated with the hedge program (collectively, "net annuity product features");
- Items related to life insurance product features, which include changes in the fair value of derivatives we hold as part of VUL hedging, changes in reserves resulting from benefit ratio unlocking associated with the impact of capital markets, and changes in the fair value of the embedded derivative liabilities of our IUL contracts and the associated index options we hold to hedge them (collectively, "net life insurance product features");
- Credit loss-related adjustments on fixed maturity AFS securities, mortgage loans on real estate and reinsurance-related assets ("credit loss-related adjustments");
- Changes in the fair value of equity securities, certain derivatives, certain other investments and realized gains (losses) on sales, disposals and impairments of financial assets (collectively, "investment gains (losses)");
- Changes in the fair value of reinsurance-related embedded derivatives, trading securities and mortgage loans on real estate electing the fair value option ("changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans");
- Income (loss) from the initial adoption of new accounting standards, 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 and integration costs related to mergers and acquisitions including the acquisition or divestiture, through reinsurance or other means, of businesses or blocks of business; 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 dividends-received deduction and foreign tax credits and any other permanent differences for events recognized differently in our 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 Year Ended December 31, 2024					
	Annuities	Life Insurance	Group Protection	Retirement Plan Services	Other Operations	Total
Operating Revenues [1]	$ 4,896	$ 6,248	$ 5,717	$ 1,321	$ 160	$ 18,342
Operating Expenses [2]						
Benefits and policyholder liability remeasurement (gain) loss	145	3,893	3,692	–	12	7,742
Interest credited	1,536	1,194	6	675	32	3,443
Commissions	1,115	461	462	103	–	2,141
General and administrative expenses	495	563	870	340	256	2,524
Interest and debt expense	–	–	–	–	336	336
Other [3]	217	242	149	17	(10)	615
Total operating expenses	3,508	6,353	5,179	1,135	626	16,801
Total federal income tax expense (benefit)	228	(42)	113	23	(96)	226
Total income (loss) from operations	1,160	(63)	425	163	(370)	1,315
Reconciliation of total income (loss) from operations to net income (loss):						
Net annuity product features, pre-tax						2,508
Net life insurance product features, pre-tax						(207)
Credit loss-related adjustments, pre-tax						(152)
Investment gains (losses), pre-tax						(483)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, pre-tax [4]						535
Gains (losses) on other non-financial assets – sale of subsidiaries/businesses, pre-tax [5]						582
Other items, pre-tax [6] [7] [8] [9]						(270)
Income tax benefit (expense) related to the above pre-tax items						(553)
Total net income (loss)						$ 3,275

(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; broker-dealer expenses before the sale of our wealth management business in the second quarter of 2024; 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: DAC capitalization and amortization; taxes, licenses and fees and expenses associated with LOCs. Other Operations: 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 primarily changes in the fair value of the embedded derivative related to the fourth quarter 2023 reinsurance transaction. For more information, see Note 7.

(5) For information on the sale of our wealth management business, see Note 1.

(6) Includes certain legal accruals of $(129) million, primarily attributable to a first quarter 2024 accrual related to the settlement of cost of insurance litigation, and regulatory accruals of $(12) million related to estimated state guaranty fund assessments net of estimated state premium tax recoveries associated with the Bankers Life Insurance Company and Colorado Bankers Life Insurance Company insolvencies (see "State Guaranty Fund Assessments" in Note 17 for more information).

(7) Includes severance expense related to initiatives to realign the workforce of $(74) million.

(8) Includes transaction and integration costs related to mergers, acquisitions and divestitures of $(40) million.

(9) Includes deferred compensation mark-to-market adjustment of $(15) million.

	For the Year Ended December 31, 2023					
	Annuities	Life Insurance	Group Protection	Retirement Plan Services	Other Operations	Total
Operating Revenues (1)	$ 3,002	$ 6,907	$ 5,563	$ 1,310	$ (755)	$ 16,027
Operating Expenses (2)						
Benefits and policyholder liability remeasurement (gain) loss (3)	(1,504)	4,583	3,732	–	(866)	5,945
Interest credited	1,252	1,290	5	665	36	3,248
Commissions	971	571	446	87	–	2,075
General and administrative expenses	471	617	846	341	258	2,533
Interest and debt expense	–	–	–	–	331	331
Other (4)	599	77	155	16	(8)	839
Total operating expenses	1,789	7,138	5,184	1,109	(249)	14,971
Total federal income tax expense (benefit)	140	(72)	80	30	(112)	66
Total income (loss) from operations	1,073	(159)	299	171	(394)	990
Reconciliation of total income (loss) from operations to net income (loss) (5):						
Net annuity product features, pre-tax						68
Net life insurance product features, pre-tax						(393)
Credit loss-related adjustments, pre-tax						(80)
Investment gains (losses), pre-tax						(959)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, pre-tax (6)						(802)
Other items, pre-tax (7) (8) (9) (10)						(55)
Income tax benefit (expense) related to the above pre-tax items						479
Total net income (loss)						$ (752)

(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) Annuities and Other Operations: Reflects the fourth quarter 2023 reinsurance transaction ceding of in-force life-contingent payout fixed annuities and institutional pension business that had no income (loss) from operations impact. See Note 7 for more information on the transaction.

(4) Other operating expenses include: Annuities: Broker-dealer expenses; DAC and VOBA capitalization and amortization; taxes, licenses and fees and expenses associated with reserve financing and LOCs. Life Insurance: DAC and VOBA capitalization and amortization; taxes, licenses and fees; 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: 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.

(5) The prior period presentation was recast to conform to the revised definition of income (loss) from operations.

(6) 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.
(7) Includes certain legal accruals of $(12) million.
(8) Includes severance expense related to initiatives to realign the workforce of $(7) million.
(9) Includes transaction and integration costs related to mergers, acquisitions and divestitures of $(34) million.
(10) Includes deferred compensation mark-to-market adjustment of $(2) million.

	For the Year Ended December 31, 2022					
	Annuities	Life Insurance	Group Protection	Retirement Plan Services	Other Operations	Total
Operating Revenues [1]	$ 4,482	$ 6,747	$ 5,304	$ 1,274	$ 156	$ 17,963
Operating Expenses [2]						
Benefits and policyholder liability remeasurement (gain) loss	253	6,925	3,931	–	66	11,175
Interest credited	894	1,310	5	629	39	2,877
Commissions	1,018	698	394	79	–	2,189
General and administrative expenses	408	554	766	303	267	2,298
Interest and debt expense	–	–	–	–	283	283
Other [3]	563	(59)	156	16	(5)	671
Total operating expenses	3,136	9,428	5,252	1,027	650	19,493
Total federal income tax expense (benefit)	185	(587)	11	36	(93)	(448)
Total income (loss) from operations	1,161	(2,094)	41	211	(401)	(1,082)
Reconciliation of total income (loss) from operations to net income (loss) [4]:						
Net annuity product features, pre-tax						4,133
Net life insurance product features, pre-tax						26
Credit loss-related adjustments, pre-tax						(130)
Investment gains (losses), pre-tax						20
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, pre-tax						(52)
Impairment of intangibles [5]						(634)
Other items, pre-tax [6] [7]						(109)
Income tax benefit (expense) related to the above pre-tax items						(814)
Total net income (loss)						$ 1,358

(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: Broker-dealer expenses; DAC and VOBA capitalization and amortization; taxes, licenses and fees and expenses associated with reserve financing and LOCs. Life Insurance: DAC and VOBA capitalization and amortization; taxes, licenses and fees; 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 and taxes, licenses and fees. Other Operations: 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) The prior period presentation was recast to conform to the revised definition of income (loss) from operations.
(5) See Note 8 for more information.
(6) Includes certain legal accruals of $(147) million.
(7) Includes deferred compensation mark-to-market adjustment of $38 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 Year Ended December 31, 2024					
	Annuities	Life Insurance	Group Protection	Retirement Plan Services	Other Operations	Total
Operating revenues	$ 4,896	$ 6,248	$ 5,717	$ 1,321	$ 160	$ 18,342
Revenue adjustments from annuity and life insurance product features	(130)	(252)	–	–	–	(382)
Credit loss-related adjustments	(71)	(10)	(4)	(32)	(35)	(152)
Investment gains (losses)	13	(252)	(2)	(11)	(231)	(483)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans	(6)	554	–	–	(13)	535
Gains (losses) on other non-financial assets - sale of subsidiaries/businesses	–	–	–	–	582	582
Total revenues	$ 4,702	$ 6,288	$ 5,711	$ 1,278	$ 463	$ 18,442

	For the Year Ended December 31, 2023					
	Annuities [1]	Life Insurance	Group Protection	Retirement Plan Services	Other Operations [1]	Total
Operating revenues	$ 3,002	$ 6,907	$ 5,563	$ 1,310	$ (755)	$ 16,027
Revenue adjustments from annuity and life insurance product features	(2,131)	(410)	–	–	–	(2,541)
Credit loss-related adjustments	(14)	(54)	(4)	(1)	(7)	(80)
Investment gains (losses)	(95)	(733)	(6)	(35)	(90)	(959)
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans	(30)	(781)	–	–	9	(802)
Total revenues [1]	$ 732	$ 4,929	$ 5,553	$ 1,274	$ (843)	$ 11,645

[1] Includes ceded insurance premiums primarily related to the fourth quarter 2023 reinsurance transaction. For more information, see Note 7.

	For the Year Ended December 31, 2022					
	Annuities	Life Insurance	Group Protection	Retirement Plan Services	Other Operations	Total
Operating revenues	$ 4,482	$ 6,747	$ 5,304	$ 1,274	$ 156	$ 17,963
Revenue adjustments from annuity and life insurance product features	974	35	–	–	–	1,009
Credit loss-related adjustments	(10)	(124)	3	(3)	4	(130)
Investment gains (losses)	(21)	88	(3)	(13)	(31)	20
Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans	84	(1)	–	–	(135)	(52)
Total revenues	$ 5,509	$ 6,745	$ 5,304	$ 1,258	$ (6)	$ 18,810

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

	For the Years Ended December 31,		
	2024	2023	2022
Net Investment Income			
Annuities	$ 1,636	$ 1,668	$ 1,463
Life Insurance	2,434	2,712	2,587
Group Protection	348	339	334
Retirement Plan Services	997	1,012	976
Other Operations	110	148	155
Total net investment income	$ 5,525	$ 5,879	$ 5,515

20. Realized Gain (Loss)

Details underlying realized gain (loss) (in millions) reported on the Consolidated Statements of Comprehensive Income (Loss) were as follows:

	For the Years Ended December 31,		
	2024	2023	2022
Fixed maturity AFS securities: [1]			
Gross gains	$ 13	$ 630	$ 38
Gross losses	(257)	(408)	(53)
Credit loss benefit (expense) [2]	(42)	(22)	(15)
Intent to sell impairments	–	(1,091)	–
Realized gain (loss) on equity securities [3]	18	(6)	15
Credit loss benefit (expense) on mortgage loans on real estate [2]	(88)	(16)	(3)
Credit loss benefit (expense) on reinsurance-related assets [4]	(20)	(41)	(112)
Realized gain (loss) on the mark-to-market on certain instruments [5][6]	102	(1,298)	37
Indexed product derivative results [7]	458	(232)	74
Derivative results [8]	(438)	(1,830)	901
Realized gain (loss) on sale of subsidiaries/businesses [9]	582	–	–
Other realized gain (loss)	(59)	3	(42)
Total realized gain (loss)	$ 269	$ (4,311)	$ 840

[1] Includes impairments of certain fixed maturity AFS securities in an unrealized loss position, resulting from the Company's intent to sell these securities as part of the fourth quarter 2023 reinsurance transaction. Pursuant to the applicable accounting guidance, the Company impaired the securities in a loss position down to fair market value upon entry into the agreements in the second quarter of 2023 and recognized additional impairment on certain of these securities during the third quarter of 2023 due to higher interest rates. Interest rates declined during the fourth quarter of 2023, which resulted in recognition of a $335 million pre-tax net gain upon close of the transaction, included in gross gains and gross losses. See Notes 3 and 7 for additional information.

[2] Includes changes in the allowance for credit losses as well as direct write-downs to amortized cost as a result of negative credit events.

[3] Includes mark-to-market adjustments on equity securities still held of $21 million, $3 million and $10 million for the years ended December 31, 2024, 2023 and 2022, respectively.

[4] Includes the release of reinsurance recoverables and the corresponding allowance for credit losses related to a third-party reinsurer, Scottish Re, where liquidation proceedings commenced during the third quarter of 2023. As of September 30, 2023, reinsurance coverage terminated and all business ceded to Scottish Re was therefore recaptured.

[5] Represents changes in the fair values of derivatives we hold as part of VUL hedging, reinsurance-related embedded derivatives and trading securities. For the year ended December 31, 2023, we recognized a pre-tax loss of $789 million on a reinsurance-related embedded derivative due to the increase in the market value of the fixed maturity AFS securities included within the Fortitude Re funds withheld account. See Note 7 for additional information.

[6] Includes gains and losses from fair value changes on mortgage loans on real estate accounted for under the fair value option of $7 million, $(11) million and $(24) million for the years ended December 31, 2024, 2023 and 2022, respectively.

[7] 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.

[8] 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.

[9] For information on the sale of the wealth management business, see Note 1.

21. Commissions and Other Expenses

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

	For the Years Ended December 31,		
	2024	2023	2022
Commissions	$ 2,141	$ 2,075	$ 2,189
General and administrative expenses	2,738	2,543	2,407
DAC and VOBA deferrals, net of amortization	(138)	(174)	(352)
Broker-dealer expenses	219	526	536
Taxes, licenses and fees	369	330	339
Expenses associated with reserve financing and LOCs	125	114	108
Specifically identifiable intangible asset and other amortization	96	44	65
Transaction and integration costs related to mergers, acquisitions and divestitures	40	34	–
Total	$ 5,590	$ 5,492	$ 5,292

22. Federal Income Taxes

The federal income tax expense (benefit) on continuing operations (in millions) was as follows:

	For the Years Ended December 31,		
	2024	2023	2022
Current	$ 6	$ (3)	$ 3
Deferred	741	(393)	364
Federal income tax expense (benefit)	$ 747	$ (396)	$ 367

A reconciliation of the effective tax rate differences (in millions) was as follows:

	For the Years Ended December 31,		
	2024	2023	2022
Income (loss) before taxes	$ 4,022	$ (1,148)	$ 1,725
Federal statutory rate	21 %	21 %	21 %
Federal income tax expense (benefit) at federal statutory rate	845	(241)	362
Effect of:			
Tax-preferred investment income [1]	(32)	(126)	(90)
Tax credits	(39)	(40)	(42)
Excess tax expense (benefit) from stock-based compensation	3	4	(1)
Goodwill impairment	–	–	133
Release of uncertain tax positions	(41)	–	–
Other items	11	7	5
Federal income tax expense (benefit)	$ 747	$ (396)	$ 367
Effective tax rate	19 %	34 %	21 %

[1] Relates primarily to separate account dividends eligible for the dividends-received deduction.

The federal income tax asset (liability) (in millions) was as follows:

	As of December 31,	
	2024	2023
Current	$ 107	$ 112
Deferred	604	929
Total federal income tax asset (liability)	$ 711	$ 1,041

Significant components of our deferred tax assets and liabilities (in millions) were as follows:

	As of December 31,	
	2024	2023
Deferred Tax Assets		
Insurance liabilities and reinsurance-related balances	$ 1,856	$ 1,900
Net unrealized loss on fixed maturity AFS securities	2,164	1,826
Reinsurance-related embedded derivative liabilities	6	116
Compensation and benefit plans	206	184
Intangibles	17	18
Net unrealized loss on trading securities	30	33
Tax credits	169	131
Net operating losses	478	87
Capital losses	56	93
Total deferred tax assets	$ 4,982	$ 4,388
Deferred Tax Liabilities		
DAC and VOBA	$ 1,638	$ 1,744
Investment activity	1,486	617
Deferred loss on reinsurance	474	465
MRB-related activity	743	429
Other	37	204
Total deferred tax liabilities	$ 4,378	$ 3,459
Net deferred tax asset (liability)	$ 604	$ 929

As of December 31, 2024, we have $169 million of federal income tax credits that can be carried forward to 2030 through 2034. As of December 31, 2024, we have $2.3 billion of net operating losses to carry forward to future years. As of December 31, 2024, we have $267 million of capital losses to carry forward to future years. The net operating losses arose in tax years 2018, 2021 and 2024 and, under the Tax Cuts and Jobs Act changes, have an unlimited carryforward period. The capital losses arose in tax year 2023 and can be carried back three years and forward five years. As a result, management believes that it is more likely than not that the deferred tax asset associated with the loss carryforwards will be realized. Inclusive of the tax attribute for the net operating losses, although realization is not assured, management believes that it is more likely than not that we will realize the benefits of all our deferred tax assets, and, accordingly, no valuation allowance has been recorded.

We are subject to examination by U.S. federal, state, local and non-U.S. income authorities. With few exceptions for limited scope review, we are no longer subject to U.S. federal examinations for years before 2020. In the first quarter of 2021, the Internal Revenue Service commenced an examination of our 2014, 2015, 2016 and 2017 refund claims. We are currently under examination by several state and local taxing jurisdictions; however, we do not expect these examinations will materially impact us.

A reconciliation of the gross unrecognized federal tax benefits (in millions) was as follows:

	For the Years Ended December 31,	
	2024	2023
Balance as of beginning-of-year	$ 87	$ 68
Decreases for prior year tax positions	(48)	(6)
Increases for prior year tax positions	–	25
Balance as of end-of-year	$ 39	$ 87

As of December 31, 2024 and 2023, $33 million and $75 million, respectively, of our gross unrecognized federal tax benefits presented above, if recognized, would have affected our federal income tax expense (benefit) and our effective tax rate. We anticipate that it is reasonably possible that unrecognized tax benefits will decrease by $2 million by the end of 2025.

We recognize interest and penalties accrued, if any, related to unrecognized tax benefits as a component of tax expense. For the years ended December 31, 2024, 2023 and 2022, we recognized no interest and penalty expense (benefit), and there was no accrued interest and penalty expense related to the unrecognized tax benefits as of December 31, 2024 and 2023.

In August 2022, the Inflation Reduction Act of 2022 was passed by the U.S. Congress and signed into law by President Biden. The Inflation Reduction Act of 2022 established a new 15% corporate alternative minimum tax for corporations whose average adjusted net income for any consecutive three-year period beginning after December 31, 2022, exceeds $1.0 billion. The Inflation Reduction Act of 2022 also established a 1% excise tax on stock repurchases made by publicly traded corporations. Both provisions became effective for tax years beginning after December 31, 2022. We determined that we were not within the scope of the corporate alternative minimum tax for 2024.

23. Statutory Information and Restrictions

The Company's domestic life insurance subsidiaries prepare financial statements in accordance with statutory accounting principles ("SAP") prescribed or permitted by the insurance departments of their states of domicile, which may vary materially from GAAP.

Prescribed SAP includes the Accounting Practices and Procedures Manual of the National Association of Insurance Commissioners ("NAIC") as well as state laws, regulations and administrative rules. Permitted SAP encompasses all accounting practices not so prescribed. The principal differences between statutory financial statements and financial statements prepared in accordance with GAAP are that statutory financial statements do not reflect DAC, some bond portfolios may be carried at amortized cost, assets and liabilities are presented net of reinsurance, contract holder liabilities are generally valued using more conservative assumptions and certain assets are non-admitted.

Our insurance subsidiaries are subject to the applicable laws and regulations of their respective states of domicile. Changes in these laws and regulations could change capital levels or capital requirements for our insurance subsidiaries.

Statutory capital and surplus, net gain (loss) from operations, after-tax, net income (loss) and dividends paid to the LNC holding company (in millions) below consist of all or a combination of the following entities: LNL, LLANY, FPP, Lincoln Reinsurance Company of South Carolina, Lincoln Reinsurance Company of Vermont I, Lincoln Reinsurance Company of Vermont III, Lincoln Reinsurance Company of Vermont IV, Lincoln Reinsurance Company of Vermont V, Lincoln Reinsurance Company of Vermont VI and Lincoln Reinsurance Company of Vermont VII.

	As of December 31,	
	2024	2023
U.S. capital and surplus	$ 7,407	$ 8,129

	For the Years Ended December 31,		
	2024	2023	2022
U.S. net gain (loss) from operations, after-tax	$ (3,177)	$ (2,484)	$ 1,730
U.S. net income (loss)	(2,268)	(2,916)	1,991
U.S. cash dividends to LNC holding company	491	510	667

During 2024, LNL made a $929 million extraordinary dividend in the form of investments to LNC for the purpose of the initial capitalization of Lincoln Pinehurst Reinsurance Company (Bermuda) Limited ("LPINE").

State Prescribed and Permitted Practices

The states of domicile of the Company's insurance subsidiaries have adopted certain prescribed or permitted accounting practices that differ from those found in NAIC SAP. These prescribed practices are the calculation of reserves on universal life policies based on the Indiana universal life method as prescribed by the state of Indiana for policies issued before January 1, 2006, the use of a more conservative valuation interest rate on certain annuities prescribed by the states of Indiana and New York. Also, the state of New York prescribes use of the continuous Commissioners' Annuity Reserve Valuation Method in the calculation of reserves and use of minimum reserve methods and assumptions for variable annuity and individual life insurance contracts that may be more conservative than those required by NAIC SAP. The statutory permitted practices allow accounting for certain derivative assets at amortized cost and allow determining certain indexed annuity and indexed universal life statutory reserve calculations with the assumption that the market value of the related liability call option(s) associated with the current index term is zero. At the conclusion of the index term, credited interest is reflected in the reserve as realized, based on actual index performance. The statutory accounting practices also allow accounting for certain group fixed annuity assets at general account balances.

The Vermont reinsurance subsidiaries also have certain accounting practices permitted by the state of Vermont that differ from those found in NAIC SAP. One permitted practice involves accounting for the lesser of the face amount of all amounts outstanding under an LOC and the value of the Valuation of Life Insurance Policies Model Regulation ("XXX") additional statutory reserves as an admitted asset and a form of surplus as of December 31, 2024 and 2023. Another permitted practice involves the acquisition of an LLC note in exchange for a variable value surplus note that is recognized as an admitted asset and a form of surplus as of December 31, 2024 and 2023. Lastly, the state of Vermont has permitted a practice to account for certain excess of loss reinsurance agreements with unaffiliated reinsurers as an asset and form of surplus as of December 31, 2024 and 2023. These permitted practices are related to structures that continue to be allowed in accordance with the grandfathered structures under the provisions of Actuarial Guideline 48 ("AG48") or are compliant under AG48 requirements.

The favorable (unfavorable) effects on statutory surplus compared to NAIC statutory surplus from the use of these prescribed and permitted practices (in millions) were as follows:

	As of December 31,	
	2024	2023
State Prescribed Practices		
Calculation of reserves using the Indiana universal life method	$ (3)	$ (1)
Conservative valuation rate on certain annuities	1	(1)
Calculation of reserves using continuous CARVM	1	(1)
Conservative Reg 213 reserves on variable annuity and individual life contracts	20	(31)
State Permitted Practice		
Derivative instruments and equity indexed reserves	(232)	(170)
Assets in group fixed annuity contracts held at general account balances	304	332
Vermont Subsidiaries Permitted Practices		
Lesser of LOC and XXX additional reserve as surplus	1,722	1,776
LLC notes and variable value surplus notes	1,320	1,444
Excess of loss reinsurance agreements	541	563

The NAIC has adopted risk-based capital ("RBC") requirements for life insurance companies to evaluate the adequacy of statutory capital and surplus in relation to investment and insurance risks. The requirements provide a means of measuring the minimum amount of statutory surplus appropriate for an insurance company to support its overall business operations based on its size and risk profile. 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. The company action level may be triggered if the RBC ratio is between 75% and 100%, which would require the insurer to submit a plan to the regulator detailing corrective action it proposes to undertake. As of December 31, 2024, the consolidated RBC ratio for LNC's statutory insurance companies was in excess of four times the aforementioned company action level RBC.

Our insurance subsidiaries are subject to certain insurance department regulatory restrictions as to the transfer of funds and payment of dividends to the holding company. Under Indiana laws and regulations, our Indiana insurance subsidiaries, including our primary insurance subsidiary, LNL, may pay dividends to LNC without prior approval of the Indiana Insurance Commissioner (the "Commissioner"), only from unassigned surplus and must receive prior approval of the Commissioner to pay a dividend if such dividend, along with all other dividends paid within the preceding 12 consecutive months, would exceed the statutory limitation. The current statutory limitation is the greater of 10% of the insurer's contract holders' surplus, as shown on its last annual statement on file with the Commissioner or the insurer's statutory net gain from operations for the previous 12 months, but in no event to exceed statutory unassigned surplus. Indiana law gives the Commissioner broad discretion to disapprove requests for dividends in excess of these limits. LNL's subsidiary LLANY, a New York-domiciled insurance company, is bound by similar restrictions under the laws of New York. Under New York law, the applicable statutory limitation on dividends is equal to the lesser of 10% of surplus to contract holders as of the immediately preceding calendar year or net gain from operations for the immediately preceding calendar year, not including realized capital gains. We expect our direct domestic insurance subsidiaries could pay dividends to LNC of approximately $730 million in 2025 without prior approval from the respective Commissioners of Insurance.

All payments of principal and interest on surplus notes between LNC and our insurance subsidiaries must be approved by the respective Commissioners of Insurance.

Foreign Reinsurance Subsidiaries

Our foreign reinsurance subsidiaries are subject to accounting practices as determined by regulatory authorities in the applicable jurisdiction. Our Bermuda-based reinsurance subsidiary, LPINE, files statutory financial statements with the Bermuda Monetary Authority in accordance with prescribed or permitted practices that may differ from U.S. GAAP. For example, Bermuda statutory surplus differs from U.S. GAAP due primarily to a modification that permits LPINE to not measure the reinsurance-related embedded derivative associated with funds withheld at fair value.

Our Barbados-based reinsurance subsidiary, Lincoln National Reinsurance Company (Barbados) Limited ("LNBAR"), files statutory financial statements with the Barbados Financial Services Commission in accordance with prescribed or permitted practices that may differ from U.S. GAAP. For example, Barbados statutory surplus differs from U.S. GAAP due primarily to modifications that permit LNBAR to reflect certain contributed capital as assets and equity, and to account for assets and liabilities associated with a variable annuity modified coinsurance agreement between LNBAR and LNL on a U.S. statutory basis of accounting.

Similar to our domestic insurance subsidiaries, our foreign reinsurance subsidiaries' ability to pay dividends to us is also subject to regulatory requirements imposed by the jurisdictions in which they are domiciled. These requirements include, for example, prior notification of intent to pay a dividend, satisfying certain earnings, reserve or solvency thresholds in order to pay a dividend and obtaining regulatory approval for payment of any dividend in excess of stated limits.

24. Supplemental Disclosures of Cash Flow Data

The following summarizes our supplemental cash flow data (in millions):

	For the Years Ended December 31,		
	2024	2023	2022
Net cash paid (received) for:			
Interest	$ 372	$ 344	$ 269
Income taxes	–	–	(54)
Non-cash transactions:			
Net reduction of fixed maturity AFS securities, other investments and accrued investment income in connection with a reinsurance transaction	–	(14,848)	–
Establishment of funds withheld liability in connection with a reinsurance transaction	–	(9,459)	–

Item 9. **Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

Item 9A. **Controls and Procedures**

(a) 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.

(b) Management's Annual Report on Internal Control Over Financial Reporting

Management's Annual Report on Internal Control Over Financial Reporting is included on page 106 of "Item 8. Financial Statements and Supplementary Data" and is incorporated herein by reference.

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.

(c) 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 December 31, 2024, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

Item 9B. **Other Information**

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

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

Item 9C. **Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information required by this item relating to our executive officers is incorporated by reference to "Part I – Information About our Executive Officers" of this Form 10-K. Information required by this item relating to our directors and corporate governance matters is incorporated by reference to the sections captioned "Governance of the Company – Our Corporate Governance Guidelines," "Governance of the Company – Director Nomination Process," "Governance of the Company – Board Committees – Current Committee Membership and Meetings Held During 2024," "Governance of the Company – Board Committees – Audit Committee," "Agenda Item 1 – Election of Directors," "Compensation Discussion & Analysis – Our Executive Compensation Program Pay for Performance Philosophy – Alignment with Shareholders – Insider Trading Policies and Procedures" and "General Information – Shareholder Proposals for the 2026 Annual Meeting" of LNC's Proxy Statement for the Annual Meeting scheduled for May 22, 2025.

Item 11. Executive Compensation

Information required by this item is incorporated by reference to the sections captioned "Compensation of Outside Directors," "Compensation Discussion & Analysis," "Executive Compensation Tables" and "Compensation Committee Interlocks and Insider Participation" of LNC's Proxy Statement for the Annual Meeting scheduled for May 22, 2025.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by this item is incorporated by reference to the sections captioned "Security Ownership" and "Equity Compensation Plan Information" of LNC's Proxy Statement for the Annual Meeting scheduled for May 22, 2025.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this item is incorporated by reference to the sections captioned "Related-Party Transactions" and "Governance of the Company – Director Independence" of LNC's Proxy Statement for the Annual Meeting scheduled for May 22, 2025.

Item 14. Principal Accountant Fees and Services

Information required by this item is incorporated by reference to the sections captioned "Agenda Item 2 – Ratification of Appointment of Independent Registered Public Accounting Firm" of LNC's Proxy Statement for the Annual Meeting scheduled for May 22, 2025.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) (1) Financial Statements

The following Consolidated Financial Statements of Lincoln National Corporation are included in Part II – Item 8:

Management's Annual Report on Internal Control Over Financial Reporting

Reports of Independent Registered Public Accounting Firm

Consolidated Balance Sheets – December 31, 2024 and 2023

Consolidated Statements of Comprehensive Income (Loss) – Years ended December 31, 2024, 2023 and 2022

Consolidated Statements of Stockholders' Equity – Years ended December 31, 2024, 2023 and 2022

Consolidated Statements of Cash Flows – Years ended December 31, 2024, 2023 and 2022

Notes to Consolidated Financial Statements

(a) (2) Financial Statement Schedules

The Financial Statement Schedules are listed in the Index to Financial Statement Schedules on page FS-1, which is incorporated herein by reference.

(a) (3) Listing of Exhibits

The Exhibits are listed in the Index to Exhibits beginning on page 220, which is incorporated herein by reference.

(c) The Financial Statement Schedules for Lincoln National Corporation begin on page FS-2, which are incorporated herein by reference.

INDEX TO EXHIBITS

3.1	Restated Articles of Incorporation of LNC are incorporated by reference to Exhibit 3.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on August 14, 2017.
3.2	Articles of Amendment of the Restated Articles of Incorporation of LNC designating the 9.250% Fixed Rate Reset Non-Cumulative Preferred Stock, Series C, dated November 18, 2022, is incorporated by reference to Exhibit 3.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on November 22, 2022.
3.3	Articles of Amendment of the Restated Articles of Incorporation of LNC designating the 9.000% Non-Cumulative Preferred Stock, Series D, dated November 18, 2022, is incorporated by reference to Exhibit 3.2 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on November 22, 2022.
3.4	Amended and Restated Bylaws of LNC (effective January 31, 2025) are incorporated by reference to Exhibit 3.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on February 4, 2025.
4.1	Indenture of LNC, dated as of September 15, 1994, between LNC and The Bank of New York, as trustee, is incorporated by reference to Exhibit 4(c) to LNC's Registration Statement on Form S-3/A (File No. 33-55379) filed with the SEC on September 15, 1994.
4.2	First Supplemental Indenture, dated as of November 1, 2006, to Indenture dated as of September 15, 1994, is incorporated by reference to Exhibit 4.4 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2006.
4.3	Junior Subordinated Indenture, dated as of May 1, 1996, between LNC and The Bank of New York Trust Company, N.A. (successor in interest to J.P. Morgan Trust Company and The First National Bank of Chicago) is incorporated by reference to Exhibit 4(j) to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2001.
4.4	Third Supplemental Junior Subordinated Indenture dated May 17, 2006, to Junior Subordinated Indenture, dated as of May 1, 1996, is incorporated by reference to Exhibit 4.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on May 17, 2006.
4.5	Fourth Supplemental Junior Subordinated Indenture, dated as of November 1, 2006, to Junior Subordinated Indenture, dated May 1, 1996, is incorporated by reference to Exhibit 4.9 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2006.
4.6	Fifth Supplemental Junior Subordinated Indenture, dated as of March 13, 2007, to Junior Subordinated Indenture, dated May 1, 1996, is incorporated by reference to Exhibit 4.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on March 13, 2007.
4.7	Sixth Supplemental Junior Subordinated Indenture, dated August 11, 2021, to Junior Subordinated Indenture, dated May 1, 1996, is incorporated by reference to Exhibit 4.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on August 12, 2021.
4.8	Seventh Supplemental Junior Subordinated Indenture, dated August 11, 2021, to Junior Subordinated Indenture, dated May 1, 1996, is incorporated by reference to Exhibit 4.2 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on August 12, 2021.
4.9	Senior Indenture, dated as of March 10, 2009, between LNC and the Bank of New York Mellon, is incorporated by reference to Exhibit 4.1 to LNC's Form S-3ASR (File No. 333-157822) filed with the SEC on March 10, 2009.
4.10	First Supplemental Indenture, dated as of August 18, 2020, to Senior Indenture dated as of March 10, 2009 between LNC and the Bank of New York Mellon, is incorporated by reference to Exhibit 4.4 to LNC's Form S-3ASR (File No. 333-249058) filed with the SEC on September 25, 2020.

4.11	Junior Subordinated Indenture, dated as of March 10, 2009, between LNC and the Bank of New York Mellon, is incorporated by reference to Exhibit 4.3 to LNC's Form S-3ASR (File No. 333-157822) filed with the SEC on March 10, 2009.
4.12	Subordinated Indenture, dated August 11, 2021, between LNC and The Bank of New York Mellon, as trustee, is incorporated by reference to Exhibit 4.3 to the Company's Form 8-K (File No. 1-6028) filed with the SEC on August 12, 2021.
4.13	First Supplemental Subordinated Indenture, dated August 11, 2021, to Subordinated Indenture dated August 11, 2021, is incorporated by reference to Exhibit 4.4 to the Company's Form 8-K (File No. 1-6028) filed with the SEC on August 12, 2021.
4.14	Second Supplemental Subordinated Indenture, dated August 11, 2021, to Subordinated Indenture dated August 11, 2021, is incorporated by reference to Exhibit 4.5 to the Company's Form 8-K (File No. 1-6028) filed with the SEC on August 12, 2021.
4.15	Form of 7.00% Capital Securities due 2066 of LNC is incorporated by reference to Exhibit 4.2 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on May 17, 2006.
4.16	Form of 6.15% Senior Notes due April 6, 2036, is incorporated by reference to Exhibit 4.2 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on April 7, 2006.
4.17	Form of 6.05% Capital Securities due 2067 is incorporated by reference to Exhibit 4.2 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on March 13, 2007.
4.18	Form of 6.30% Senior Notes due 2037 is incorporated by reference to Exhibit 4.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on October 9, 2007.
4.19	Form of 7.00% Senior Notes due 2040 is incorporated by reference to Exhibit 4.2 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on June 18, 2010.
4.20	Form of 3.350% Senior Notes due 2025 is incorporated by reference to Exhibit 4.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on March 10, 2015.
4.21	Form of 3.625% Senior Notes due 2026 is incorporated by reference to Exhibit 4.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on December 12, 2016.
4.22	Form of 3.800% Senior Notes due 2028 is incorporated by reference to Exhibit 4.2 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on February 12, 2018.
4.23	Form of 4.350% Senior Notes due 2048 is incorporated by reference to Exhibit 4.3 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on February 12, 2018.
4.24	Form of 3.050% Senior Notes due 2030 is incorporated by reference to Exhibit 4.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on August 19, 2019.
4.25	Form of 3.400% Senior Notes due 2031, incorporated by reference to Exhibit 4.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on May 15, 2020.
4.26	Form of 4.375% Senior Notes due 2050 is incorporated by reference to Exhibit 4.2 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on May 15, 2020.
4.27	Form of Floating Rate Subordinated Note due 2066 is incorporated by reference to Exhibit 4.6 to the Company's Form 8-K (File No. 1-6028) filed with the SEC on August 12, 2021.

4.28	Form of Floating Rate Subordinated Note due 2067 is incorporated by reference to Exhibit 4.7 to the Company's Form 8-K (File No. 1-6028) filed with the SEC on August 12, 2021.
4.29	Form of 3.400% Senior Notes due 2032 is incorporated by reference to Exhibit 4.1 to the Company's Form 8-K (File No. 1-6028) filed with the SEC on March 1, 2022.
4.30	Deposit Agreement with respect to the 9.250% Fixed Rate Reset Non-Cumulative Preferred Stock, Series C, dated November 22, 2022, by and among the Company, Equiniti Trust Company, as depositary, and the holders from time to time of the depositary receipts described therein, is incorporated by reference to Exhibit 4.1 to the Company's Form 8-K (File No. 1-6028) filed with the SEC on November 22, 2022.
4.31	Deposit Agreement with respect to the 9.000% Non-Cumulative Preferred Stock, Series D, dated November 22, 2022, by and among the Company, Equiniti Trust Company, as depositary, and the holders from time to time of the depositary receipts described therein, is incorporated by reference to Exhibit 4.2 to the Company's Form 8-K (File No. 1-6028) filed with the SEC on November 22, 2022.
4.32	Form of 9.250% Fixed Rate Reset Non-Cumulative Preferred Stock, Series C Stock Certificate (included as Exhibit A to Exhibit 3.2 above).
4.33	Form of 9.000% Non-Cumulative Preferred Stock, Series D Stock Certificate (included as Exhibit A to Exhibit 3.3 above).
4.34	Form of Depositary Receipt with respect to the 9.250% Fixed Rate Reset Non-Cumulative Preferred Stock, Series C (included as Exhibit A to Exhibit 4.32 above).
4.35	Form of Depositary Receipt with respect to the 9.000% Non-Cumulative Preferred Stock, Series D (included as Exhibit A to Exhibit 4.33 above).
4.36	Form of 5.852% Senior Notes due 2034 is incorporated by reference to Exhibit 4.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on March 14, 2024.
4.37	Description of Securities Registered Pursuant to Section 12 of the Exchange Act is incorporated by reference to Exhibit 4.38 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2022.
10.1	LNC 2014 Incentive Compensation Plan (effective May 22, 2014) is incorporated by reference to Exhibit 10.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on May 28, 2014.*
10.2	LNC 2009 Amended and Restated Incentive Compensation Plan (as amended and restated on May 14, 2009) is incorporated by reference to Exhibit 4 to LNC's Proxy Statement (File No. 1-6028) filed with the SEC on April 9, 2009.*
10.3	Non-Employee Director Fees (effective January 1, 2024) are incorporated by reference to Exhibit 10.4 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2023.*
10.4	Amended and Restated LNC Supplemental Retirement Plan is incorporated by reference to Exhibit 10.10 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2007.*
10.5	The Severance Plan for Officers of LNC (Amended and Restated effective as of August 22, 2024) is incorporated by reference to Exhibit 10.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on August 26, 2024.*
10.6	LNC Executive Officer Cash Severance policy is incorporated by reference to Exhibit 10.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on February 21, 2023.*
10.7	The LNC Outside Directors' Value Sharing Plan, last amended March 8, 2001, is incorporated by reference to Exhibit 10(e) to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2001.*

10.8	LNC Deferred Compensation Plan for Non-Employee Directors, as amended and restated November 5, 2008, is incorporated by reference to Exhibit 10.23 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2008.*
10.9	LNC Deferred Compensation and Supplemental/Excess Retirement Plan, as amended and restated effective January 1, 2020, is incorporated by reference to Exhibit 10.10 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2019.*
10.10	Amendment No. 1 to the LNC Deferred Compensation and Supplemental/Excess Retirement Plan is incorporated by reference to Exhibit 10.11 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2020.*
10.11	Amendment No. 2 to the LNC Deferred Compensation and Supplemental/Excess Retirement Plan, effective December 19, 2022, is incorporated by reference to Exhibit 10.10 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2022.*
10.12	Amendment No. 3 to the LNC Deferred Compensation and Supplemental/Excess Retirement Plan, effective January 1, 2024, is incorporated by reference to Exhibit 10.12 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2023.*
10.13	Omnibus Plan Amendment including Amendment No. 4 to the LNC Deferred Compensation and Supplemental/Excess Retirement Plan and Amendment No. 1 to the LNC Deferred Compensation Plan for Non-Employee Directors is incorporated by reference to Exhibit 10.2 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended September 30, 2024.*
10.14	Amendment No. 5 to the LNC Deferred Compensation and Supplemental/Excess Retirement Plan, effective August 22, 2024, is incorporated by reference to Exhibit 10.3 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended September 30, 2024.*
10.15	LNC 1993 Stock Plan for Non-Employee Directors, as last amended May 10, 2001, is incorporated by reference to Exhibit 10(g), to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2001.*
10.16	Amendment No. 2 to the LNC 1993 Stock Plan for Non-Employee Directors (effective February 1, 2006) is incorporated by reference to Exhibit 10.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on January 13, 2006.*
10.17	LNC Executives' Severance Benefit Plan (effective August 7, 2008) is incorporated by reference to Exhibit 10.3 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended June 30, 2008.*
10.18	Amendment No. 1 to the LNC Executives' Severance Benefit Plan (effective November 9, 2011) is incorporated by reference to Exhibit 10.22 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2011.*
10.19	Amendment No. 2 to the LNC Executives' Severance Benefit Plan (effective May 12, 2023) is incorporated by reference to Exhibit 10.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on May 12, 2023.*
10.20	LNC Excess Retirement Plan, amendment and restatement effective December 31, 2024, is filed herewith.*
10.21	Form of Indemnification between LNC and each director is incorporated by reference to Exhibit 10.1 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended September 30, 2009.*
10.22	Form of Option Award Agreement under the LNC 2014 Incentive Compensation Plan is incorporated by reference to Exhibit 10.2 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2015.*
10.23	Form of Option Award Agreement for Senior Management Committee ("SMC") (Other than Chief Executive Officer ("CEO")) is incorporated by reference to Exhibit 10.1 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2017.*
10.24	Form of Option Award Agreement for SMC is incorporated by reference to Exhibit 10.4 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2020.*

10.25	Form of Long-Term Incentive Award Program Performance Cycle ("PSA") Agreement for SMC (other than CEO) is incorporated by reference to Exhibit 10.5 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2020.*
10.26	Form of Restricted Stock Unit ("RSU") Award Agreement for SMC (other than CEO) is incorporated by reference to Exhibit 10.6 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2020.*
10.27	Form of Option Award Agreement for Successor CEO and Chief Financial Officer ("CFO") (effective February 2022) is incorporated by reference to Exhibit 10.1 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2022.*
10.28	Form of PSA Agreement for Successor CEO and CFO (effective February 2022) is incorporated by reference to Exhibit 10.2 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2022.*
10.29	Form of RSU Award Agreement for Successor CEO and CFO (effective February 2022) is incorporated by reference to Exhibit 10.3 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2022.*
10.30	Form of Option Award Agreement for SMC (other than CEO) (effective February 2022) is incorporated by reference to Exhibit 10.6 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2022.*
10.31	Form of PSA Agreement for SMC (other than CEO) (effective February 2022) is incorporated by reference to Exhibit 10.7 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2022.*
10.32	Form of PSA Agreement for Section 16 Officers (effective February 2022) is incorporated by reference to Exhibit 10.8 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2022.*
10.33	Form of RSU Award Agreement for Section 16 Officers (effective February 2022) is incorporated by reference to Exhibit 10.9 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2022.*
10.34	Form of Option Award Agreement for SMC (other than CEO) (effective for officers joining SMC on or after May 26, 2022) is incorporated by reference to Exhibit 10.3 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended June 30, 2022.*
10.35	Form of PSA Agreement for SMC (other than CEO) (effective for officers joining SMC on or after May 26, 2022) is incorporated by reference to Exhibit 10.4 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended June 30, 2022.*
10.36	Form of RSU Award Agreement for SMC (other than CEO) (effective for officers joining SMC on or after May 26, 2022) is incorporated by reference to Exhibit 10.5 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended June 30, 2022.*
10.37	Form of Option Award Agreement for Kenneth S. Solon (December 2022) is incorporated by reference to Exhibit 10.46 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2022.*
10.38	Form of RSU Award Agreement for Kenneth S. Solon (December 2022) is incorporated by reference to Exhibit 10.47 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2022.*
10.39	Form of Option Award Agreement for CEO (effective February 2023) is incorporated by reference to Exhibit 10.3 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2023.*
10.40	Form of PSA Agreement for CEO (effective February 2023) is incorporated by reference to Exhibit 10.4 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2023.*
10.41	Form of RSU Award Agreement for CEO (effective February 2023) is incorporated by reference to Exhibit 10.5 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2023.*
10.42	Form of Option Award Agreement for Chief Information Officer, Kenneth S. Solon ("CIO") (effective February 2023) is incorporated by reference to Exhibit 10.6 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2023.*

10.43	Form of PSA Agreement for CIO (effective February 2023) is incorporated by reference to Exhibit 10.7 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2023.*
10.44	Form of RSU Award Agreement for CIO (effective February 2023) is incorporated by reference to Exhibit 10.8 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2023.*
10.45	Form of Option Award Agreement for SMC (executives other than CEO and CIO who joined SMC prior to 2022) (effective February 2023) is incorporated by reference to Exhibit 10.9 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2023.*
10.46	Form of PSA Agreement for SMC (executives other than CEO and CIO who joined SMC prior to 2022) (effective February 2023) is incorporated by reference to Exhibit 10.10 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2023.*
10.47	Form of RSU Award Agreement for SMC (executives other than CEO and CIO who joined SMC prior to 2022) (effective February 2023) is incorporated by reference to Exhibit 10.11 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2023.*
10.48	Form of Option Award Agreement for SMC (executives who joined SMC in or after 2022) (effective February 2023) is incorporated by reference to Exhibit 10.12 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2023.*
10.49	Form of PSA Agreement for SMC (executives who joined SMC in or after 2022) (effective February 2023) is incorporated by reference to Exhibit 10.13 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2023.*
10.50	Form of RSU Award Agreement for SMC (executives who joined SMC in or after 2022) (effective February 2023) is incorporated by reference to Exhibit 10.14 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2023.*
10.51	Amendment No. 1 to Option Award Agreements listed above (effective November 8, 2023 to Option awards outstanding under the LNC 2014 Incentive Compensation Plan and LNC 2020 Incentive Compensation Plan as of such date) is incorporated by reference to Exhibit 10.58 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2023.*
10.52	Amendment No. 1 to PSA Agreements listed above (effective November 8, 2023 to PSAs outstanding under the LNC 2014 Incentive Compensation Plan and LNC 2020 Incentive Compensation Plan as of such date) is incorporated by reference to Exhibit 10.59 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2023.*
10.53	Amendment No. 1 to RSU Award Agreements listed above (effective November 8, 2023 to RSU awards outstanding under the LNC 2014 Incentive Compensation Plan and LNC 2020 Incentive Compensation Plan as of such date) is incorporated by reference to Exhibit 10.60 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2023.*
10.54	Form of PSA Agreement for CEO (effective February 2024) is incorporated by reference to Exhibit 10.1 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2024.*
10.55	Form of RSU Agreement for CEO (effective February 2024) is incorporated by reference to Exhibit 10.2 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2024.*
10.56	Form of PSA Agreement for SMC (other than CEO) (effective February 2024) is incorporated by reference to Exhibit 10.3 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2024.*
10.57	Form of RSU Agreement for SMC (other than CEO) (effective February 2024) is incorporated by reference to Exhibit 10.4 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2024.*
10.58	Form of PSA Agreement for SMC (other than CEO) (effective May 2024) is incorporated by reference to Exhibit 10.2 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended June 30, 2024.*

10.59	Form of RSU Agreement for SMC (other than CEO) (effective May 2024) is incorporated by reference to Exhibit 10.3 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended June 30, 2024.*
10.60	Separation Agreement and General Release, dated February 10, 2023, between LNC and Randal J. Freitag is incorporated by reference to Exhibit 10.2 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2023.*^
10.61	Separation Agreement and General Release, dated July 2, 2024, between LNC and Matthew Grove is incorporated by reference to Exhibit 10.4 to LNC's Form 10-Q for the quarter ended June 30, 2024.*^
10.62	Lincoln National Corporation 2020 Incentive Compensation Plan is incorporated by reference to Exhibit 4.3 to LNC's Registration Statement on Form S-8 (File No. 333-239117) filed with the SEC on June 12, 2020.*
10.63	Amendment No. 1 to the Lincoln National Corporation 2020 Incentive Compensation Plan (effective May 27, 2022) is incorporated by reference to Exhibit 4.4 to LNC's Registration Statement on Form S-8 (File No. 333-265314) filed with the SEC on May 31, 2022.*
10.64	Amendment No. 2 to the Lincoln National Corporation 2020 Incentive Compensation Plan (effective May 25, 2023) is incorporated by reference to Exhibit 10.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on May 26, 2023.*
10.65	Amendment No. 3 to the Lincoln National Corporation 2020 Incentive Compensation Plan (effective May 23, 2024) is incorporated by reference to Exhibit 10.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on May 24, 2024.*
10.66	LNC Domestic Relocation Policy Home Sale Assistance Plan, effective as of September 6, 2007, is incorporated by reference to Exhibit 10.35 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2009.*
10.67	Stock and Asset Purchase Agreement by and among LNC, The Lincoln National Life Insurance Company, Lincoln National Reinsurance Company (Barbados) Limited and Swiss Re Life & Health America Inc. dated July 27, 2001, is incorporated by reference to Exhibit 99.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on August 1, 2001. Omitted schedules and exhibits listed in the Agreement will be furnished to the SEC upon request.
10.68	Indemnity Reinsurance Agreement, dated as of January 1, 1998, between Connecticut General Life Insurance Company and Lincoln Life & Annuity Company of New York is incorporated by reference to Exhibit 10.67 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2008.^
10.69	Coinsurance Agreement, dated as of October 1, 1998, AETNA Life Insurance and Annuity Company and Lincoln Life & Annuity Company of New York is incorporated by reference to Exhibit 10.68 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2008.^
10.70	Second Amended and Restated Credit Agreement, dated as of December 21, 2023, among LNC, as an Account Party and Guarantor, the Subsidiary Account Parties, as additional Account Parties, Bank of America, N.A. as administrative agent, and the other lenders named therein, is incorporated by reference to Exhibit 10.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on December 21, 2023.
19.1	LNC Insider Trading and Confidentiality Policy is filed herewith.
21	Subsidiaries List.
23	Consent of Independent Registered Public Accounting Firm.
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.
97	LNC Compensation Recovery Policy is incorporated by reference to Exhibit 10.60 to LNC's Form 10-K (File No. 1-6028) for the year ended December 31, 2023.
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* This exhibit is a management contract or compensatory plan or arrangement.
^ Schedules to this agreement have been omitted pursuant to Item 601(a) of Regulation S-K. LNC will furnish supplementally a copy of the schedule to the SEC, upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, LNC has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LINCOLN NATIONAL CORPORATION

Dated: February 21, 2025

By: /s/ Christopher Neczypor
Christopher Neczypor
Executive Vice President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated on February 21, 2025.

Signature	Title
/s/ Ellen G. Cooper **Ellen G. Cooper**	President, Chief Executive Officer and Director (Principal Executive Officer)
/s/ Christopher Neczypor **Christopher Neczypor**	Executive Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ Adam Cohen **Adam Cohen**	Senior Vice President, Chief Accounting Officer and Treasurer (Principal Accounting Officer)
/s/ Deirdre P. Connelly **Deirdre P. Connelly**	Director
/s/ William H. Cunningham **William H. Cunningham**	Director
/s/ Reginald E. Davis **Reginald E. Davis**	Director
/s/ Eric G. Johnson **Eric G. Johnson**	Director
/s/ Gary C. Kelly **Gary C. Kelly**	Director
/s/ M. Leanne Lachman **M. Leanne Lachman**	Director
/s/ Dale LeFebvre **Dale LeFebvre**	Director
/s/ Owen Ryan **Owen Ryan**	Director
/s/ Lynn M. Utter **Lynn M. Utter**	Director

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All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions, are inapplicable, or the required information is included in the consolidated financial statements, and therefore omitted. See "Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Summary of Critical Accounting Estimates" on page 44 for more detail on items contained within these schedules.

LINCOLN NATIONAL CORPORATION
SCHEDULE I – CONSOLIDATED SUMMARY OF INVESTMENTS – OTHER THAN INVESTMENTS IN RELATED PARTIES
(in millions)

Column A	Column B	Column C	Column D
	As of December 31, 2024		
Type of Investment	Cost or Amortized Cost	Fair Value	Carrying Value
Fixed Maturity Available-For-Sale Securities [1]			
Bonds:			
U.S. government bonds	$ 429	$ 391	$ 391
Foreign government bonds	282	237	237
State and municipal bonds	2,798	2,371	2,371
Public utilities	12,495	10,820	10,820
All other corporate bonds	63,061	55,630	55,630
Mortgage-backed and asset-backed securities	18,109	17,408	17,408
Hybrid and redeemable preferred securities	241	254	254
Total fixed maturity available-for-sale securities	97,415	87,111	87,111
Equity Securities			
Common stocks:			
Banks, trusts and insurance companies	28	30	30
Industrial, miscellaneous and all other	33	27	27
Non-redeemable preferred securities	249	237	237
Total equity securities	310	294	294
Trading Securities	2,168	2,025	2,025
Mortgage loans on real estate [2]	21,266	19,647	21,083
Policy loans	2,476	N/A	2,476
Derivative investments [3]	2,181	9,677	9,677
Other investments	6,588	6,588	6,588
Total investments	$ 132,404		$ 129,254

(1) For investments deemed to have declines in value that are impairment-related, an allowance for credit losses is recorded to reduce the carrying value to their estimated realizable value.

(2) Mortgage loans on real estate are generally carried at unpaid principal balances adjusted for amortization of premiums and accretion of discounts and are net of allowance for credit losses. We carry certain mortgage loans at fair value where the fair value option has been elected.

(3) Derivative investment assets cost was offset by $182 million and fair value was offset by $185 million in derivative liabilities reflected in other liabilities on our Consolidated Balance Sheets.

LINCOLN NATIONAL CORPORATION
SCHEDULE II – CONDENSED FINANCIAL INFORMATION OF REGISTRANT
BALANCE SHEETS
(Parent Company Only) (in millions, except share data)

	As of December 31,	
	2024	**2023**
ASSETS		
Investments in subsidiaries [1]	$ 14,240	$ 12,205
Derivative investments	165	169
Other investments	49	34
Cash and invested cash	786	129
Loans to and accrued interest due from subsidiaries [1]	2,234	2,606
Other assets	122	144
Total assets	$ 17,596	$ 15,287
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Common stock dividends payable	$ 77	$ 76
Short-term debt	300	250
Long-term debt	7,356	6,949
Loans from and accrued interest due to subsidiaries [1]	1,072	572
Other liabilities	522	547
Total liabilities	9,327	8,394
Contingencies and Commitments		
Stockholders' Equity		
Preferred stock – 10,000,000 shares authorized:		
Series C preferred stock – 20,000 shares authorized, issued and outstanding as of December 31, 2024, and December 31, 2023	493	493
Series D preferred stock – 20,000 shares authorized, issued and outstanding as of December 31, 2024, and December 31, 2023	493	493
Common stock – 800,000,000 shares authorized; 170,380,646 and 169,666,137 shares issued and outstanding as of December 31, 2024, and December 31, 2023, respectively	4,674	4,605
Retained earnings	7,645	4,778
Accumulated other comprehensive income (loss)	(5,036)	(3,476)
Total stockholders' equity	8,269	6,893
Total liabilities and stockholders' equity	$ 17,596	$ 15,287

[1] Eliminated in consolidation

LINCOLN NATIONAL CORPORATION
SCHEDULE II – CONDENSED FINANCIAL INFORMATION OF REGISTRANT (Continued)
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Parent Company Only) (in millions)

	For the Years Ended December 31,		
	2024	**2023**	**2022**
Revenues			
Interest from subsidiaries [1]	$ 276	$ 233	$ 159
Net investment income	24	25	3
Realized gain (loss)	101	–	–
Other revenues	2	–	–
Total revenues	403	258	162
Expenses			
Operating and administrative expenses	100	78	52
Interest – subsidiaries [1]	268	175	38
Interest – other	297	289	266
Total expenses	665	542	356
Income (loss) before federal income taxes, equity in income (loss) of subsidiaries	(262)	(284)	(194)
Federal income tax expense (benefit)	(60)	(61)	(42)
Income (loss) before equity in income (loss) of subsidiaries	(202)	(223)	(152)
Equity in income (loss) of subsidiaries	3,477	(529)	1,510
Net income (loss)	3,275	(752)	1,358
Other comprehensive income (loss), net of tax:			
Unrealized investment gain (loss)	(788)	3,715	(18,059)
Market risk benefit non-performance risk gain (loss)	(924)	(671)	(210)
Policyholder liability discount rate remeasurement gain (loss)	157	(160)	2,012
Foreign currency translation adjustment	(3)	8	(20)
Funded status of employee benefit plans	(2)	(16)	(59)
Total other comprehensive income (loss), net of tax	(1,560)	2,876	(16,336)
Comprehensive income (loss)	$ 1,715	$ 2,124	$ (14,978)

[1] Eliminated in consolidation.

LINCOLN NATIONAL CORPORATION
SCHEDULE II – CONDENSED FINANCIAL INFORMATION OF REGISTRANT (Continued)
STATEMENTS OF CASH FLOWS
(Parent Company Only) (in millions)

	For the Years Ended December 31,		
	2024	**2023**	**2022**
Net Cash Provided by (Used in) Operating Activities [1]	$ 176	$ 398	$ 608
Cash Flows from Investing Activities			
Capital contribution to subsidiaries [2]	(27)	(7)	(925)
Cash received from disposition	125	–	–
Net change in collateral on investments, derivatives and related settlements	132	69	583
Other	–	45	(5)
Net cash provided by (used in) investing activities	230	107	(347)
Cash Flows from Financing Activities			
Payment of long-term debt, including current maturities	(100)	(500)	(300)
Issuance of long-term debt, net of issuance costs	346	–	296
Increase (decrease) in loans from subsidiaries, net [2]	28	(84)	(563)
(Increase) decrease in loans to subsidiaries, net [2]	379	(113)	708
Common stock issued for benefit plans	(5)	(7)	(16)
Issuance of preferred stock, net of issuance costs	–	–	986
Repurchase of common stock	–	–	(550)
Dividends paid to preferred stockholders	(91)	(82)	–
Dividends paid to common stockholders	(306)	(305)	(310)
Net cash provided by (used in) financing activities	251	(1,091)	251
Net increase (decrease) in cash, invested cash and restricted cash	657	(586)	512
Cash, invested cash and restricted cash as of beginning-of-year	129	715	203
Cash, invested cash and restricted cash as of end-of-year	$ 786	$ 129	$ 715

[1] Includes dividends from subsidiaries of $595 million, $685 million and $797 million for the years ended December 31, 2024, 2023 and 2022, respectively.
[2] Eliminated in consolidation.

LINCOLN NATIONAL CORPORATION
SCHEDULE III – CONDENSED SUPPLEMENTARY INSURANCE INFORMATION
(in millions)

Column A	Column B	Column C	Column D	Column E	Column F
Business Segments and Other Operations	DAC and VOBA	Future Contract Benefits	Unearned Premiums [1]	Policyholder Account Balances	Insurance Premiums
	As of or For the Year Ended December 31, 2024				
Annuities	$ 4,258	$ 2,019	$ –	$ 61,230	$ 127
Life Insurance	7,661	22,509	–	36,842	1,149
Group Protection	178	6,209	–	–	5,145
Retirement Plan Services	242	–	–	23,619	–
Other Operations	–	9,070	–	4,506	4
Total	$ 12,339	$ 39,807	$ –	$ 126,197	$ 6,425
	As of or For the Year Ended December 31, 2023				
Annuities	$ 4,187	$ 2,090	$ –	$ 54,496	$ (1,584)
Life Insurance	7,621	21,613	–	37,432	1,162
Group Protection	154	6,282	–	–	5,014
Retirement Plan Services	239	–	–	23,784	–
Other Operations	–	9,879	–	5,025	(920)
Total	$ 12,201	$ 39,864	$ –	$ 120,737	$ 3,672
	As of or For the Year Ended December 31, 2022				
Annuities	$ 4,207	$ 2,005	$ –	$ 45,549	$ 165
Life Insurance	7,453	20,953	–	37,959	1,146
Group Protection	141	6,086	–	–	4,768
Retirement Plan Services	236	–	–	25,138	–
Other Operations	–	9,782	–	5,789	8
Total	$ 12,037	$ 38,826	$ –	$ 114,435	$ 6,087

[1] Unearned premiums are included in Column C, future contract benefits.

LINCOLN NATIONAL CORPORATION
SCHEDULE III – CONDENSED SUPPLEMENTARY INSURANCE INFORMATION (Continued)
(in millions)

Column A	Column G	Column H	Column I	Column J	Column K
Business Segments and Other Operations	Net Investment Income	Benefits and Interest Credited	Amortization of DAC and VOBA	Other Operating Expenses	Premiums Written
	As of or For the Year Ended December 31, 2024				
Annuities	$ 1,636	$ 1,711	$ 427	$ 1,411	$ –
Life Insurance	2,434	4,886	503	763	–
Group Protection	348	4,045	111	1,370	–
Retirement Plan Services	997	675	18	441	–
Other Operations	110	44	–	882	–
Total	$ 5,525	$ 11,361	$ 1,059	$ 4,867	$ –
	As of or For the Year Ended December 31, 2023				
Annuities	$ 1,668	$ (193)	$ 430	$ 1,618	$ –
Life Insurance	2,712	5,717	492	755	–
Group Protection	339	4,025	100	1,347	–
Retirement Plan Services	1,012	664	18	427	–
Other Operations	148	(827)	–	636	–
Total	$ 5,879	$ 9,386	$ 1,040	$ 4,783	$ –
	As of or For the Year Ended December 31, 2022				
Annuities	$ 1,463	$ 1,204	$ 429	$ 1,587	$ –
Life Insurance	2,587	5,381	478	715	–
Group Protection	334	4,039	97	1,219	–
Retirement Plan Services	976	629	18	379	–
Other Operations	155	103	–	653	–
Total	$ 5,515	$ 11,356	$ 1,022	$ 4,553	$ –

LINCOLN NATIONAL CORPORATION
SCHEDULE IV – CONSOLIDATED REINSURANCE
(in millions)

Column A Description	Column B Gross Amount	Column C Ceded to Other Companies	Column D Assumed from Other Companies	Column E Net Amount	Column F Percentage of Amount Assumed to Net
	As of or For the Year Ended December 31, 2024				
Individual life insurance in-force [1]	$ 2,068,962	$ 1,049,185	$ 5,742	$ 1,025,519	0.6 %
Premiums:					
Annuities and life insurance [2]	10,610	2,387	83	8,306	1.0 %
Accident and health insurance	3,550	32	3	3,521	0.1 %
Total premiums	$ 14,160	$ 2,419	$ 86	$ 11,827	
	As of or For the Year Ended December 31, 2023				
Individual life insurance in-force [1]	$ 2,094,011	$ 1,072,577	$ 6,024	$ 1,027,458	0.6 %
Premiums:					
Annuities and life insurance [2]	10,369	4,700	86	5,755	1.5 %
Accident and health insurance	3,413	33	4	3,384	0.1 %
Total premiums	$ 13,782	$ 4,733	$ 90	$ 9,139	
	As of or For the Year Ended December 31, 2022				
Individual life insurance in-force [1]	$ 2,028,279	$ 831,478	$ 6,512	$ 1,203,313	0.5 %
Premiums:					
Annuities and life insurance [2]	10,365	1,981	94	8,477	1.1 %
Accident and health insurance	3,242	34	4	3,213	0.1 %
Total premiums	$ 13,607	$ 2,015	$ 98	$ 11,690	

[1] Includes Group Protection segment and Other Operations in-force amounts.
[2] Includes insurance fees on universal life and other interest-sensitive products.

Exhibit 10.20

LINCOLN NATIONAL CORPORATION
EXCESS RETIREMENT PLAN

Amendment & Restatement Effective December 31, 2024
(except as otherwise indicated)

The Lincoln National Corporation Excess Retirement Plan (the "Plan") is hereby adopted effective November 5, 2007 by Lincoln National Corporation and Participating Employers. The Plan is the successor to and replaces the following plans: the Lincoln National Corporation Executives' Excess Compensation Pension Benefit Plan, the Lincoln National Corporation Employees' Supplemental Pension Benefit Plan, the Lincoln National Life Insurance Company Agents' Supplemental Pension Benefit Plan, the Lincoln National Life Insurance Company Agents' Excess Compensation Pension Benefit, and the Jefferson-Pilot Corporation Supplemental Benefit Plan (the "Predecessor Plans"). All benefits earned under the Predecessor Plans as of November 5, 2007, and through December 31, 2007 shall be payable under this Plan. In addition, certain benefits under this Plan will cease to accrue or "freeze" as of December 31, 2007. Finally, this Plan incorporates changes made to the Predecessor Plans in order to comply with Code section 409A, added by the American Jobs Creation Act of 2004 (the "JOBS Act").

The purpose of the Plan is to provide or "restore" certain benefits that cannot be paid under the Corporation's qualified retirement plans due to Internal Revenue Service limitations on the amount of annual benefits payable under tax-qualified plans, and the amount of compensation that can be considered under a tax-qualified plan formula. The qualified retirement plan benefits that are "restored" by this Plan are the benefits provided by:

The Lincoln National Corporation Retirement Plan for Employees Hired Prior to January 1, 2008 (formerly known as the Lincoln National Corporation Employees' Retirement Plan);

The Jefferson-Pilot Corporation Employees' Retirement Plan;

The Agents' Retirement Plan of The Lincoln National Life Insurance Company; and

The Jefferson-Pilot Life Insurance Company Agents' Retirement Plan (including the "Current Service Accounts")

This amended and restated document is effective December 31, 2024 and incorporates all amendments since the Plan's amendment and restatement effective November 5, 2007.

The Plan is intended (1) to comply with Code section 409A and the official guidance issued thereunder, except for amounts covered by Appendix A, and (2) to be "a plan which is unfunded and is maintained by an employer primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees" within the meaning of sections 201(2), 301(a)(3) and 401(a)(1) of ERISA. Notwithstanding any other provision of this Plan, this Plan shall be interpreted, operated and administered in a manner consistent with these intentions.

ARTICLE I

DEFINITIONS

Wherever used herein the terms below shall have the following meaning:

"ABGA Agent" means an agency building general agent for the legacy Jefferson Pilot Life Insurance Company (merged with and into the Lincoln National Life Insurance Company on April 2, 2007). Effective December 31, 2024, an ABGA Agent shall be referred to as an Agency Distribution Channel ("ADC") Agent.

"Affiliate" means any corporation or other entity that is treated as a single employer with the Corporation under section 414 of the Code.

"Benefit Commencement Date" means the date that Plan benefits are scheduled to be paid in a cash lump sum, or scheduled to begin to be paid if the Participant has elected to receive periodic payments of Plan benefits, pursuant to the applicable paragraph of Section 4.1 below.

"Benefit Determination Date" means the date that Plan benefits are calculated.

"Change of Control" means an event that qualifies as a change of control of the Corporation under the Lincoln National Corporation Executives' Severance Benefit Plan (as in effect immediately prior to such change of control).

"Code" means the Internal Revenue Code of 1986, as amended from time to time.

"Committee" means the Compensation Committee of the Corporation's Board of Directors or such other committee as may be appointed by the Board of Directors from time to time.

"Corporation" means Lincoln National Corporation or any successor corporation or other entity.

"Current Service Accounts" means the accounts under the JP Agents' Plan to which the active, post-1975 money purchase pension plan contributions under the JP Agents' Plan are credited.

"Disabled" means, with respect to a Participant, that the Participant has been determined to be disabled as defined in the applicable Qualified Plan.

"DAN Agent" means a district agency network agent aligned with the legacy Jefferson Pilot Life Insurance Company's retail sales organization (merged with and into the Lincoln National Life Insurance Company on April 2, 2007).

"Employee" means an individual who is a regular employee on the U.S. payroll of the Corporation or an Employer. The term "Employee" shall not include a person hired as an independent contractor, leased employee, consultant, or a person otherwise designated by the Corporation or an Employer as not eligible to participate in the Plan, even if such person is determined to be an "employee" of the Corporation or a Participating Employer by any governmental or judicial authority.

"Employer" means Lincoln National Corporation and any Affiliate who has adopted this Plan as a Participating Employer.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"Grandfathered Benefits" means, with respect to terminated vested Participants as of December 31, 2004, or active Participants who have not accrued a benefit in this Plan since December 31 ,2004, the benefit amounts earned and vested under this Plan pursuant to Article III as of December 31, 2004 within the meaning of Code section 409A and the official guidance thereunder. Except as specified herein, Grandfathered Benefits are subject to the distribution rules that were in effect under the Predecessor Plans as of December 31, 2004.

"JP Agents' Plan" means the Jefferson-Pilot Life Insurance Company Agents' Retirement Plan (the traditional final average pay type component was frozen effective December 31, 1975; as of the effective date of this Plan it continues as a money purchase pension plan with Current Service Accounts).

"JP Plan" means the Jefferson-Pilot Corporation Employees' Retirement Plan.

"Key Employee" means an Employee treated as a "specified employee" as of his Separation from Service under Code section 409A(a)(2)(B)(i) of the Corporation or its Affiliates, i.e., a key employee (as defined in Code section 416(i) without regard to paragraph (5) thereof) . Key Employees shall be determined in accordance with Code section 409A using December 31st as the determination date. A listing of Key Employees as of an identification date shall be effective for the 12-month period beginning on the April 1st following the identification date.

"LNC Plan" means the Lincoln National Corporation Retirement Plan for Employees Hired Prior to January 1, 2008 (formerly known as the Lincoln National Corporation Employees' Retirement Plan).

"LNL Agent" means a full-time life insurance salesman for Lincoln National Life Insurance Company.

"LNL Plan" means the Agents' Retirement Plan of The Lincoln National Life Insurance Company.

"Participant" means any Employee, LNL Agent, ADC Agent, or DAN Agent who has accrued a Plan benefit as described in Article III of the Plan below. All Participants shall belong to a

"select group of management or highly compensated employees," as such phrase is defined under ERISA. Effective December 31, 2007, there shall be no new Participants in this Plan.

"Participating Employer" means the Corporation and The Lincoln National Life Insurance Company and any other Affiliate which adopts the Plan with the written consent of the Corporation.

"Plan" means the Lincoln National Corporation Excess Retirement Plan, as set forth herein and as amended from time to time.

"Plan Administrator" means the Corporation's Chief Human Resources Officer.

"Present Value" means, for a Participant whose Plan benefits are expressed as an annuity, the lump sum present value of the accrued benefit calculated using the actuarial assumptions for calculating lump sum amounts under the applicable Qualified Plan. For Plan benefits expressed as a cash balance account, or a money purchase pension plan account, Present Value is simply the amount credited to the Participant's account as of the applicable determination date.

"Qualified Plans" means, collectively, the Lincoln National Corporation Retirement Plan for Employees Hired Prior to January 1, 2008, formerly known as the Lincoln National Corporation Employees' Retirement Plan (referred to individually as the "LNC Plan"), the Agents' Retirement Plan of The Lincoln National Life Insurance Corporation (referred to individually as the "LNL Plan"), the Jefferson-Pilot Corporation Employees' Retirement Plan (referred to individually as the "JP Plan"), and the Jefferson-Pilot Life Insurance Corporation Agents' Retirement Plan (referred to individually as the "JP Agents' Plan").

"Separation from Service" or "Separate from Service" means a "separation from service" within the meaning of Code section 409A.

ARTICLE II

PARTICIPATION

Participation in the Plan by an Employee, LNL Agent, ADC Agent, or DAN Agent begins when the individual begins to accrue a Plan benefit as described in Article III below. Effective December 31, 2007, there shall be no new Participants in the Plan.

ARTICLE III

PLAN BENEFITS

1.1 General.

(a) LNC Plan Participants. Participants in the LNC Plan shall accrue benefits as described in Section 3.2 below, except that benefit accruals under this Plan shall cease or "freeze" effective December 31, 2007 for Participants in the LNC Plan. Notwithstanding the foregoing, any LNC Plan Participant who is determined to be Disabled as of December 31, 2007 shall continue to accrue certain benefits until the earlier of (i) the date that they are determined to be no longer Disabled, or (ii) attainment of age 65.

(b) LNL Plan Participants. LNL Agents participating in the LNL Plan accrued benefits as described in Section 3.2 below under this Plan until December 31, 1994. Benefit accruals under this Plan ceased or "froze" effective December 31, 1994 for Participants in the LNL Plan.

(c) JP Plan Participants. Participants in the JP Plan shall accrue benefits as described in Section 3.2 below, except that benefit accruals under this Plan ceased or "froze" effective January 31, 2007 for DAN Agents, and benefit accruals under this Plan will cease or "freeze" effective December 31, 2007 for all other Participants in the JP Plan. Notwithstanding the foregoing, any DAN Agent determined to be Disabled with at least five (5) years of participation service as of January 31, 2007, or any other JP Plan Participant who is determined to be Disabled with at least five (5) years of participation service as of December 31, 2007, shall continue to accrue certain benefits under this Plan until the earlier of (i) the date that they are determined to be no longer Disabled, or (ii) attainment of age 65. In addition, any DAN Agent who is determined to be Disabled with at least five (5) years of participation service upon becoming Disabled, or any other JP Plan Participant who is determined to be disabled with at least five (5) years of participation service upon becoming Disabled, shall receive Disability Retirement Income as defined in Section 3.4 of the JP Plan, however, the amount of annual compensation and participation service used to determine the amount of Disability Retirement Income for a DAN Agent whose Disability Retirement Income commences after January 31, 2007 will be frozen as of January 31, 2007, and the amount of annual compensation and participation service used to determine the amount of Disability Retirement Income for any other JP Plan Participant whose Disability Retirement Income commences after December 31, 2007 will be frozen as of December 31, 2007.

(d) JP Agents' Plan Participants. ADC Agents participating in the JP Agents' Plan accrued benefits as described in Section 3.2 under the final average pay formula of the JP Agents' Plan, which ceased or "froze" effective December 31, 1975. ADC Agents participating in this Plan on or after January 1, 1976 received contributions to Current Service Accounts, as described in Section 3.2 below, until December 31, 2006. Contributions under this Plan ceased or "froze" effective December 31, 2006 for ADC Agents participating in this Plan. DAN Agents participating in the JP Agents' Plan effective January 1, 2007 have Current Service Accounts that are not eligible for benefits that restore JP Agents' Plan benefits under this Plan.

1.2 Amount of Benefits.

(a) The amount of benefit under a final average pay formula that is payable to a Participant on his or her Benefit Commencement Date will be equal to (i) minus (ii), where:

(i) is the benefit amount the Participant would be entitled to receive under the applicable Qualified Plan formula, determined without regard to the limitations imposed on such amount by Code sections 401(a)(17) and 415 (and the provisions of the Qualified Plan applying those limitations); and

(ii) is the benefit amount actually payable to the Participant under the applicable Qualified Plan formula, as reduced by such limitations, as of his or her Benefit Commencement Date.

(b) The amount of benefit under a cash balance formula credited to a Cash Balance Account, or under a money purchase pension plan formula credited to a Current Service Account (together, "Account Balance") that is payable to a Participant on his or her Benefit Commencement Date will be equal to (i) minus (ii), where:

(i) is the Participant's Account Balance determined using the employer contributions that would have been credited to the Account under the applicable Qualified Plan if not for the limitations imposed on such contributions by Code sections 401(a)(17) and 415 (and the provisions of the Qualified Plan applying those limitations); and

(ii) is the Participant's actual Account Balance under the applicable Qualified Plan determined using actual employer contributions, as reduced by such limitations.

Notwithstanding the foregoing, the maximum amount of annual compensation earned after 1999 used to determine benefits under this Plan for any LNL Agent participating in the LNC Plan who is an LFA or Sagemark RCEO or Sales Manager shall be $500,000 (with consistent "grandfathering" for Participants whose annual compensation for any year prior to 2000 exceeded $500,000, all as determined by the Corporation's Chief Human Resources Officer). In addition, for purposes of calculating the amount of benefit under Subsection 3.2(a)(i) only, amounts deferred under the Lincoln National Corporation Executive Deferred Compensation Plan for Employees are included in the definition of eligible compensation under the applicable Qualified Plan formula.

3.3 Vesting. A Participant shall be vested in his or her Plan benefit if he or she has met the requirements for early retirement or is otherwise fully vested under the applicable Qualified Plan.

ARTICLE IV

DISTRIBUTION OF BENEFITS

The provisions of this Article IV shall apply only to amounts that are not Grandfathered Benefits. The distribution rules applicable to the Grandfathered Benefits are set forth in Appendix A.

4.1. Default Distributions Upon Separation from Service.

(a) LNC Plan Participants. Absent an effective election pursuant to Section 4.5 below, a LNC Plan Participant's default Benefit Determination Date is the first day of the month that is a full thirteen (13) months from the date that the Participant Separates from Service. Payment of the Present Value of the Participant's benefit will be made to the Participant in the form of a cash lump sum on his or her Benefit Commencement Date. The Benefit Commencement Date is as soon as administratively practicable after the default Benefit Determination Date, but in no event later than 90 days after the default Benefit Determination Date.

Notwithstanding the foregoing, in the case of an LNC Plan Participant who is at least 53 years of age and has not yet attained age 55 at the time they are "Job Eliminated," as that term is defined under the Lincoln National Corporation Severance Pay Plan or "Involuntarily Terminated other than for Cause," as such terms are defined under The Severance Plan for Officers of Lincoln National Corporation, such Participant will be "stretched" or treated as having attained age 55. A "Stretched" Participant's default Benefit Determination date will be the first of the month that is thirteen (13) full months following the month after Separation from Service, but no earlier than age 55.

(b) JP Plan Participants. Absent an effective election pursuant to Section 4.5 below, for JP Plan Participants who Separate from Service prior to January 1, 2008, the default Benefit Determination Date shall be the later of the first day of the month following the month in which the Participant Separates from Service, or age 55. Absent an effective election pursuant to Section 4.5 below, for JP Plan Participants who Separate from Service on or after January 1, 2008, the default Benefit Determination Date shall be the first day of the month that is a full thirteen (13) months from the date that the JP Plan Participant Separates from Service. Payment of the Present Value of the Participant's benefit will be made to the Participant in the form of a cash lump sum on his or her Benefit Commencement Date. The Benefit Commencement Date is as soon as administratively practicable after the default Benefit Determination Date, but in no event later than 90 days after the default Benefit Determination Date.

(c) LNL Plan Participants. Any benefits still to be provided under the LNL Plan are Grandfathered Benefits. See Appendix A.

(d) JP Agents' Plan Participants.

(i) Final Average Pay Benefits. Any final average pay benefits still to be provided under the JP Agents' Plan are Grandfathered Benefits. See Appendix A.

(ii) Current Service Accounts. Absent an effective election pursuant to Section 4.5 below, for JP Agents' Plan Participants who Separate from Service prior to January 1, 2008, the default Benefit Determination Date shall be the later of the first day of the month following the month in which the Participant Separates from Service, or age 55. Absent an effective election pursuant to Section 4.5 below, for JP Agents' Plan Participants who Separate from Service on or after January 1, 2008, the default Benefit Determination Date shall be the first day of the month following the month in which the Participant Separates from Service. Amounts credited to a Current Service Account under this Plan shall be paid to the Participant in the form of a cash lump sum on their Benefit Commencement Date. The Benefit Commencement Date is as soon as administratively practicable after the default Benefit Determination Date, but in no event later than 90 days after their default Benefit Determination Date.

Effective January 1, 2007, Current Service Accounts are credited, maintained, and administered under the Lincoln National Life Top Earners' Plan for Agency Distribution Channel Agents (formerly the Lincoln National Life Top Earners' Plan for Agency Building General Agents).

4.2 Distributions to Disabled Participants. A Disabled Participant's Plan benefit will be distributed as provided under the applicable subsection of Section 4.1 above. Disability Retirement Income under Subsection 3.1(c) of this Plan is payable to eligible Participants until the earlier of (i) the date that they are determined to be no longer Disabled, or (ii) attainment of age 65.

4.3 Distributions Upon Death. In the event of the death of the Participant before payment of his benefit has been made, the Present Value of the Participant's benefit will be distributed in a lump sum payment as soon as practicable after death to the Participant's beneficiary (but in no event later than 90 days after the Participant's death). In the event of the death of the Participant after benefits have commenced in the form elected by the Participant pursuant to Section 4.5 below, death benefits, if any, provided under the form elected by the Participant will be paid to the Participant's beneficiary in the distribution form already begun. A Participant shall designate his beneficiary in a writing delivered to the Plan Administrator prior to death in accordance with procedures established by the Plan Administrator. In the event that a Participant dies prior to his/her Benefit Commencement Date and has not properly designated a beneficiary, or if no designated beneficiary is living on the date of distribution, such amount shall be distributed to (a) the Participant's spouse; (b) if no spouse, to the Participant's child or

children in equal shares (with the shares of any deceased child distribute equally among the descendants of that child); (c) if none of the above, to the Participant's parents in equal shares or the entire amount to the Participant's surviving parent; (d) if none of the above, to the Participant's sibling(s) in equal shares; and (e) if none of the above, the executor or administrator of the Participant's estate.

4.4 Benefits After a Change of Control. In the case of a Participant who Separates from Service after a Change of Control with a nonforfeitable right to benefits in the applicable Qualified Plan, Plan benefits will be distributed as provided under the applicable subsection of Section 4.1 above.

For Participants receiving benefits under the final average pay or final average salary formulas of the applicable Qualified Plan, such benefits shall be reduced for early commencement pursuant to the terms and provisions of the applicable Qualified Plan.

4.5 Alternative Elections. A Participant may elect a Benefit Distribution Date or form of distribution other than the default Benefit Distribution Date or default form of distribution set forth in Section 4.1 above by making Initial or Secondary Elections as described below. Alternative forms of distribution include any available optional form of benefits provided under the applicable Qualified Plan. Initial and Secondary Elections must be made in accordance with procedures established by the Plan Administrator, and must satisfy the following conditions:

(a) Initial Elections. Participants are not permitted to make Initial Elections for an alternative Benefit Determination Date. Participants may make an Initial Election for an alternative benefit form. Initial Elections are not valid unless made by the Participant on or before the earlier of Separation from Service and December 31, 2008 and must be made at least 366 days prior to the Participant's default Benefit Determination Date (elections may not take effect for twelve (12) months after the date on which the election is made). If a Participant fails to make a valid Initial Election under this paragraph, then the default form of distribution set forth in Section 4.1 above shall be deemed to be the Participant's Initial Election.

(b) Secondary Elections. A Participant may make only one Secondary Election to change his/her Benefit Distribution Date and form of distribution. A Secondary Election is not valid unless it meets the following conditions: (i) it must be made at least 366 days prior to the Participant's default Benefit Determination Date (elections may not take effect for twelve (12) months after the date on which the election is made) and (ii) the election to change the Benefit Distribution Date and/or form of distribution shall defer or delay payment of the Participant's benefit for at least five (5) years from the default Benefit Determination Date.

No alternative election made pursuant to this Section 4.5 may result in an impermissible acceleration of payment, including accelerations of payment as defined under Code section 409A.

4.6 Cash Out of Lump Sums. Notwithstanding Section 4.1 above and any election pursuant to Section 4.5 above by a Participant to the contrary, and subject to Section 4.7 below, if the Present Value of a Participant's benefit is $15,500 or less at the time the Participant Separates from Service, the benefit shall be distributed to the Participant in a lump sum payment as soon as administratively possible after Separation from Service.

4.7. Distributions to Key Employees. Notwithstanding any other provision of this Plan to the contrary, in the event a Participant is a Key Employee as of the date of his or her Separation from Service, distributions to such Participant shall not be paid earlier than six (6) months after the date upon which the Key Employee Separates from Service. Payments that are delayed under this Section shall be paid on the later of the first day of the seventh (7^{th}) month following the month in which the Participant's Separation from Service occurs (or, if earlier, the first day of the month following the Participant's death). Interest shall not accrue on such amounts during the period of delay.

4.8 Effect of Early Taxation. If a Participant's benefits under the Plan are includable in income pursuant to Code section 409A, such benefits shall be distributed immediately to the Participant.

4.9 Permitted Delays. Notwithstanding the foregoing, any payment to a Participant under the Plan shall be delayed upon the Committee's reasonable anticipation that the making of the payment would violate Federal securities laws or other applicable law; provided, that any payment delayed pursuant to this Section 4.9 shall be paid in accordance with Code section 409A.

ARTICLE V

ADMINISTRATION

5.1 General Administration. The Committee shall be responsible for the operation and administration of the Plan and for carrying out the provisions hereof. The Committee shall have the full authority and discretion to make, amend, interpret, and enforce all appropriate rules and regulations for the administration of this Plan and decide or resolve any and all questions, including interpretations of this Plan, as may arise in connection with this Plan. Any such action taken by the Committee shall be final and conclusive on any party. To the extent the Committee has been granted discretionary authority under the Plan, the Committee's prior exercise of such authority shall not obligate it to exercise its authority in a like fashion thereafter. The Committee shall be entitled to rely conclusively upon all tables, valuations, certificates, opinions and reports furnished by any actuary, accountant, controller, counsel or other person employed or engaged by the Corporation with respect to the Plan. The Committee may, from time to time, employ agents and delegate to such agents, including employees of the Corporation, such administrative duties as it sees fit. The Committee delegated the review of claims and appeals for benefits under this Plan to the Benefit Appeals Committee of the Corporation's Benefits Committee, effective September 15, 2004 (the "Appeals Committee"). Effective November 5, 2007, the Committee delegates to the Corporation's Chief Human Resources Officer responsibility for operating and administering the Plan.

5.2 Claims for Benefits.

(a) Filing a Claim. A Participant or his authorized representative may file a claim for benefits under the Plan. Any claim must be in writing and submitted to the Appeals Committee or its delegate at such address as may be specified from time to time. Claimants will be notified in writing of approved claims, which will be processed as claimed. A claim is considered approved only if its approval is communicated in writing to a claimant.

(b) Denial of Claim. In the case of the denial of a claim with respect to benefits paid or payable with respect to a Participant, a written notice will be furnished to the claimant within 90 days of the date on which the claim is received by the Appeals Committee. If special circumstances (such as for a hearing) require a longer period, the claimant will be notified in writing, prior to the expiration of the 90-day period, of the reasons for an extension of time; provided, however, that no extensions will be permitted beyond 90 days after the expiration of the initial 90-day period.

(c) Reasons for Denial. A denial or partial denial of a claim will be dated and signed by the Appeals Committee and will clearly set forth:

(i) the specific reason or reasons for the denial;

(ii) specific reference to pertinent Plan provisions on which the denial is based;

(iii) a description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and

(iv) an explanation of the procedure for review of the denied or partially denied claim set forth below, including the claimant's right to bring a civil action under ERISA section 502(a) following an adverse benefit determination on review.

(d) Review of Denial. Upon denial of a claim, in whole or in part, a claimant or his duly authorized representative will have the right to submit a written request to the Appeals Committee for a full and fair review of the denied claim by filing a written notice of appeal with the Appeals Committee within 60 days of the receipt by the claimant of written notice of the denial of the claim. A claimant or the claimant's authorized representative will have, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits and may submit issues and comments in writing. The review will take into account all comments, documents, records, and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

If the claimant fails to file a request for review within 60 days of the denial notification, the claim will be deemed abandoned and the claimant precluded from reasserting it. If the claimant does file a request for review, his request must include a description of the issues and

evidence he deems relevant. Failure to raise issues or present evidence on review will preclude those issues or evidence from being presented in any subsequent proceeding or judicial review of the claim.

(e) Decision Upon Review. The Appeals Committee will provide a prompt written decision on review. If the claim is denied on review, the decision shall set forth:

(i) the specific reason or reasons for the adverse determination;

(ii) specific reference to pertinent Plan provisions on which the adverse determination is based;

(iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits; and

(iv) a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to obtain the information about such procedures, as well as a statement of the claimant's right to bring an action under ERISA section 502(a).

A decision will be rendered no more than 60 days after the Appeals Committee's receipt of the request for review, except that such period may be extended for an additional 60 days if the Appeals Committee determines that special circumstances (such as for a hearing) require such extension. If an extension of time is required, written notice of the extension will be furnished to the claimant before the end of the initial 60-day period.

(f) Finality of Determinations; Exhaustion of Remedies; Limitations Period. To the extent permitted by law, decisions reached under the claims procedures set forth in this Section shall be final and binding on all parties. No legal action for benefits under the Plan shall be brought unless and until the claimant has exhausted his remedies under this Section. In any such legal action, the claimant may only present evidence and theories which the claimant presented during the claims procedure. Any claims which the claimant does not in good faith pursue through the review stage of the procedure shall be treated as having been irrevocably waived. Judicial review of a claimant's denied claim shall be limited to a determination of whether the denial was an abuse of discretion based on the evidence and theories the claimant presented during the claims procedure. Any suit or legal action initiated by a claimant under the Plan must be brought by the claimant no later than one year following a final decision on the claim for benefits by the Appeals Committee. The one-year limitation on suits for benefits will apply in any forum where a claimant initiates such suit or legal action.

5.3 Indemnification. To the extent not covered by insurance, the Corporation shall indemnify the Appeals Committee, each employee, officer, director, and agent of the Corporation, and all persons formerly serving in such capacities, against any and all liabilities or expenses, including all legal fees relating thereto, arising in connection with the exercise of their duties and responsibilities with respect to the Plan, provided however that the Corporation shall not indemnify any person for liabilities or expenses due to that person's own gross negligence or willful misconduct.

ARTICLE VI

AMENDMENT AND TERMINATION

6.1 Amendment or Termination. The Corporation reserves the right to amend or terminate the Plan when, in the sole discretion of the Corporation, such amendment or termination is advisable, pursuant to a resolution or other action taken by the Committee. The Plan may also be amended pursuant to a written instrument executed by the Corporation's Chief Human Resources Officer to the extent such amendment is required under applicable law or is required to avoid having amounts deferred under the Plan included in the income of Participants or beneficiaries for federal income tax purposes prior to distribution.

6.2 Effect of Amendment or Termination. Except as provided in the next sentence, no amendment or termination of the Plan shall adversely affect the rights of any Participant or beneficiary receiving benefits under the Plan as of the effective date of such amendment or termination. Upon termination of the Plan, distribution of Plan benefits shall be made to Participants and beneficiaries in the manner and at the time described in Article IV, unless the Corporation determines in its sole discretion that all such amounts (except for Grandfathered Benefits) shall be distributed upon termination in accordance with the requirements under Code section 409A. Upon termination of the Plan, no further benefit accruals shall occur.

In the event of a Change of Control, no amendment or termination of this Plan shall adversely affect the right of any Participant to the benefits accrued by the Participant or to payment of such benefits under the terms of this Plan as in effect immediately prior to such Change of Control.

ARTICLE VII

GENERAL PROVISIONS

7.1 Source of Payments; Rights Unsecured. The amount of any benefit payable under the Plan with respect to any Participant shall be paid from the general assets of the Employer that last employed that Participant. The right of a Participant or his beneficiary to receive a distribution hereunder shall be an unsecured (but legally enforceable) claim against the general assets of an Employer, and neither the Participant nor his beneficiary shall have any rights in or against any assets of an Employer. The Plan at all times shall be considered entirely unfunded for tax purposes. Any funds set aside by an Employer for the purpose of meetings its obligations under the Plan, including any amounts held by a trustee, shall continue for all purposes to be part of the general assets of the Employer and shall be available to its general creditors in the event of the Employer’s bankruptcy or insolvency. An Employer’s obligation under this Plan shall be that of an unfunded and unsecured promise to pay money in the future.

7.2 No Guarantee of Benefits. Nothing contained in the Plan shall constitute a guarantee by an Employer or any other person or entity that the assets of an Employer will be sufficient to pay any benefits hereunder.

7.3 No Enlargement of Rights. No Participant or beneficiary shall have any right to receive a distribution under the Plan except in accordance with the terms of the Plan. Establishment of the Plan shall not be construed to give any Participant the right to continue to be employed by or provide services to an Employer.

7.4 Spendthrift Provision. Except in the case of a domestic relations order approved by the Plan Administrator or its designee, no interest of any person in, or right to receive a distribution under, the Plan shall be subject in any manner to sale, transfer, assignment, pledge, attachment, garnishment, or other alienation or encumbrance of any kind; nor may such interest or right to receive a distribution be taken, either voluntarily or involuntarily for the satisfaction of the debts of, or other obligations or claims against, such person.

7.5 Distribution to Alternate Payee. All of part of a Participant's Plan benefit or Account Balance may be paid to an alternate payee as specified in a domestic relations order that the Plan Administrator, or its designee, determines meets the requirements set forth in this Section 7.5.

(a) Definition of Domestic Relations Order. Domestic relations order means a judgment, decree, or order (including the approval of a settlement agreement) that:

(i) is issued pursuant to a State's domestic relations law;

(ii) relates to the provisions of child support, alimony payments or marital property rights to a spouse, former spouse, child or other dependent of the Participant's Plan benefit or Account Balance under the Plan;

(iii) creates or recognizes the right of a spouse, former spouse, child or other dependent of the Participant to receive all or a portion of the Participant's benefit under the Plan;

(iv) requires payment of such person of their interest in the Participant's Plan benefit or Account Balance in an immediate lump sum payment;

(v) requires payment to such person or a portion of the Participant's Plan benefit which is in pay status at the time the domestic relations order is received and approved by the Plan Administrator; and

(vi) meets such other requirements established by the Plan Administrator.

The Plan Administrator, or its designee, shall determine whether any document received by it is a domestic relations order. In making this determination, the Plan Administrator, or its

designee, may consider the rules applicable to "domestic relations orders" under Code section 414(p) and ERISA section 206(d), and such other rules and procedures as he or she deems relevant.

(b) Form of Distribution. The alternate payee will receive a cash lump sum distribution of the amount payable under the domestic relations order, subject to the following rules:

(i) Distribution Date. Except where a participant has commenced benefit payments, the cash lump sum will be paid within ninety (90) days after the date the domestic relations order is approved by the Plan Administrator or its designee. The alternate payee is not permitted, directly or indirectly, to designate the taxable year in which payment will be made.

(ii) Valuation. The lump sum shall be valued within a reasonable period of time prior to the date that payment to the alternate payee is actually issued by the Plan.

(iii) Benefit in Pay Status. If a Participant's benefit is in pay status, the alternate payee shall begin to receive a portion of the Participant's benefit, as specified in the Domestic Relations Order, in the same payment option as elected by the Participant at such Participant's benefit commencement date as soon as administratively possible after the Domestic Relations Order is approved under this Section 7.5.

7.6 Applicable Law. To the extent not preempted by federal law, the Plan shall be governed by the laws of the State of Indiana.

7.7 Incapacity of Recipient. If any person entitled to a distribution under the Plan is deemed by the Committee to be incapable of personally receiving and giving a valid receipt for such payment, then, unless and until a claim for such payment shall have been made by a duly appointed guardian or other legal representative of such person, the Committee may provide for such payment or any part thereof to be made to any other person or institution then contributing toward or providing for the care and maintenance of such person. Any such payment shall be a payment for the account of such person and a complete discharge of any liability of the Employers and the Plan with respect to the payment.

7.8 Taxes. The Corporation or other payor may withhold from a benefit payment under the Plan or a Participant's wages, or the Corporation may reduce a Participant's accrued benefit under the Plan, in order to meet any federal, state, or local tax withholding obligations with respect to Plan benefits. The Corporation or other payor shall report Plan payments and other Plan-related information to the appropriate governmental agencies as required under applicable laws.

7.9 Corporate Successors. The Plan and the obligations of an Employer under the Plan shall become the responsibility of any successor to the Employer by reason of a transfer or sale of substantially all of the assets of the Employer or by the merger or consolidation of the Employer into or with any other corporation or other entity.

7.10 Unclaimed Benefits. Each Participant shall keep the Committee informed of his current address and the current address of his designated beneficiary. The Committee shall not be obligated to search for the whereabouts of any person if the location of a person is not made known to the Committee.

7.11 Severability. In the event any provision of the Plan shall be held invalid or illegal for any reason, any illegality or invalidity shall not affect the remaining parts of the Plan, but the Plan shall be construed and enforced as if the illegal or invalid provision had never been inserted.

7.12 Words and Headings. Words in the masculine gender shall include the feminine and the singular shall include the plural, and vice versa, unless qualified by the context. Any headings used herein are included for ease of reference only, and are not to be construed so as to alter the terms hereof.

IN WITNESS WHEREOF, the President and Chief Executive Office of the Corporation has executed this amendment, restatement, and termination of the Plan as of this 20th day of December, 2024.

LINCOLN NATIONAL CORPORATION

/s/ Ellen Cooper
By: Ellen Cooper
Its: President and Chief Executive Officer

APPENDIX A
Grandfathered Benefits

All Plan benefits payable under the **Agents' Retirement Plan of The Lincoln National Life Insurance Company (the "LNL Plan")** are Grandfathered Benefits. Benefits under the final average pay formula of the LNL Plan were frozen effective December 31, 1994. The LNL Plan continued as an active money purchase pension plan until it, too, was frozen on December 31, 2004.

In addition, any Plan benefits earned and vested with respect to (a) terminated vested Participants as of December 31, 2004, or (b) active Participants who have not accrued a benefit since December 31, 2004 under the following Plans are "Grandfathered Benefits":

The Lincoln National Corporation Retirement Plan for Employees Hired Prior to January 1, 2008 (formerly known as the Lincoln National Corporation Employees' Retirement Plan);

The Jefferson-Pilot Corporation Employees' Retirement Plan; and

The Jefferson-Pilot Life Insurance Company Agents' Retirement Plan (all Plan benefits earned under the final average pay formula of the JP Agents' Plan are Grandfathered Benefits. Benefits under the final average pay formula were frozen effective December 31, 1975).

Distribution Provisions for Grandfathered Benefits. Distribution of Grandfathered Benefits shall be made in accordance with (a), (b) and (c) below:

(a) Distribution Provisions for Employees.

(i) The form of distribution available for a Grandfathered Benefit is the same as the form of distribution elected by the Participant under the applicable Employees' Qualified Plan.

(ii) The benefit commencement date for a Grandfathered Benefit shall be the first of the month following the month in which the Participant Separates from Service.

(b) Distribution Provisions for LNL Agents, DAN Agents and ADC Agents. Effective January 1, 2023:

(i) The form of distribution available for a Grandfathered Benefit is the same as the form of distribution elected by the Participant under the applicable Agents' Qualified Plan.

(ii) The benefit commencement date for a Grandfathered Benefit shall be the first of the month following the month in which the Participant Separates from Service.

(c) Participants with Grandfathered Benefits may change or defer their benefit commencement date and/or distribution form only as provided under the terms of the applicable Predecessor Plan in effect on December 31, 2004. Any elections to change or defer a benefit commencement date or distribution form must be made at least 366 days prior to the original benefit determination date in effect for the Participant.

In addition, effective January 1, 2008, if the Present Value of a Participant's Grandfathered Benefit is $15,500 or less at the time the Participant Separates from Service, the benefit shall be distributed to the Participant in a lump sum payment as soon as administratively possible after Separation from Service.

Exhibit 19.1

Certain identified information has been excluded from this exhibit because it both (i) is not material and (ii) is the type that the company treats as private or confidential. [***] indicates redacted information.

Insider Trading and Confidentiality Policy

POLICY STATEMENT

It is the Policy and practice of Lincoln Financial Group to comply strictly with laws governing the use of *material non-public information,* sometimes more commonly referred to as "inside information." As the unlawful use or communication of *material non-public information* by the company, its directors, officers and employees as well as each person who represents or is registered with Lincoln could have dire consequences for Lincoln and such persons, all Lincoln personnel are required to be familiar with these policies and comply with the procedures described below. Anyone with questions as to the application of this Policy should contact LNC's General Counsel or the Corporate Secretary.

All italicized words are defined in the "Definitions" section below. "Lincoln" is used herein to mean Lincoln National Corporation ("LNC") and/or its subsidiaries.

BACKGROUND

This Policy sets forth procedures that all directors, officers and employees of Lincoln, each person who represents or is registered with Lincoln, and, where applicable, Lincoln itself, are required to follow. The purpose of this Policy is not only to address your obligations, but also to avoid any situation that could damage Lincoln's reputation for integrity and ethical conduct.

Federal law prohibits trading on the basis of *material non-public information*, commonly referred to as, inside information. A trade is considered to be "on the basis of" *material non-public information* if the person making the trade was aware of, or in possession of, the *material non-public information* at the time of the trade.

In accordance with the insider trading laws, this Policy prohibits:

(i) the purchase or sale of *Lincoln securities* while in possession of *material non-public information* regarding Lincoln;

(ii) communication of *material non-public information* to another person who trades on the information or who passes the information on to another who trades, which is known as "tipping;" and

(iii) the misappropriation from Lincoln of *material non-public information* about customers or others and trading in the *non-Lincoln security* of such customer or others on the basis of that information.

The Insider Trading and Securities Fraud Enforcement Act of 1988 authorizes the imposition of substantial penalties for violation of the insider trading laws. A person who has violated the insider trading laws, including a person who shares inside information with another person who trades on the information, may be subject to a criminal penalty of up to $5,000,000 and 20 years in prison, and a civil penalty of up to the greater of $1,000,000 or three times the profit gained or loss avoided as a result of such unlawful purchase, sale or communication.

INSIDER TRADING AND OTHER PROHIBITED ACTIVITIES

Policy on Lincoln Securities

Trading

If you become aware of *material non-public information* relating to Lincoln that has not been disclosed to the public for a reasonable period of time to allow the securities markets the opportunity to digest the information, you cannot execute, or commit to execute, any transaction restricted by this Policy (as described below) involving a *Lincoln security*, unless otherwise approved by LNC's General Counsel or his or her designee. This prohibition is also applicable to transactions by Lincoln involving the purchase or sale of *Lincoln securities*. The period of time necessary for the securities markets to digest the information may vary based upon the facts of each situation, but generally at least one (1) New York Stock Exchange ("NYSE") trading day should elapse between the first public disclosure of *material non-public information* and any trading. The restrictions set forth in this Policy also apply to your *family members* as well as trusts and other entities owned or controlled by you.

Transactions restricted by this Policy include all purchases or sales of *Lincoln securities*, including initiating an election or change that will increase or decrease your contributions to, or balance in, the LNC Stock Fund within Lincoln's 401(k) or other benefit plans, and initiating or ceasing automatic plan rebalancing involving account balances in the LNC Stock Fund within Lincoln's 401(k) or other benefit plans.

The following transactions are **not** restricted by this Policy:

1. the exercise of employee stock options: (a) by tendering cash or shares to Lincoln to pay the exercise price or related tax withholding; or (b) through a net share settlement method; however, the sale of stock to obtain the cash needed to exercise an option or pay withholding taxes, or the sale of stock acquired upon the exercise of an option, is restricted by this Policy;
2. automatic purchases or rebalances involving the LNC Stock Fund within Lincoln's 401(k) or other benefit plans or purchases pursuant to dividend reinvestment plans, provided such purchases or rebalances are pursuant to a pre-existing election;
3. bona fide gifts of *Lincoln securities* unless you know (or should know) the recipient intends to sell the *Lincoln security* promptly upon receipt;
4. purchases or sales pursuant to written plans that comply with this Policy and Rule 10b5-1 (as described below); and
5. withholding of stock to pay applicable withholding taxes upon the vesting of restricted stock or restricted stock units.

No Hedging

No director, officer or employee may use derivative instruments to *hedge* the value of any *Lincoln security*.

Prohibition on Pledging

No director or *Executive Officer* may pledge, or use as collateral, any *Lincoln securities* to secure personal loans or other obligations, including holding any *Lincoln securities* in a margin account.

Window Periods Applicable to Certain Persons

Neither Lincoln itself, nor the persons in the categories described below, or their *family members*, may execute, or commit to execute, any transaction restricted by this Policy involving a *Lincoln security* except during *open* w*indow periods*, unless such transaction is otherwise approved by LNC's General Counsel or his or her designee:

1. Members of the Board of Directors of Lincoln National Corporation;

2. Lincoln officers with a title of Vice President and above and such officers' administrative assistants;

3. All Lincoln employees located in Lincoln's *executive offices*;

4. Employees assigned to LNC's Corporate Enterprise Communications and Investor Relations departments and business unit financial communications staff;

5. All of Lincoln's actuaries;

6. Direct reports of LNC's Chief Accounting Officer and/or Controller;

7. Direct reports of LNC's CFO and each business unit's CFO and/or Controller;

8. Recipients of the Lincoln Financial Distributors Daily Sales Report and Enterprise Sales Report; and

9. Other persons notified by Lincoln's Legal Department.

While trading during an *open window period* is a Lincoln compliance requirement, an *open window period* does not constitute a legal right to trade in *Lincoln securities*. Accordingly, even during *open window periods,* if you are in possession of *material non-public information*, you may not trade in *Lincoln securities*.

In addition, Lincoln can impose a trading moratorium that prohibits trading in *Lincoln securities* during a certain period, including during an *open window period*.

Also, because of the complexity of Section 16 of the Securities Exchange Act of 1934 ("Exchange Act"), members of the Board of Directors and *Section 16 Officers* must consult with the General Counsel or the Corporate Secretary prior to engaging in any transaction in *Lincoln securities*. In addition, members of the Board of Directors, *Section 16 Officers* and members of Lincoln's Corporate Leadership Group are subject to transaction preclearance procedures, which are separately detailed outside of this Policy.

All other persons subject to this Policy should use their own judgment in determining whether it is appropriate under this Policy to enter into a particular transaction. However, you are encouraged to restrict your trading in *Lincoln securities* to *open window periods* when you are not in possession of *material non-public information*.

You may consult with LNC's General Counsel or the Corporate Secretary if you have any questions about this Policy.

Confidentiality of Material Non-Public Information and Prohibition on Tipping

You may not directly or indirectly disclose *material non-public information* to any other person who could use the information to trade in a *Lincoln security* prior to its public disclosure. No person subject to this Policy may:

1. communicate such information to anyone outside of Lincoln for other than legitimate corporate purposes, where appropriate steps have been taken to prevent the misuse of such information, or in compliance with Lincoln's External Communications Policy;
2. communicate such information within Lincoln, except on a need-to-know basis, in the ordinary course of business, when you have no reason to believe the information will be misused;
3. recommend someone to purchase, sell or retain *Lincoln securities* when you are in possession of *material non-public information*; or
4. engage in any other action to take personal advantage of that information.

You should consult with your business unit's legal counsel or chief compliance officer before disclosing *material non-public information* to ensure that you do not violate the Policy.

Trading in Lincoln Securities under Written Plans

Buying or selling *Lincoln securities* pursuant to a written plan meeting the requirements of this Policy and Rule 10b5-1 of the Exchange Act (a "written plan") provides an affirmative defense against claims of insider trading under Rule 10b-5. However, trading under written plans **does not exempt** *Section 16 Officers* and directors from the short-swing profit liability provisions of Section 16 of the Exchange Act. Therefore, all written plans for such officers and directors should be drafted to ensure compliance with Section 16 of the Exchange Act.

To comply with this Policy and Rule 10b5-1, you, or Lincoln in the case of a company plan, **must not** be in possession of *material non-public information* at the time of entry into the written plan. Accordingly, written plans should generally be entered into during *open window periods* at a time when you, or Lincoln in the case of a company plan, do not possess *material non-public information*. In the case of a written plan entered into by Lincoln, the General Counsel or the Corporate Secretary will conduct an inquiry to confirm that none of the company's *Executive Officers* are in possession of material non-public information at the time of entry into the written plan.

The written plan should be executed by you, or Lincoln in the case of a company plan, and the person who will direct the trading, and, in the case of members of the Board of Directors and *Section 16 Officers*, the written plan must contain a representation that (i) you are not aware of any *material non-public information* about Lincoln or *Lincoln securitie*s and (b) you are adopting the plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1. In addition, the written plan must:

1. specify the amount of Lincoln securities to be purchased or sold, the price or prices at which the securities are to be traded and the date or dates on which the securities are to be purchased or sold; or
2. include a written formula, algorithm, or computer program for determining the amount, price and date; or
3. give discretion over trading decisions to a third party who is not and does not come into possession of material non-public information and over whom you, or Lincoln in the case of a company plan, do not exercise any subsequent influence over the trading decisions.

The actual purchases or sales must be pursuant to the written plan without altering or deviating from it or entering into or attaining a corresponding or hedging transaction or position, and the affirmative defense under Rule 10b5-1 is also conditioned on the person having acted in good faith with respect to the written plan.

In the case of written plans by persons other than LNC, a certain period of time must elapse between the execution of the written plan and the first transactions under the plan (the "cooling-off period"). For *Section 16 Officers* and directors, the minimum required cooling-off period is the later of (i) ninety (90) days or (i) two business days following filing of LNC's Quarterly Report on Form 10-Q or Annual Report on Form 10-K for the quarter in which the plan is adopted. For any other person subject to this Policy, other than LNC, the minimum required cooling-off period is thirty (30) days. Changes to "essential terms" of a written plan (i.e., any change to the amount, price or timing of the purchase or sale of the securities) constitute the termination of the plan and the adoption of a new plan, which triggers a new cooling-off period.

Persons subject to this Policy may not have more than one outstanding written plan for purchases or sales of *Lincoln securities* on the open market during the same period, subject to limited exceptions, and such persons are limited to one "single-trade plan"in any 12-month period (i.e., a wrtten plan designed to effect the open market purchase or sale of the total amount of the securities subject to the plan as a single transaction). The restrictions in this paragraph are not applicable to written plans by LNC.

Finally, every written plan must be submitted in advance to the General Counsel or the Corporate Secretary for review.

Policy on Non-Lincoln Securities and Misappropriation

Persons subject to this Policy may not trade in *non-Lincoln securities* of customers or others based on *material non-public information* received by Lincoln from such customers or others. Lincoln's reputation and ability to work with its customers and other business partners depend not only upon the quality of its products and services but also upon the trust and confidence established with customers and others. Maintaining the confidentiality of its customers' actions and contemplated plans, and preserving the confidentiality of information Lincoln receives from its customers and others, is fundamental to that trust and confidence.

Material non-public information obtained by persons subject to this Policy about a customer or any other business entity, whether or not in the course of their work for Lincoln, should not be communicated to anyone in violation of any law, regulation or other applicable requirement.

All persons are strictly prohibited from using for non-Lincoln business purposes any *material non-public information* obtained at or through their employment or relationship with Lincoln. No person may, under any circumstances, use confidential information obtained at or through Lincoln, or from any sources, in deciding whether to buy, sell or hold *non-Lincoln securities*, or in assisting others in making such a decision.

COMPLIANCE

Even innocent actions can potentially create an appearance of impropriety, and this appearance alone could damage the reputation of Lincoln. Accordingly, the actual misuse of *material non-public information*—whether or not the information is obtained through Lincoln and whether or not involving the purchase or sale of a *Lincoln security* or a *non-Lincoln security* – is prohibited.

Lincoln expects the strictest compliance with this Policy. Failure to observe the policies and procedures set forth herein may result in serious legal consequences for the person involved as well as for Lincoln. Failure to follow the letter and spirit of these policies and procedures would be considered a basis for termination of employment or relationship with Lincoln and may expose the violator to serious civil and criminal penalties.

This Policy also applies to *family members* of directors, officers, employees and each person who represents or is registered with Lincoln. Such persons are responsible for informing the *family members* sharing their personal household about this Policy and their compliance obligations.

If you have any doubt or uncertainty as to your responsibilities under Policy, you should seek clarification and guidance from LNC's General Counsel or the Corporate Secretary. You should not try to resolve any uncertainties on your own.

DEFINITIONS

Executive Officer

Executive officer means any Lincoln officer who is a member of LNC's senior management committee.

Executive Offices

Executive offices mean LNC's executive offices located at 150 N. Radnor Chester Road, **[***]**, Radnor, PA, or where such executive offices may be located from time to time.

Family Members

Includes your spouse, children (including adopted children and step-children), grandchildren, siblings, parents, grandparents, and in-laws sharing your household. This Policy also covers *Lincoln securities* held by trusts (of which you are a trustee or beneficiary) as well as partnerships, LLCs or corporations that you directly or indirectly control. Control is presumed to exist if you are a director or executive officer of such an entity or if you beneficially own more than 10% of such entity's voting securities.

Hedge

Includes any security transaction that reduces the risk on an already existing investment position in a *Lincoln security*, including the purchase or sale of options, puts, calls, straddles, equity swaps or other derivatives linked to a *Lincoln security*.

Lincoln Security

Includes any security issued by LNC, its subsidiaries or affiliates, including common stock, preferred stock (or depositary shares representing preferred stock), debt securities, warrants and stock purchase rights as well as option positions on any of these (including puts, calls and straddles), whether publicly or privately traded. "*Lincoln security*" also includes securities issued by any person that derive their value from the value of a security issued by LNC, its subsidiaries or affiliates, such as phantom stock or stock units you may acquire through Lincoln's benefit plans.

Material Non-Public Information

Material information is any information (whether fact, development or intended action) that a reasonable investor would consider significant in determining whether to buy, sell, or hold a company's securities, such as information that could reasonably be expected to affect the market price of such securities. Both positive and negative information may be material. It is impossible to give an exhaustive list of all types of material information, but the following illustrated items are often considered to be material:

1. information originating within Lincoln with respect to its earnings, sales (including annuity deposits, purchases of mutual fund shares, institutional inflows and first year premiums) and net flows;
2. earnings guidance;
3. significant balance sheet, capital and ratings issues;
4. mergers, acquisitions, divestitures, tender offers, joint ventures, or changes in assets;
5. changes in auditors or auditor notification that Lincoln may no longer rely on an audit report;
6. events regarding *Lincoln securities* (e.g., defaults, calls of securities for redemption, repurchase plans, stock splits or changes in dividends, changes to the rights of securityholders, public or private sales of additional securities or information related to any additional funding);
7. changes in key management;
8. a significant disruption in Lincoln's operations or loss, potential loss, breach or unauthorized access of its property or assets, including its facilities and information technology infrastructure; and
9. unusual and/or other major business developments.

Material information may also include information originating outside Lincoln such as planned sales or purchases of *Lincoln securities* by third parties.

Information is non-public if it has not been disseminated in a manner reasonably designed to provide broad, non-exclusionary distribution of the information to the public.

Non-Lincoln Security

Includes all of the types of securities listed above under *Lincoln security*, but issued by an entity other than LNC, its subsidiaries or affiliates.

Open Window Period

Generally, the window period will open after one full NYSE trading day has elapsed since the issuance of the quarterly earnings release, and the window period will close at the end of the trading day on the fifteenth (15th) day of the last month of the quarter, unless Lincoln determines otherwise. If such fifteenth (15th) day is not a day on which trading occurs on the NYSE, the *open window period* shall end on the NYSE trading day immediately preceding such day.

Section 16 Officer

Section 16 Officer is any officer of LNC who is notified that he/she is subject to Section 16 of the Exchange Act.

Exhibit 21

Subsidiaries of Lincoln National Corporation
As of December 31, 2024

	Organized Under Law of:	Ownership
Lincoln National Corporation	Indiana	100 %
First Penn-Pacific Life Insurance Company	Indiana	100 %
Jefferson-Pilot Investments, Inc.	North Carolina	100 %
Lincoln Financial Insurance Agency Incorporated	New Hampshire	100 %
Lincoln Financial Limited Liability Company I	Delaware	100 %
Lincoln Financial Reinsurance Company of Vermont	Vermont	100 %
Lincoln Insurance Services Limited	England	100 %
Lincoln SBP Trustee Limited	England	100 %
Lincoln Investment Management Company	Delaware	100 %
Lincoln National Management Corporation	Pennsylvania	100 %
Lincoln National Reinsurance Company (Barbados) Limited	Barbados	100 %
Lincoln Pinehurst Reinsurance Company (Bermuda) Limited	Bermuda	100 %
The Lincoln National Life Insurance Company	Indiana	100 %
LFD Insurance Agency, Limited Liability Company	Delaware	100 %
Lincoln Assignment Corporation	Delaware	100 %
Lincoln Financial Distributors, Inc.	Connecticut	100 %
Lincoln Financial Investments Corporation	Tennessee	100 %
Lincoln Investment Solutions, Inc.	Delaware	100 %
Lincoln Life & Annuity Company of New York	New York	100 %
Lincoln Reinsurance Company of South Carolina	South Carolina	100 %
Lincoln Reinsurance Company of Vermont I	Vermont	100 %
Lincoln Reinsurance Company of Vermont III	Vermont	100 %
Lincoln Reinsurance Company of Vermont IV	Vermont	100 %
Lincoln Reinsurance Company of Vermont V	Vermont	100 %
Lincoln Reinsurance Company of Vermont VI	Vermont	100 %
Lincoln Reinsurance Company of Vermont VII	Vermont	100 %
Lincoln Retirement Services Company, LLC	Indiana	100 %
Lincoln Financial Group Trust Company, Inc.	New Hampshire	100 %
Westfield Assigned Benefits Company	Ohio	100 %

Those subsidiaries not listed would not, in the aggregate, constitute a "significant subsidiary" of Lincoln National Corporation, as that term is defined in Rule 1-02(w) of Regulation S-X.

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following registration statements of Lincoln National Corporation and in the related prospectuses listed below:

1. Forms S-3
    a. No. 333-270000 pertaining to the Lincoln National Corporation automatic shelf registration for certain securities,
    b. No. 333-283057 pertaining to the LNL Agents' 401(k) Savings Plan,
    c. No. 333-279541 pertaining to the Lincoln National Corporation 2009 Amended and Restated Incentive Compensation Plan, and
    d. No. 333-265361 pertaining to the Lincoln National Corporation Deferred Compensation Plan for Agents and Brokers;
2. Forms S-8
    a. No. 333-203690 pertaining to the Lincoln National Corporation 2009 Amended and Restated Incentive Compensation Plan and the Jefferson-Pilot Corporation Long-Term Stock Incentive Plan,
    b. No. 333-196233 pertaining to the Lincoln National Corporation 2014 Incentive Compensation Plan,
    c. Nos. 333-239117, 333-265314, 333-272223 and 333-279694 pertaining to the Lincoln National Corporation 2020 Incentive Compensation Plan,
    d. No. 333-155385 pertaining to the Lincoln National Corporation Deferred Compensation and Supplemental/Excess Retirement Plan,
    e. No. 333-142872 pertaining to the Lincoln National Corporation Stock Option Plan for Non-Employee Directors,
    f. No. 333-133039 pertaining to various Jefferson-Pilot Corporation benefit plans,
    g. Nos. 333-143796 and 333-126452 pertaining to the Lincoln National Corporation Executive Deferred Compensation Plan for Employees,
    h. Nos. 333-126020 pertaining to the Lincoln National Corporation Employees' Savings and Profit-Sharing Plan and 333-161989 pertaining to the Lincoln National Corporation Employees' Savings and Retirement Plan;
    i. Nos. 333-143795 and 333-121069 pertaining to the Lincoln National Corporation Deferred Compensation Plan for Non-Employee Directors, and
    j. Nos. 033-58113 and 333-105344 pertaining to the Lincoln National Corporation 1993 Stock Plan for Non-Employee Directors; and
3. Form S-1
    a. No. 333-163855 pertaining to the LNL Agents' 401(k) Savings Plan.

of our reports dated February 21, 2025, with respect to the consolidated financial statements and financial statement schedules of Lincoln National Corporation and the effectiveness of internal control over financial reporting of Lincoln National Corporation, included in this Annual Report (Form 10-K) for the year ended December 31, 2024.

/s/ Ernst & Young LLP
Philadelphia, Pennsylvania
February 21, 2025

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Ellen G. Cooper, President and Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Lincoln National Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 21, 2025

/s/ Ellen G. Cooper

Name: Ellen G. Cooper

Title: President and Chief Executive Officer

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Christopher Neczypor, Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Lincoln National Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: February 21, 2025

/s/ Christopher Neczypor

Name: Christopher Neczypor

Title: Executive Vice President and Chief Financial Officer

Exhibit 32.1

Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Lincoln National Corporation (the "Company"), hereby certifies that the Company's Annual Report on Form 10-K for the year ended December 31, 2024, (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 21, 2025

/s/ Ellen G. Cooper

Name: Ellen G. Cooper

Title: President and Chief Executive Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required under Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906
of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, the undersigned officer of Lincoln National Corporation (the "Company"), hereby certifies that the Company's Annual Report on Form 10-K for the year ended December 31, 2024, (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 21, 2025

/s/ Christopher Neczypor

Name: Christopher Neczypor

Title: Executive Vice President and Chief Financial Officer

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.

A signed original of this written statement required under Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.