

**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, 2025

OR

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

**LINCOLN NATIONAL CORPORATION**

(Exact name of registrant as specified in its charter)

Indiana

(State or other jurisdiction of incorporation or organization)

35-1140070

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

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

(Address of principal executive offices)

19087

(Zip Code)

**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                   |
| Depository Shares, each representing a 1/1000 <sup>th</sup> interest in a share of 9.000% Non-Cumulative Preferred Stock, Series D | LNC PRD        | New York Stock Exchange                   |

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

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

Indicate by check mark whether the registrant 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 \$6.6 billion. This excludes shares of common stock held by each executive officer and director and each entity that owned 10% or more of the outstanding common stock as 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 12, 2026, 190,090,406 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 28, 2026, 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 results 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, 2025, LFD had approximately 450 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 Note 1 for additional information on the 2024 sale of our wealth management business.

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.

## 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*® 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 *#LIFE*® Advantage Select GIB and *#LIFE* 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 *#LIFE* 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 *#LIFE* 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 *#LIFE* 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 10%™ Index, the BlackRock Dynamic Allocation Index, the Fidelity AIM<sup>SM</sup> Dividend Index, the Nasdaq Priva<sup>TM</sup> Index or the Capital Group Dividend Value ETF. 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 three RILA products, *Lincoln Level Advantage*® (“LLA”), *Lincoln Level Advantage 2*® (“LLA2”) and *Lincoln Level Advantage 2 Income*® (“LLA2 Income”). LLA 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<sup>SM</sup>, the First Trust American Leadership Index<sup>TM</sup> 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.

LLA2 and LLA2 Income provide one or more indexed accounts and also offer the *SecureLock*+<sup>SM</sup> 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 and ETFs are the S&P 500® Index, the Russell 2000® Index, the MSCI EAFE, the Capital Strength Net Fee Index<sup>SM</sup>, the First Trust American Leadership Index<sup>TM</sup>, the Capital Group Growth ETF and the Capital Group Global Growth ETF.

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 *iLIFE*® 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.

LLA2 Income provides either a GWB, *Lincoln ProtectedPay*® Select, or a GWB with a GDB, *Lincoln ProtectedPay*® Select with *Estate Lock*<sup>SM</sup> Death Benefit. Both provide contract holders with protected lifetime income that is based on a percentage of the account balance when lifetime income starts. For each year the contract holder delays withdrawals, the withdrawal percentage increases by a set amount. *Lincoln ProtectedPay*® Select with *Estate Lock*<sup>SM</sup> offers 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 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 derivatives to hedge the equity market risk associated with our RILA 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.

### 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. Key products in our IUL suite have recently transitioned to new products that offer additional index options and features. Lincoln WealthBuilder® IUL and Lincoln WealthBuilder® ECV IUL were launched in the first half of 2025, and our Lincoln WealthProtector<sup>SM</sup> IUL was launched in February 2026.

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<sup>SM</sup> BOLI UL product is a UL-type product purchased by a bank that insures the lives of the bank’s employees. These products are characterized as Executive Benefits products when reporting sales.

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*<sup>®</sup> VUL and Lincoln Premier<sup>SM</sup> 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*<sup>®</sup> VUL product. This product insures two lives with a single policy and pays death benefits upon the second death.

Our Lincoln Premier<sup>SM</sup> VUL BOLI and COLI products and Lincoln Corporate Exec<sup>SM</sup> COLI products are also VUL-type products. COLI products are owned by a corporation and insure the lives of the corporation's employees. These products are characterized as Executive Benefits products when reporting sales.

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*<sup>®</sup>, 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*<sup>®</sup> Level Term and Lincoln *LifeElements*<sup>®</sup> 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 experience 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 and Services**

#### *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 plans, which protect 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 Services*

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.

### *Supplemental Health Insurance*

We offer a suite of employer-sponsored supplemental health insurance products designed for employees and their covered dependents. Coverage is primarily employee-paid. These products are characterized as part of the life products line when reporting results.

### Accident Insurance

Our group accident insurance provides financial protection for unexpected expenses after an accidental injury. With many covered conditions, benefit payments range from services for emergency care, fractures/dislocations and recovery assistance. Our flexible benefit plans provide coverage for either on-the-job accidents or accidents incurred on a 24-hour basis.

### Critical Illness Insurance

Our group critical illness insurance provides a lump-sum benefit upon diagnosis of a covered critical illness. In addition to offering benefits for covered illnesses, this product also includes benefits that support prevention, early detection and treatment of a critical illness.

### Hospital Indemnity Insurance

Our group hospital indemnity insurance pays a lump-sum benefit for admission to a hospital due to an illness or injury. In addition to offering benefits for hospital admissions, this product also includes benefits for extended stays in rehabilitation facilities, NICUs and recovery.

### *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 sales 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 engagement, 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 policy 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<sup>SM</sup> group variable annuity, LINCOLN ALLIANCE<sup>®</sup> program and *Multi-Fund*<sup>®</sup> 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<sup>SM</sup> 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<sup>®</sup> product discussed below, we also offer our proprietary YourPath<sup>®</sup> 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, administrative 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*<sup>®</sup> 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*<sup>®</sup> 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 activities related to institutional funding agreements.

## **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.

Lincoln Pinehurst Reinsurance Company (Bermuda) Limited (“LPINE”), a wholly owned subsidiary of LNC, operates as a Class E Bermuda-based life and annuity reinsurance company. For more information about our affiliate reinsurance transactions with LPINE, see “Introduction – Executive Summary – Significant Operational Matters” in the MD&A.

As of December 31, 2025, 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, a coinsurance with funds withheld or a modified coinsurance basis. In a coinsurance program, the reinsurer shares proportionally in the policy level financial results of the reinsured policies (i.e., premiums, benefits/claims, expenses, and changes in reserves) based on its quota share percentage, and the related reserves and supporting assets are transferred to the reinsurer. In a coinsurance with funds withheld program, the reinsurer shares proportionally in the policy level financial results based on its assumed quota share percentage; however, the ceding company retains the assets supporting the ceded reserves under a funds withheld arrangement, and the reinsurer assumes liability for investment results of the assets in the funds withheld account. In a modified coinsurance program, the ceding company retains both the reserves and the assets supporting those reserves, with such assets held in a modified coinsurance account, while the reinsurer shares proportionally in the policy level financial results, and investment results of the assets held in the modified coinsurance account, based on the reinsurer’s quota share of risk assumed.

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), Commonwealth Annuity and Life Insurance Company (a subsidiary of Global Atlantic), Hannover Life Reassurance Company of America (Bermuda) Ltd. and Athene Holding Ltd. 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 obligations under insurance policies and contracts, 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 12, 2026, 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<br>(3rd highest of 16) | A+<br>(5th highest of 19) | A2<br>(6th highest of 21) | A+<br>(5th highest of 21) |
| Lincoln Life & Annuity Company of New York (“LLANY”) | A<br>(3rd highest of 16) | A+<br>(5th highest of 19) | A2<br>(6th highest of 21) | A+<br>(5th highest of 21) |
| First Penn-Pacific Life Insurance Company (“FPP”)    | A<br>(3rd highest of 16) | A+<br>(5th highest of 19) | A2<br>(6th highest of 21) | A-<br>(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 – 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 have all been assigned a stable outlook. 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 regulations for that purpose.

LNL and FPP are domiciled in Indiana and their principal insurance regulatory authority is the Indiana Department of Insurance (the “IDOI”). LLANY is domiciled in New York and its principal insurance regulatory authority is the New York Department of Financial Services (the “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 (the “BMA”) and the Barbados Financial Services Commission (“FSC”), respectively, each of which enforces standards related to solvency, capital adequacy and other applicable regulatory requirements.

The insurance departments of the domiciliary jurisdictions exercise principal regulatory jurisdiction over our insurance subsidiaries. The extent of regulation by the jurisdictions varies, but, in general, most jurisdictions have laws and regulations governing standards of solvency, adequacy of reserves, reinsurance, capital adequacy and licensing of companies and producers 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; and 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 (the “NAIC”). Most recently, 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 did not receive 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, 2025.

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 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 ended September 30, 2023, and was originally scheduled to sunset on December 31, 2025. In August 2025, the NAIC approved an extension of the temporary relief through December 31, 2026. 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, 2025. 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 took effect beginning January 1, 2026. We cannot predict what impact, if any, this regulatory tool may have on our business.

##### RBC Model Governance

The NAIC’s RBC Model Governance Task Force was established in 2025 to strengthen the consistency, transparency and integrity of the RBC framework, which underpins insurer solvency regulation in the United States. The task force’s charge is to develop guiding principles that ensure all future RBC adjustments uphold the framework’s credibility and global competitiveness. Its work includes conducting a comprehensive gap analysis, identifying inconsistencies across RBC formulas and creating a strategic foundation for revisions under the principle of “equal capital for equal risk.” We cannot predict what impact, if any, this regulatory initiative may have on our business. See “Insurance Regulation – Risk-Based Capital” below for more information on the NAIC’s RBC requirements.

##### Reinsurance

In August 2025, the NAIC adopted Actuarial Guideline LV (“AG55”), a new framework requiring asset adequacy testing for ceded reinsurance. AG55 will serve as a new tool to help state insurance regulators gain deeper insights into the assets and reserves supporting

ceded business. For statutory reporting for the year ended December 31, 2025, AG55 is disclosure only. We cannot predict what impact, if any, this regulatory tool may have on our business.

In December 2025, the NAIC adopted Ref 2024-06: *Risk Transfer Analysis of Combination Reinsurance Contracts* clarifying the treatment of combination treaties with interdependent features under statutory accounting for new and newly amended contracts effective immediately and in force contracts effective for the year ending December 31, 2026. The impact upon adoption of these changes is not expected to be material.

#### Regulation of Insurer Investments

The NAIC insurer investment regulation framework initiative is a modernization effort to strengthen oversight of insurers' increasingly complex investment portfolios. It aims to reduce reliance on credit rating providers by giving regulators more tools to independently assess risk, particularly in areas like private equity, collateralized loan obligations and other structured securities. We cannot predict what changes, if any, these activities may ultimately have on our business.

#### Life and Annuities Reserves

In August 2025, the NAIC adopted changes to implement a new Generator of Economic Scenarios ("GOES") for calculating annuity and life reserves according to the Valuation Manual (e.g., VM-20 and VM-21) effective January 1, 2026 (reporting in 2027) with an optional three-year phase-in of impact for reserves. RBC calculation changes (i.e., C-3 Phase I cash flow testing interest rate risk and C-3 Phase II market and interest rate risk for variable annuities and similar products) driven by the new GOES are currently under review, with the objective of finalizing requirements by the end of 2026. The economic scenarios are a key input in the statutory reserve and required capital calculations for certain products, such as variable annuities. The new GOES produces scenarios with characteristics that differ from the prior economic scenario generator, which could adversely affect 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.

In addition, effective January 1, 2026, the NAIC's Valuation Manual incorporated VM-22, introducing principle-based reserving for non-variable annuities. VM-22 replaces the prior methodology and applies prospectively to new issues, with a three-year transition period and mandatory compliance by January 1, 2029. 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 domestic 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 such authorities 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. Our reinsurance subsidiaries in Barbados and Bermuda are also subject to regulatory restrictions as to the transfer of funds and payment of dividends imposed by the jurisdictions in which they are domiciled. 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 the 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, 2025, 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 the “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 are 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 principle-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 similar 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. While there are several U.S. federal laws that protect specific types of data or govern specific industries, many states have adopted their own comprehensive data privacy laws. These laws, when applicable, 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 tracking, sharing and processing practices. We must also promptly notify and report certain types of incidents involving this data. In addition, we may also collect, process and maintain personal information subject to Bermuda’s Personal Information Protection Act (“PIPA”), which imposes similar requirements and requires that we ensure a lawful basis for the processing of personal information and implement safeguards for cross-border transfers of such data. The privacy laws and regulations vary by jurisdiction, and it is expected that additional laws and regulations will continue to be enacted or revised. For example, the NAIC is currently considering revisions to the Privacy of Consumer Financial and Health Information Regulation Model Law that may be completed in 2026. 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” and artificial intelligence (“AI”), including machine learning, deep learning and other techniques that enable 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 those prohibiting 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. As of the end of 2025, 28 state insurance commissions have adopted the NAIC model bulletin or a similar regulation. In addition, the NAIC is actively developing an AI Systems Evaluation Tool, a regulatory framework designed to help assess how insurers implement AI, with a focus on identifying risks to consumers and ensuring financial stability.

In December 2025, President Trump issued the Executive Order titled “Ensuring a National Policy Framework for Artificial Intelligence,” which seeks to establish a unified national standard for AI policy and directs federal agencies to coordinate efforts to challenge and preempt conflicting state AI laws. 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”), which was further amended in November 2023. The NYDFS Cybersecurity Regulation includes specific technical safeguards as well as requirements regarding governance, incident planning, training, data management, system testing, risk and vulnerability assessments, and regulator notification in the event of certain cybersecurity events.

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 and closed-end 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, (the “Exchange Act”) and is subject to federal, state and self-regulatory organization regulation, including, but not limited to, the Financial Industry Regulation Authority’s (“FINRA”) net capital and other rules. In addition, we have one subsidiary, Lincoln Financial Investments Corporation, that is a registered investment adviser under the Investment Advisers Act of 1940 (the “Advisers Act”). 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 and self-regulatory organizations, where applicable. 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 regulatory 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 (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, 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, as amended (“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. The DOL, through the Department of Justice (“DOJ”) under the Biden Administration, had appealed the stay; however, in November 2025, the Fifth Circuit granted a motion by the DOJ, under the current administration, to dismiss the appeal, and the stay remains in place. The DOL may reintroduce the rule or another version of the rule at some point in the future. As a result, it is uncertain at this time whether any proposed 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 disclosures required 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 and investment advisers were required to be compliant.

Finally, the SEC issued interpretative guidance regarding an investment adviser’s fiduciary obligations 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 have enacted 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. These state laws and regulations have resulted in additional requirements related to the sale of our products.

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 developments in this area, we cannot predict 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. Among other things, the Dodd-Frank Act created the Consumer Financial Protection Bureau to protect consumers of certain financial products and implemented changes to certain corporate governance rules. Additionally, 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 costs and strategies may change and the extent to which those changes may affect the range or pricing of our products remains uncertain.

### **Other Federal Legislation**

#### *Tax Legislation*

In July 2025, the “One Big Beautiful Bill Act (“OBBA”)” was enacted. OBBA includes significant federal tax law changes that extend or make permanent several provisions originally introduced under the Tax Cuts and Jobs Act of 2017 that were otherwise set to expire or revert at the end of 2025. OBBA did not introduce any changes to tax policy that are expected to materially affect our business operations or the insurance industry generally.

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 2025 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 2034.

#### *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 business.

#### *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 or review environmental assessments obtained by borrowers 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. In addition, in October 2023, California enacted legislation, which was further amended in September 2024, requiring significant climate-related disclosures (in some cases beyond

the disclosures required by the SEC's rule) by large entities doing business in that state. The California law requiring greenhouse gas emissions reporting is effective beginning in June of 2026, while the separate California law requiring the disclosure of climate-related financial risks was scheduled to become effective January 1, 2026. In November 2025, the U.S. Court of Appeals for the Ninth Circuit issued a temporary injunction blocking enforcement of the law requiring the disclosure of climate-related financial risks pending the outcome of a legal challenge. See "Item 1A. Risk Factors – Legislative, Regulatory and Tax – Continued 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 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, 2025, we had a total of 9,423 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. Historically, the Company has conducted a comprehensive, company-wide engagement survey every two years, often conducting department-specific pulse surveys in the alternate years, to inform our human resources strategy, measure progress and adjust plans, as necessary. Beginning in 2026, the engagement survey will be conducted annually. 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**

Lincoln's talent and leadership development strategy is rooted in our Core Values, leadership attributes and leadership framework, with a vision to foster a continuous learning culture that accelerates development, enhances leadership effectiveness, and ensures long-term success. We take a holistic approach to talent management, combining robust performance management, where we measure both the "what" and the "how" of performance, with deliberate succession planning and top talent identification to build strong leadership pipelines and ensure business continuity.

Employees and managers work together to define individual development goals and shape meaningful careers. Development at Lincoln is guided by "3 E's": Expand, Elevate and Evolve. Our programs are designed to help employees expand by broadening skills, scope and influence within their current roles; elevate by preparing for advancement and greater leadership responsibility; and evolve by adapting and applying strengths in new or different roles as business needs change. We offer curated learning paths, scalable programs and self-paced content for every career stage, from foundational onboarding and early career initiatives, including internships and targeted development programs, to advanced leadership development. Offerings include e-learning, instructor-led sessions, virtual learning and coaching, combining traditional one-on-one support with "under development" technology-enabled coaching platforms to personalize development and extend access. As part of our evolving approach to personalized development, Lincoln has introduced foundational AI literacy training and hands-on learning opportunities, along with flexible, function-specific development. We plan to invest in continuous learning to help employees and leaders remain adaptable as technology advances.

## **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 overall financial wellness;
- 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;
- comprehensive cardiometabolic support for weight management, diabetes and more;
- virtual musculoskeletal care, including digital physical therapy;
- a surgical center of excellence network; and
- a virtual clinical network for telemedicine consults.

## **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](http://www.sec.gov).

We also make available, free of charge, on or through our website, [www.LincolnFinancial.com](http://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 and uncertainties 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 adversely affected. In that case, the value of our securities could decline, and you could lose all or part of your investment.

### **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, our business and profitability. 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 increases in the rate of lapses or surrenders of policies and 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 business and 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, mortgage-backed securities and other asset-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 adversely 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 adversely affect our financial results.

*Increases in interest rates and sustained higher interest rates may negatively affect our profitability, capital position and the value of our investment portfolio and may also result in increased contract withdrawals and surrenders.*

In periods of increasing or sustained higher interest rates, such as that which we experienced the last few years, higher interest rates will lead to higher yields on our asset portfolios. However, 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 higher 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 and 2025, 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, fixed indexed annuity and RILA products include optional guaranteed benefit riders, including GDB (variable annuity and RILA 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. Strong equity markets, increases in interest rates and decreases in volatility will generally result in a decrease to our 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 our guaranteed benefit riders liability and would result in a decrease to our earnings. In addition, 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. Strong equity markets generally decrease these additional liabilities. Conversely, a decrease in the equity markets will generally increase these additional liabilities. We use multiple strategies, including hedging and reinsurance, to partially mitigate the risk related to equity market volatility, but there can be no guarantee that these strategies 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 guaranties.

## **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 jurisdictions exercise principal regulatory jurisdiction over our insurance subsidiaries. The extent of regulation by the jurisdictions varies, but, in general, most jurisdictions have laws and regulations governing standards of solvency, adequacy of reserves, reinsurance, capital adequacy and licensing of companies and producers 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; and 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. Our reinsurance subsidiaries in Barbados and Bermuda are also subject to regulatory restrictions as to the transfer of funds and payment of dividends imposed by the jurisdictions in which they are domiciled. 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 is scheduled to sunset on December 31, 2026, has had the effect of increasing our statutory capital, as well as our estimated RBC ratio as of December 31, 2025. If the NAIC does not implement a long-term solution, our statutory capital and RBC ratio could be adversely affected. In addition, in August 2024, the NAIC adopted changes to implement a new GOES for calculating annuity and life reserves according to the Valuation Manual (VM-20 and VM-21) effective January 1, 2026 (reporting in 2027) with an optional three-year phase-in of impact for reserves. RBC calculation changes (i.e., C-3 Phase I cash flow testing interest rate risk and C-3 Phase II market and interest rate risk for variable annuities and similar products) driven by the new GOES are currently under review, with the objective of finalizing requirements by the end of 2026. The new GOES produces scenarios with characteristics that differ from the prior economic scenario generator. Additionally, the NAIC adopted VM-22, a principle-based reserving framework for fixed annuities, effective January 1, 2026, with mandatory compliance by January 1, 2029. The transition to GOES and VM-22 could adversely impact 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. We are continuing to monitor the potential impact these and other potential regulatory changes could have on our product offerings, 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 authorities’ interpretations 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 or all of 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, 2025, 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 with these numerous and evolving privacy requirements could result in monetary penalties, regulatory investigations, enforcement actions or significant legal liability.

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 an 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, as well as certain applicable foreign regulations including Bermuda's PIPA, 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, federal or other 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 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 adverse impact on our business, financial condition and results of operations.

For more information, see "Item 1. Business – Regulatory – Privacy, Artificial Intelligence and Cybersecurity Regulation." 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" and AI, including machine learning, deep learning and other techniques that enable 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 adverse 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 fail to meet evolving legal or regulatory requirements across multiple jurisdictions, our business, financial condition and results of operations may be adversely affected. AI also presents emerging ethical issues. If our use of AI becomes controversial or is perceived as inconsistent with industry standards, 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 of AI systems, including those provided by our service providers, 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.

*Continued 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 in the future 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. In addition, California has enacted two pieces of legislation that, beginning in 2026, 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. As of November 2025, the enforcement of one of the two new California laws has been blocked pending the outcome of a legal challenge. See "Item 1. Business – Regulatory – Environmental Considerations" for more information. 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 sustainability-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 and financial condition.*

Our broker-dealer and investment adviser subsidiaries, our variable annuities and variable life insurance products and the mutual funds and closed-end funds that we sponsor 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 our broker-dealer and investment adviser 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, advisers, broker-dealers and other financial professionals that distribute our products, as well as those of our registered representatives, associated persons and employees, as applicable. These regulatory or governmental bodies may bring regulatory or other legal actions against us if, in their view, our practices, or those of our respective agents or employees, are improper. In recent years, there has been increased scrutiny by these regulatory 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 and 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 and 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 designs 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 and 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 and 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 adverse impact on our business could be substantial. While we continue to monitor and evaluate the regulatory landscape in this area, we cannot predict what 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 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. 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 adverse 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 adversely 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 adversely impact our counterparties and other third parties, including, among others, reinsurers and derivatives counterparties. Additionally, the value of investments we hold, including real estate investments, and the broader market indices could be adversely affected, which may adversely 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.

*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*<sup>TM</sup> (“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, LPINE is subject to financial regulations established by the BMA and our Barbados-based reinsurance subsidiary, Lincoln National Reinsurance Company (Barbados) Limited, is regulated by the Barbados FSC. Any changes in the method for calculating reserves for our group disability, 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 or Barbados FSC’s regulations, may result in increased reserve requirements.

The NAIC and insurance regulatory authorities 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 “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” and “Item 1. Business – Regulatory – Insurance Regulation.”

*Anti-takeover provisions could delay, deter or prevent a change in control of LNC, 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 a change in control of LNC. As an insurance holding company, we are regulated as an insurance holding company and are subject to the insurance holding company acts of the jurisdictions 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 insurance 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 adversely 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 “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 facility 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 facility and committed repurchase facilities as a potential source of liquidity. We also use the credit facility 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 adversely 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, VUL and RILA contracts to changes in the equity markets will vary depending on multiple factors including the magnitude of the decline, among other characteristics. The sensitivity will also be affected by the level of account balances relative to the level of guaranteed amounts, product design, hedging 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 2025, 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 and 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 and 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 and 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 incur 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 may 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 wildfires, 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 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 and 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, regulatory, market, insurance and emerging 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, 2025, we ceded \$1.2 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 triggering our right to recapture the business, which, if exercised, 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 qualified 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. Our 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, 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. 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), including the migration of certain portions of our IT infrastructure to third-party cloud-based computing platforms. We also rely on a broad and interconnected network of third-party technology, data, and service providers to support our operations, many of which themselves depend on their own subcontractors and upstream vendors, creating supply-chain dependencies that may not always be visible to us. 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 information-security, operational-resiliency, privacy, or supply-chain risks posed by such third parties or by the subcontractors on whom they rely. 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, we increasingly rely on a small number of cloud-service providers to host key applications, store regulated data and support core business processes. This concentration heightens our exposure to outages, performance degradation, control failures, cybersecurity incidents and other resiliency issues at those cloud providers. A significant disruption, prolonged unavailability of cloud services or deficiencies in the effectiveness of their cybersecurity or operational controls could materially affect our operations, financial condition, ability to deliver products and services or ability to satisfy regulatory obligations.

In the event that one or more of our third-party suppliers or vendors experiences an operational disruption, 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 a 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. 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. Such disposition could also adversely affect our internal controls and procedures and impair our relationships with key customers, distributors and suppliers.

## **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 we or our insurance subsidiaries 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, 2025, LNL's and LLANY's financial strength ratings and RBC ratios satisfied 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 40% of the carrying value of our total investments as of December 31, 2025. 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 and 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 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.*

LFD distributes our annuity products, life insurance products and the closed-end funds that we sponsor 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 or compensation 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 risk 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, 2025, LNC and our subsidiaries owned or leased 2.2 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 0.3 million square feet of office space in Omaha, Nebraska, primarily for our Group Protection segment. An additional 0.3 million square feet of office space is leased for other office space.

**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 12, 2026, were as follows:

| Name                  | Age <sup>(1)</sup> | Position with LNC and Business Experience During the Past Five Years                                                                                                                                                                                                                                                                                                     |
|-----------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ellen G. Cooper       | 61                 | 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).                                |
| Nilanjan (Neel) Adhya | 51                 | Executive Vice President, Chief AI, Data and Analytics Officer (since January 2026). Chief Digital Officer and Global Head of Digital Platforms and Experiences (August 2021 - December 2025), BlackRock, an investment management corporation. Chief Digital Officer and Vice President of Digital Transformation (June 2019 - August 2021), IBM, a technology company. |
| Craig T. Beazer       | 58                 | Executive Vice President and General Counsel (since December 2020).                                                                                                                                                                                                                                                                                                      |
| Jennifer Charters     | 53                 | 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       | 59                 | 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 <sup>(2)</sup> (since March 2021). Senior Vice President and Head of Retirement Solutions Distribution for LFD (September 2009 - March 2021).             |
| Brian Kroll           | 64                 | Executive Vice President, Head of Retail Life and Annuity Solutions (since May 2024). Senior Vice President, Head of Annuity Solutions (April 2011 - July 2022).                                                                                                                                                                                                         |
| John G. Morriss       | 58                 | Executive Vice President and Chief Investment Officer (since October 2025). Senior Vice President, Head of Fixed Income (July 2020 - October 2025), Fortitude Re, a provider of reinsurance solutions.                                                                                                                                                                   |
| Christopher Neczypor  | 45                 | Executive Vice President and Chief Financial Officer (since February 2023). Executive Vice President and Chief Strategy Officer (November 2021 - February 2023). 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      | 63                 | 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            | 59                 | 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     | 62                 | Executive Vice President and Chief People, Communications and Enterprise Services Officer (since November 2025). Executive Vice President and Chief People, Culture and Communications Officer (May 2023 - November 2025). Senior Executive Vice President and Chief People Officer (March 2018 - April 2023), TIAA, a financial services provider.                      |

<sup>(1)</sup> Age shown is based on the officer's age as of February 12, 2026.

<sup>(2)</sup> 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 12, 2026, the number of shareholders of record of our common stock was 4,732. 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, 2025 (dollars in millions, except per share data):

| <b>Period</b>      | <b>(a) Total<br/>Number<br/>of Shares<br/>Purchased <sup>(1)</sup></b> | <b>(b) Average<br/>Price Paid<br/>per Share</b> | <b>(c) Total Number<br/>of Shares<br/>Purchased as Part of<br/>Publicly Announced<br/>Plans or Programs <sup>(2)</sup></b> | <b>(d) Approximate Dollar<br/>Value of Shares<br/>that May Yet Be<br/>Purchased Under the<br/>Plans or Programs <sup>(2)</sup></b> |
|--------------------|------------------------------------------------------------------------|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|
| 10/1/25 – 10/31/25 | –                                                                      | \$ –                                            | –                                                                                                                          | \$ 714                                                                                                                             |
| 11/1/25 – 11/30/25 | –                                                                      | –                                               | –                                                                                                                          | 714                                                                                                                                |
| 12/1/25 – 12/31/25 | –                                                                      | –                                               | –                                                                                                                          | 714                                                                                                                                |

<sup>(1)</sup> 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, 2025, there were no shares purchased as part of publicly announced plans or programs.

<sup>(2)</sup> On November 10, 2021, our Board of Directors authorized an increase in our securities repurchase authorization, bringing the total aggregate repurchase authorization to \$1.5 billion. As of December 31, 2025, 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**

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

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The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help the reader understand the financial condition as of December 31, 2025, compared with December 31, 2024, and the results of operations in 2025 compared to 2024 of Lincoln National Corporation and its consolidated subsidiaries. Discussions of 2023 items and year-to-year comparisons between 2024 and 2023 that are not included in this Form 10-K can be found in "Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2024. 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; and our affiliate reinsurance arrangements;
- Changes in tax law or the interpretation of or application of existing tax laws that could impact our tax costs and the products that we sell;
- The impact of regulations adopted by the Securities and Exchange Commission ("SEC"), the Department of Labor or other federal or state regulators or self-regulatory organizations that could adversely affect our distribution model and sales of our products and result in additional disclosure and other requirements related to the sale and delivery of our products;
- The impact of existing and emerging rules and regulations relating to privacy, cybersecurity and artificial intelligence ("AI") that may lead to increased compliance costs, reputation risk and/or changes in business practices, and challenges with properly managing the use of AI that could result in reputational harm, competitive harm and legal liability;
- Continued scrutiny and evolving expectations and regulations regarding environmental, social and governance matters that may adversely affect our reputation and our investment portfolio;
- Actions taken by reinsurers to raise rates on in-force business;
- Declines in or sustained low interest rates causing a reduction in investment income, the interest margins of our businesses and demand for our products;
- Increasing or sustained higher interest rates that may negatively affect our profitability, value of our investment portfolio and capital position and may cause policyholders to surrender annuity and life insurance policies, thereby causing realized investment losses;
- The initiation of legal or regulatory proceedings against us, and the outcome of any legal or regulatory proceedings, such as: adverse actions related to present or past business practices common in businesses in which we compete; adverse decisions in significant actions including, but not limited to, actions brought by federal and state authorities and class action cases; new decisions that result in changes in law; and unexpected trial court rulings;
- A decline or continued volatility in the equity markets causing a reduction in the sales of our subsidiaries' products; a reduction of asset-based fees that our subsidiaries charge on various investment and insurance products; and an increase in liabilities related to guaranteed benefits, including riders on certain of our annuity products and secondary guarantees on certain variable universal life insurance products;
- Ineffectiveness of our risk management policies and procedures, including our various hedging strategies;

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

The risks and uncertainties included here are not exhaustive. Other sections of this report and other reports that we file with the SEC include additional factors that could affect our businesses and financial performance, including "Part I – Item 1A. Risk Factors" and "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 products and solutions through our four business segments:

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

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

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

We provide information about our business segments' and Other Operations' operating revenue and expense line items, key drivers of changes and historical details underlying the line items below. For factors that could cause actual results to differ materially from those set forth, see "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 2025, the Federal Reserve lowered the federal funds rate target range by 75 basis points to a range of 3.50% to 3.75%, stating that the labor market showed signs of softening while acknowledging inflation and economic outlook uncertainty remain somewhat elevated. In addition, effective December 1, 2025, the Federal Reserve ended its balance sheet reduction program, thereby adding liquidity into the financial system. The Federal Reserve also released economic projections that reflect a median expectation of one rate cut of 25 basis points in 2026. The Federal Reserve noted that it will continue to monitor economic data and adjust its stance on monetary policy if risks emerge that could negatively impact the attainment of its goal of maximum employment and inflation at 2% over the long term. At the January 2026 meeting, the Federal Reserve decided to maintain the current federal funds target range. 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 due to the interest rate environment.

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 higher interest rates may negatively affect our profitability, capital position and the value of our investment portfolio and may also result in increased contract withdrawals and surrenders" and "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 (the "BMA"). In addition, our Barbados-based reinsurance subsidiary is regulated by the Barbados Financial Services Commission ("FSC"). 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 2025, we executed against our strategic priorities of strengthening and maintaining our balance sheet, improving our operational efficiency, increasing free cash flow and focusing on profitable growth. Notable actions in 2025 include the following:

- During the second quarter of 2025, we closed our stock purchase agreement (the “Purchase Agreement”) with Bain Capital Prairie, LLC (the “Buyer”), a newly formed subsidiary of Bain Capital, under which we agreed to sell shares representing 9.9% of our outstanding common stock on a post-issuance basis to the Buyer. Under the final terms, Lincoln sold approximately 18.8 million shares of its common stock for aggregate consideration of \$825 million. The transaction provided us with capital that we are deploying and expect to continue to deploy toward our strategic priorities, including growing spread-based earnings, advancing our portfolio management efforts and asset sourcing capabilities and optimizing our legacy life portfolio. For additional information on the Bain Capital transaction, see Note 18.
- In the second quarter of 2025, we exercised in full our issuance right under the 10-year facility agreement dated as of August 18, 2020, and issued \$500 million of fixed-rate senior notes and used the net proceeds to early extinguish long-term debt pursuant to a tender offer. Additionally in the second quarter of 2025, we entered into a \$1.0 billion 30-year facility agreement that increased our access to liquidity by \$500 million. In the fourth quarter of 2025, we completed the issuance of \$500 million of fixed-rate senior notes and intend to use \$400 million of the net proceeds to prefund the repayment of our senior notes due in 2026. For additional information, see “Liquidity and Capital Resources – Holding Company Sources and Uses of Liquidity and Capital – Debt” below and Note 13.
- During 2025, LNL entered into affiliate reinsurance transactions 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.
- Throughout 2025, LNL issued institutional funding agreements totaling \$2.8 billion to support growth in our spread-based earnings. For additional information, see Note 11.
- In the fourth quarter of 2025, we restructured certain captive reinsurance subsidiaries to reduce operating expenses and improve free cash flow within our Life Insurance segment.

We continue to focus on the following actions in 2026:

- Making investments in our businesses and product enhancements to grow revenues, drive margin and reduce costs;
- Leveraging our strategic partnership with Bain Capital to access its investment platform and alternative asset expertise to drive differentiated asset sourcing and accelerate growth across our annuity and life insurance businesses.
- Advancing our Group Protection business with a balanced approach to growth and profitability through executing on our segment and product strategies;
- Maintaining 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;
- Exploring reinsurance and other strategies, including affiliate reinsurance transactions with LPINE, to maximize the value of our businesses;
- Advancing our disciplined approach to capital-efficient growth by prioritizing products with strong risk-adjusted returns; 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, 2025:

|                                         | Quoted<br>Prices<br>in Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Total<br>Fair Value |
|-----------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------|----------------------------------------------------|---------------------|
| Priced by third-party pricing services  | \$ 1,115                                                                         | \$ 79,731                                        | \$ 97                                              | \$ 80,943           |
| Priced by independent broker quotations | —                                                                                | —                                                | 7,223                                              | 7,223               |
| Priced by matrices                      | —                                                                                | 16,938                                           | —                                                  | 16,938              |
| Priced by other methods <sup>(1)</sup>  | —                                                                                | —                                                | 799                                                | 799                 |
| Total                                   | <u>\$ 1,115</u>                                                                  | <u>\$ 96,669</u>                                 | <u>\$ 8,119</u>                                    | <u>\$ 105,903</u>   |
| Percent of total                        | 1%                                                                               | 91%                                              | 8%                                                 | 100%                |

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

For the categories and associated fair value of our fixed maturity available-for-sale (“AFS”) securities classified within Level 3 of the fair value hierarchy as of December 31, 2025 and 2024, 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, 2025, 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, 2025, we used broker quotes for 19 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*<sup>TM</sup> ("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 disability and life waiver claims associated with our Group Protection segment. These reserves use actuarial assumptions primarily based on claim termination rates, mortality rates, offsets for other insurance including social security, morbidity, incidence and severity assumptions. Such cash flow assumptions are subject to the comprehensive review process discussed above. We remeasure the liability for future claims using a single-A interest rate as of the end of each reporting period. 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**

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, 2025 and 2024, 4% and 8%, 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, 2025 and 2024, 14% and 17%, respectively, of all in-force contracts with a GLB rider were “in the money.” However, the only way the policyholder can realize the excess of the present value of benefits over the account balance of the contract is through a series of withdrawals or income payments that do not exceed a maximum amount. If, after the series of withdrawals or income payments, the account balance is exhausted, the policyholder will continue to receive a series of annuity payments. The account balance can also fluctuate with market returns on a daily basis resulting in increases or decreases in the excess of the present value of benefits over account balance.

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

|           | As of December 31, |          |
|-----------|--------------------|----------|
|           | 2025               | 2024     |
| GLB NAR   | \$ 1,505           | \$ 1,522 |
| GDB NAR   | 455                | 688      |
| Total NAR | 1,927              | 2,129    |

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, 2025, 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.

| <b>Equity Market Return</b>       | <b>In-Force Sensitivities</b> |                |
|-----------------------------------|-------------------------------|----------------|
|                                   | <b>-10%</b>                   | <b>+10%</b>    |
| Hypothetical effect to net income | \$ (850)                      | \$ 675         |
| <b>Interest Rates</b>             | <b>-25 bps</b>                | <b>+25 bps</b> |
|                                   |                               |                |
| Hypothetical effect to net income | (375)                         | 350            |

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, 2025, 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”), *MoneyGuard*<sup>®</sup>, variable universal life insurance (“VUL”), indexed universal life insurance (“IUL”), and investment-type annuity products (including registered index-linked annuities (“RILA”)), individual and group fixed and fixed portion of variable annuities, fixed indexed deferred annuities and non-life contingent payout fixed annuities) where account balances are equal to deposits plus interest credited less withdrawals, surrender charges, asset-based fees and policyholder administration charges (collectively known as “policyholder assessments”), as well as amounts representing the fair value of embedded derivative instruments associated with our fixed indexed annuity and IUL products. During the third quarter of each year, we conduct our comprehensive review of the assumptions and projection models underlying our reserves and embedded derivatives and update assumptions as needed. We may also update these assumptions in other quarters as we become aware of information that is indicative of the need for such an update. 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<sup>®</sup> Index or other indices. The value of the variable portion of the policyholder’s account balance varies with the performance of the underlying variable funds chosen by the policyholder. Policyholders may elect to rebalance among the various accounts within the product at renewal dates. At the end of each indexed term, which can be up to six years, we have the opportunity to re-price the indexed component by establishing different participation rates, caps, spreads or specified rates, subject to contractual guarantees. We purchase and sell index options that are highly correlated to the portfolio allocation decisions of our policyholders, such that we are economically hedged with respect to equity returns for the current reset period. The mark-to-market of the options held generally offsets the change in value of the embedded derivative within the contract, both of which are recorded as a component of realized gain (loss) on the Consolidated Statements of Comprehensive Income (Loss). The Derivatives and Hedging and the Fair Value Measurements and Disclosures Topics of the 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 impact to net income (loss) from our annual assumption review (in millions) were as follows:

|                                             | For the Years Ended December 31, |               |                 |
|---------------------------------------------|----------------------------------|---------------|-----------------|
|                                             | 2025                             | 2024          | 2023            |
| Income (loss) from operations:              |                                  |               |                 |
| Annuities                                   | \$ (8)                           | \$ 1          | \$ 1            |
| Life Insurance                              | (29)                             | 8             | (156)           |
| Group Protection                            | 39                               | (1)           | 24              |
| Retirement Plan Services                    | —                                | —             | —               |
| Excluded from income (loss) from operations | (52)                             | 208           | (36)            |
| Net income (loss)                           | <u>\$ (50)</u>                   | <u>\$ 216</u> | <u>\$ (167)</u> |

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

### 2025

- For Annuities, the unfavorable impact was driven by model enhancements and updates to policyholder behavior assumptions.
- For Life Insurance, the unfavorable impact was driven by updates to mortality assumptions for our UL products with secondary guarantees and policyholder behavior assumptions, partially offset by updates to mortality assumptions for our traditional life insurance business and morbidity assumptions.
- For Group Protection, the favorable impact was driven by updates to the claim termination rate assumption, partially offset by updates to social security and incurred assumptions and other items.
- For excluded from income (loss) from operations, the unfavorable impact, related to net annuity product features, was driven by updates to policyholder behavior assumptions, model enhancements and other items, partially offset by updates to separate account fee assumptions.

### 2024

- For Life Insurance, the favorable impact was driven by updates to capital market assumptions on reinsured blocks of *MoneyGuard*<sup>®</sup> 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.

## Income Taxes

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

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

As of December 31, 2025, we had an approximate \$1.7 billion deferred tax asset related to net unrealized losses on fixed maturity AFS securities. In the assessment of the future realizability of this deferred tax asset, management concluded that its tax planning strategies, including holding these securities to recovery, were prudent and feasible as these unrealized losses were caused by factors other than credit loss, and we have the intent and ability to hold these securities to recovery and collect all of the contractual cash flows.

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, 2025, we had a \$505 million deferred tax asset related to net operating losses, a \$234 million deferred tax asset related to federal income tax credits and a \$86 million deferred tax asset related to capital losses generated from the Fortitude Reinsurance Company Ltd. (“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, |                 |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                                                                                                              | 2025                             | 2024            | 2023            |
| <b>Net Income (Loss)</b>                                                                                                                     |                                  |                 |                 |
| Income (loss) from operations:                                                                                                               |                                  |                 |                 |
| Annuities                                                                                                                                    | \$ 1,198                         | \$ 1,160        | \$ 1,073        |
| Life Insurance                                                                                                                               | 117                              | (63)            | (159)           |
| Group Protection                                                                                                                             | 532                              | 425             | 299             |
| Retirement Plan Services                                                                                                                     | 163                              | 163             | 171             |
| Other Operations                                                                                                                             | (382)                            | (370)           | (394)           |
| Net annuity product features, pre-tax <sup>(1)</sup>                                                                                         | 238                              | 2,508           | 68              |
| Net life insurance product features, pre-tax                                                                                                 | (42)                             | (207)           | (393)           |
| Credit loss-related adjustments, pre-tax                                                                                                     | (134)                            | (152)           | (80)            |
| Investment gains (losses), pre-tax                                                                                                           | (319)                            | (483)           | (959)           |
| Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, pre-tax <sup>(2)</sup> | (201)                            | 535             | (802)           |
| Gains (losses) on other non-financial assets, pre-tax <sup>(3)</sup>                                                                         | (14)                             | 582             | —               |
| Other items, pre-tax <sup>(4)(5)(6)(7)(8)</sup>                                                                                              | (92)                             | (270)           | (55)            |
| Income tax benefit (expense) related to the above pre-tax items                                                                              | 113                              | (553)           | 479             |
| Net income (loss)                                                                                                                            | <u>\$ 1,177</u>                  | <u>\$ 3,275</u> | <u>\$ (752)</u> |

- <sup>(1)</sup> For the years ended December 31, 2025, 2024 and 2023, includes changes in MRBs of \$341 million, \$2,637 million and \$2,197 million, respectively; changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits of \$(263) million, \$(561) million and \$(1,894) million, respectively; and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products of \$160 million, \$432 million and \$(235) million, respectively.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> For the year ended December 31, 2025, represents impairment of long-lived assets. For the year ended December 31, 2024, relates to the sale of our wealth management business (see Note 1 for additional information).
- <sup>(4)</sup> For the year ended December 31, 2025, includes certain legal accruals of \$(9) million and regulatory accruals of \$2 million; 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); and for the year ended December 31, 2023, includes certain legal accruals of \$(12) million.
- <sup>(5)</sup> Includes severance expense related to initiatives to realign the workforce of \$(24) million, \$(74) million and \$(7) million for the years ended December 31, 2025, 2024 and 2023, respectively.
- <sup>(6)</sup> Includes transaction, integration and other costs related to mergers, acquisitions, divestitures and certain other corporate initiatives consisting of \$(55) million of transaction costs related to restructuring certain captive reinsurance subsidiaries, \$(25) million related to the sale of our wealth management business, \$(22) million related to Life Insurance segment persistency optimization and \$(21) million primarily related to the Bain Capital transaction for the year ended December 31, 2025; \$(40) million primarily related to the sale of our wealth management business for the year ended December 31, 2024; and \$(30) million related to the fourth quarter 2023 reinsurance transaction and \$(4) million related to the sale of our wealth management business for the year ended December 31, 2023.
- <sup>(7)</sup> Includes deferred compensation mark-to-market adjustment of \$(32) million, \$(15) million and \$(2) million for the years ended December 31, 2025, 2024 and 2023, respectively.
- <sup>(8)</sup> For the year ended December 31, 2025, includes gains on early extinguishment of debt of \$94 million.



*Comparison of 2025 to 2024*

Net income decreased due primarily to the following:

- Lower gain in net annuity product features driven by the impact of capital markets.
- Unfavorable changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans in 2025 compared to favorable changes in 2024 driven by the fair value of the embedded derivative related to the fourth quarter 2023 reinsurance transaction.
- Gain on other non-financial assets in 2024 due to the sale of our wealth management business.
- Unfavorable impact from our annual assumption review in 2025 compared to favorable impact in 2024.

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

- Improvement in income from operations in our Life Insurance segment, favorability in our total loss ratio in our Group Protection segment and growth in average account balances.
- Lower net unfavorable other items driven by settlement of cost of insurance litigation in 2024 and gain on extinguishment of debt in 2025.
- Lower loss in net life insurance product features driven by the change in the fair value of hedges associated with VUL products attributable to the impact of capital markets.
- Lower investment losses driven by favorable changes in the fair value of certain derivatives and lower realized losses on certain investments.
- Higher investment income on alternative investments.

*Additional Information*

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

For information on the sale of our wealth management business in 2024, see Note 1.

For information on the impacts from our annual assumption review, see “Introduction – Summary of Critical Accounting Estimates – Annual Assumption Review” 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, |          |            |
|------------------------------------------------------------------|----------------------------------|----------|------------|
|                                                                  | 2025                             | 2024     | 2023       |
| <b>Operating Revenues</b>                                        |                                  |          |            |
| Insurance premiums <sup>(1)</sup>                                | \$ 103                           | \$ 127   | \$ (1,584) |
| Fee income                                                       | 2,406                            | 2,381    | 2,196      |
| Net investment income                                            | 1,966                            | 1,759    | 1,734      |
| Other revenues <sup>(2)</sup>                                    | 515                              | 629      | 656        |
| Total operating revenues                                         | 4,990                            | 4,896    | 3,002      |
| <b>Operating Expenses</b>                                        |                                  |          |            |
| Benefits and policyholder liability remeasurement <sup>(1)</sup> | 108                              | 145      | (1,504)    |
| Interest credited                                                | 1,799                            | 1,536    | 1,252      |
| Commissions and other expenses                                   | 1,668                            | 1,827    | 2,041      |
| Total operating expenses                                         | 3,575                            | 3,508    | 1,789      |
| Income (loss) from operations before taxes                       | 1,415                            | 1,388    | 1,213      |
| Federal income tax expense (benefit)                             | 217                              | 228      | 140        |
| Income (loss) from operations                                    | \$ 1,198                         | \$ 1,160 | \$ 1,073   |

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

<sup>(2)</sup> Consists primarily of revenues attributable to interest income on deposit reinsurance assets and the net settlement related to certain reinsurance transactions, which has a corresponding offset in net investment income and interest credited, and broker-dealer services, which are subject to market volatility and have a comparable offset in commissions and other expenses. During the second quarter of 2024, we closed the sale of our wealth management business. See Note 1 for more information.

#### Comparison of 2025 to 2024

Income from operations for this segment increased due primarily to:

- Higher fee income driven by higher average daily separate account balances.
- Lower federal income tax expense due to unfavorable separate account dividends-received deduction true-ups in 2024.

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

- Higher commissions and other expenses, net of broker-dealer expenses, driven by higher deferred acquisition costs (“DAC”) amortization and the impact from our annual assumption review.
- Lower net investment income, net of interest credited, in certain reinsured portfolios and lower investment income within our surplus portfolio, which more than offset impacts from higher average general account balances and improving portfolio yields from the current interest rate environment. The lower net investment income, net of interest credited, in certain reinsured portfolios had a corresponding increase in other revenues.

The increase in income from operations was also due to higher commissions and other expenses in the first quarter of 2024 related to a balance sheet true-up in preparation for the close of the sale of the wealth management business.

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 Re to reinsure liabilities under certain blocks of in-force fixed annuities. Insurance premiums and benefits and policyholder liability remeasurement 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.

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

The other component of net flows relates to the retention of new business and account balances. An important measure of retention is the reduction in account balances caused by full surrenders, deaths and other contract benefits. These outflows as a percentage of average gross account balances were 12%, 11% and 9% in 2025, 2024 and 2023, respectively. Our outflow rate in 2025 and 2024 reflects 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 higher interest rates may negatively affect our profitability, capital position and the value of our investment portfolio and may also result in increased contract withdrawals and surrenders” and “Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk.” 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, |                 |                 |
|---------------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                         | 2025                             | 2024            | 2023            |
| <b>Fee Income</b>                                       |                                  |                 |                 |
| Mortality, expense and other assessments <sup>(1)</sup> | \$ 2,347                         | \$ 2,315        | \$ 2,143        |
| Surrender charges                                       | 50                               | 59              | 45              |
| DFEL:                                                   |                                  |                 |                 |
| Deferrals                                               | (16)                             | (18)            | (19)            |
| Amortization                                            | 25                               | 25              | 27              |
| Total fee income                                        | <u>\$ 2,406</u>                  | <u>\$ 2,381</u> | <u>\$ 2,196</u> |

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

We charge policyholders mortality and expense assessments on variable annuity accounts to cover insurance and administrative expenses. These assessments are a function of the rates priced into the product and the average daily 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, |                 |                 |
|----------------------------------------------------------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                                                                    | 2025                             | 2024            | 2023            |
| <b>Net Investment Income</b>                                                                       |                                  |                 |                 |
| Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses | \$ 1,818                         | \$ 1,592        | \$ 1,600        |
| Commercial mortgage loan prepayment and bond make-whole premiums <sup>(1)</sup>                    | 11                               | 4               | 2               |
| Surplus investments <sup>(2)</sup>                                                                 | 137                              | 154             | 128             |
| Net investment income pertaining to broker-dealer services                                         | –                                | 9               | 4               |
| Total net investment income                                                                        | <u>1,966</u>                     | <u>1,759</u>    | <u>1,734</u>    |
| <b>Interest Credited</b>                                                                           |                                  |                 |                 |
| Amount provided to policyholders                                                                   | 1,787                            | 1,524           | 1,242           |
| DSI deferrals                                                                                      | (1)                              | (2)             | (5)             |
| Interest credited before DSI amortization                                                          | 1,786                            | 1,522           | 1,237           |
| DSI amortization                                                                                   | 13                               | 14              | 15              |
| Total interest credited                                                                            | <u>\$ 1,799</u>                  | <u>\$ 1,536</u> | <u>\$ 1,252</u> |

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

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

A portion of our investment income earned is credited to the policyholders of our deferred fixed 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,                 |          |          |
|                                                            | 2025                         | 2024     | 2023     |
| <b>Separate Account Balance Information <sup>(1)</sup></b> |                              |          |          |
| Separate account deposits                                  | \$ 6,035                     | \$ 4,765 | \$ 2,981 |
| Separate account net flows                                 | (10,490)                     | (9,308)  | (7,196)  |
| Separate account balances                                  | 122,945                      | 117,998  | 113,355  |
| Average daily separate account balances                    | 119,279                      | 117,278  | 108,473  |
| Average daily S&P 500 <sup>®</sup> Index <sup>(2)</sup>    | 6,211                        | 5,428    | 4,285    |
| <b>General Account Balance Information</b>                 |                              |          |          |
| General account deposits                                   | \$ 11,148                    | \$ 8,983 | \$ 9,839 |
| General account net flows                                  | 5,282                        | 2,833    | 5,169    |
| General account balances <sup>(3)</sup>                    | 52,443                       | 45,613   | 39,471   |
| Average general account balances <sup>(3)</sup>            | 48,012                       | 42,754   | 39,733   |

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

<sup>(2)</sup> 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.

<sup>(3)</sup> 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, |                 |                 |
|-------------------------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                                   | 2025                             | 2024            | 2023            |
| <b>Commissions and Other Expenses</b>                             |                                  |                 |                 |
| Commissions:                                                      |                                  |                 |                 |
| Deferrable                                                        | \$ 605                           | \$ 425          | \$ 354          |
| Non-deferrable                                                    | 686                              | 690             | 617             |
| General and administrative expenses                               | 532                              | 495             | 471             |
| Expenses associated with reserve financing and LOC expenses       | 23                               | 25              | 12              |
| Taxes, licenses and fees                                          | 31                               | 40              | 41              |
| Total expenses incurred, excluding broker-dealer                  | 1,877                            | 1,675           | 1,495           |
| DAC deferrals                                                     | (693)                            | (498)           | (411)           |
| Total pre-broker-dealer expenses incurred, excluding amortization | 1,184                            | 1,177           | 1,084           |
| DAC, VOBA and other amortization:                                 |                                  |                 |                 |
| Amortization                                                      | 472                              | 432             | 433             |
| Impact from annual assumption review                              | 12                               | (2)             | (2)             |
| Broker-dealer expenses incurred <sup>(1)</sup>                    | —                                | 220             | 526             |
| Total commissions and other expenses                              | <u>\$ 1,668</u>                  | <u>\$ 1,827</u> | <u>\$ 2,041</u> |

### DAC Deferrals

|                                   |      |      |      |
|-----------------------------------|------|------|------|
| As a percentage of sales/deposits | 4.0% | 3.6% | 3.2% |
|-----------------------------------|------|------|------|

<sup>(1)</sup> During the second quarter of 2024, we closed the sale of our wealth management business. See Note 1 for more 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 and are amortized on a constant level basis over the expected term of the related contracts using the groupings and actuarial assumptions consistent with those used for calculating the related policyholder liability balances. Certain types of commissions, such as trail commissions that are based on account balances, are expensed as incurred rather than deferred and amortized.

## RESULTS OF LIFE INSURANCE

### Income (Loss) from Operations

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

|                                                   | For the Years Ended December 31, |          |          |
|---------------------------------------------------|----------------------------------|----------|----------|
|                                                   | 2025                             | 2024     | 2023     |
| <b>Operating Revenues</b>                         |                                  |          |          |
| Insurance premiums <sup>(1)</sup>                 | \$ 1,072                         | \$ 1,149 | \$ 1,162 |
| Fee income                                        | 2,765                            | 2,715    | 3,010    |
| Net investment income                             | 2,446                            | 2,321    | 2,729    |
| Operating realized gain (loss)                    | (4)                              | (6)      | (6)      |
| Other revenues <sup>(2)</sup>                     | 163                              | 69       | 12       |
| Total operating revenues                          | 6,442                            | 6,248    | 6,907    |
| <b>Operating Expenses</b>                         |                                  |          |          |
| Benefits and policyholder liability remeasurement | 3,846                            | 3,893    | 4,583    |
| Interest credited                                 | 1,170                            | 1,194    | 1,290    |
| Commissions and other expenses <sup>(2)</sup>     | 1,312                            | 1,266    | 1,265    |
| Total operating expenses                          | 6,328                            | 6,353    | 7,138    |
| Income (loss) from operations before taxes        | 114                              | (105)    | (231)    |
| Federal income tax expense (benefit)              | (3)                              | (42)     | (72)     |
| Income (loss) from operations                     | \$ 117                           | \$ (63)  | \$ (159) |

<sup>(1)</sup> Includes term insurance premiums, which have a corresponding partial offset in benefits and policyholder liability remeasurement for changes in reserves. The decrease in insurance premiums in 2025 was driven by the expiration of a 10-year assumed reinsurance treaty in the first quarter of 2025, which has a corresponding offset in benefits and policyholder liability remeasurement.

<sup>(2)</sup> For information on amortization of deferred gain (loss) on business sold through reinsurance, see Note 1 in our Annual Report on Form 10-K for the year ended December 31, 2024.

### Comparison of 2025 to 2024

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

- Higher net investment income, net of interest credited, driven by higher investment income on alternative investments, growth in investments and moderate spread expansion.
- Higher fee income driven by higher deferred front-end loads (“DFEL”) amortization.
- Lower benefits and policyholder liability remeasurement driven by improved mortality due to lower claims incidence, partially offset by the impact from our annual assumption review and aging of the block.
- Lower commissions and other expenses, net of amortization of deferred loss on business sold through reinsurance, driven by expense management and a reduction in expenses associated with reserve financing due to restructuring certain captive reinsurance subsidiaries in the fourth quarter of 2025.

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 reinsurance agreements with Fortitude Re to reinsure liabilities under certain blocks of in-force UL with secondary guarantees and *MoneyGuard*<sup>®</sup>. See Note 7 for more information on the transaction.

For information on interest rate spreads and interest rate risk, see “Part I – Item 1A. Risk Factors – Market Conditions – Changes in interest rates and sustained low interest rates may cause interest rate spreads to decrease, impacting our profitability, and make it more challenging to meet certain statutory requirements,” “Part I – Item 1A. Risk Factors – Market Conditions – Increases in interest rates and sustained higher interest rates may negatively affect our profitability, capital position and the value of our investment portfolio and may also result in increased contract withdrawals and surrenders” and “Part II – Item 7A. Quantitative and Qualitative Disclosures About

Market Risk – Interest Rate Risk.” 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, |                 |                 |
|--------------------------------------|----------------------------------|-----------------|-----------------|
|                                      | 2025                             | 2024            | 2023            |
| <b>Fee Income</b>                    |                                  |                 |                 |
| Cost of insurance assessments        | \$ 2,139                         | \$ 2,104        | \$ 2,300        |
| Expense assessments                  | 1,478                            | 1,406           | 1,495           |
| Surrender charges                    | 39                               | 33              | 32              |
| <b>DFEL:</b>                         |                                  |                 |                 |
| Deferrals                            | (1,221)                          | (1,114)         | (1,075)         |
| Amortization                         | 332                              | 287             | 258             |
| Impact from annual assumption review | (2)                              | (1)             | –               |
| <b>Total fee income</b>              | <b>\$ 2,765</b>                  | <b>\$ 2,715</b> | <b>\$ 3,010</b> |

|                                | For the Years Ended December 31, |               |               |
|--------------------------------|----------------------------------|---------------|---------------|
|                                | 2025                             | 2024          | 2023          |
| <b>Sales by Product</b>        |                                  |               |               |
| IUL/UL                         | \$ 119                           | \$ 100        | \$ 119        |
| <i>MoneyGuard</i> <sup>®</sup> | 124                              | 128           | 98            |
| VUL                            | 92                               | 85            | 132           |
| Term                           | 57                               | 66            | 100           |
| Executive Benefits             | 265                              | 59            | 93            |
| <b>Total sales</b>             | <b>\$ 657</b>                    | <b>\$ 438</b> | <b>\$ 542</b> |

|                                 |                 |                 |                 |
|---------------------------------|-----------------|-----------------|-----------------|
| <b>Net Flows</b>                |                 |                 |                 |
| Deposits                        | \$ 6,203        | \$ 5,102        | \$ 5,385        |
| Withdrawals and deaths          | (2,368)         | (1,941)         | (1,767)         |
| <b>Net flows</b>                | <b>\$ 3,835</b> | <b>\$ 3,161</b> | <b>\$ 3,618</b> |
| <b>Policyholder Assessments</b> | <b>\$ 5,450</b> | <b>\$ 5,517</b> | <b>\$ 5,476</b> |

|                                                        | As of December 31,               |                     |                     |
|--------------------------------------------------------|----------------------------------|---------------------|---------------------|
|                                                        | 2025                             | 2024                | 2023                |
| <b>Account Balances <sup>(1)</sup></b>                 |                                  |                     |                     |
| General account                                        | \$ 21,486                        | \$ 21,452           | \$ 21,403           |
| Separate account                                       | 28,095                           | 23,320              | 20,088              |
| Total account balances                                 | <u>\$ 49,581</u>                 | <u>\$ 44,772</u>    | <u>\$ 41,491</u>    |
| <b>In-Force Face Amount</b>                            |                                  |                     |                     |
| UL and other                                           | \$ 362,312                       | \$ 363,950          | \$ 365,938          |
| Term insurance                                         | 702,280                          | 714,362             | 722,620             |
| Total in-force face amount                             | <u>\$ 1,064,592</u>              | <u>\$ 1,078,312</u> | <u>\$ 1,088,558</u> |
|                                                        |                                  |                     |                     |
|                                                        | For the Years Ended December 31, |                     |                     |
|                                                        | 2025                             | 2024                | 2023                |
| <b>Average General Account Balances <sup>(1)</sup></b> | <u>\$ 21,343</u>                 | <u>\$ 21,400</u>    | <u>\$ 30,606</u>    |

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

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

Sales are not recorded as a component of revenues (other than for traditional products) and do not have a significant effect on current quarter income from operations but are indicators of future profitability. Sales volumes can fluctuate given large case sizes within Executive Benefits.

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

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

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

## Net Investment Income and Interest Credited

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

|                                                                                                    | For the Years Ended December 31, |                 |                 |
|----------------------------------------------------------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                                                                    | 2025                             | 2024            | 2023            |
| <b>Net Investment Income</b>                                                                       |                                  |                 |                 |
| Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses | \$ 1,849                         | \$ 1,848        | \$ 2,346        |
| Commercial mortgage loan prepayment and bond make-whole premiums <sup>(1)</sup>                    | 3                                | 8               | 6               |
| Surplus investments <sup>(2)</sup>                                                                 | 194                              | 153             | 153             |
| Other investments <sup>(3)</sup>                                                                   | 400                              | 312             | 224             |
| Total net investment income                                                                        | <u>\$ 2,446</u>                  | <u>\$ 2,321</u> | <u>\$ 2,729</u> |
| <b>Interest Credited</b>                                                                           | <u>\$ 1,170</u>                  | <u>\$ 1,194</u> | <u>\$ 1,290</u> |

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

<sup>(2)</sup> Represents net investment income on the required statutory surplus for this segment and includes the effect of investment income on alternative investments for such assets that are held in the portfolios supporting statutory surplus versus the portfolios supporting product liabilities.

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

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

## Benefits and Policyholder Liability Remeasurement

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

|                                                                | For the Years Ended December 31, |          |          |
|----------------------------------------------------------------|----------------------------------|----------|----------|
|                                                                | 2025                             | 2024     | 2023     |
| <b>Benefits and Policyholder Liability Remeasurement</b>       |                                  |          |          |
| Death claims direct and assumed                                | \$ 5,994                         | \$ 5,960 | \$ 5,412 |
| Death claims ceded                                             | (2,617)                          | (2,734)  | (2,097)  |
| Reserves released on death                                     | (812)                            | (590)    | (622)    |
| Net death benefits                                             | 2,565                            | 2,636    | 2,693    |
| Change in secondary guarantee life insurance product reserves: |                                  |          |          |
| Change in reserves                                             | 370                              | 393      | 751      |
| Impact from annual assumption review                           | 165                              | 20       | 172      |
| Change in <i>MoneyGuard</i> <sup>®</sup> reserves:             |                                  |          |          |
| Change in reserves                                             | 636                              | 573      | 524      |
| Impact from annual assumption review                           | (4)                              | 53       | 37       |
| Change in traditional product reserves:                        |                                  |          |          |
| Change in reserves                                             | 65                               | 141      | 202      |
| Impact from annual assumption review                           | (129)                            | (84)     | (11)     |
| Other benefits <sup>(1)</sup>                                  | 178                              | 161      | 215      |
| Total benefits and policyholder liability remeasurement        | \$ 3,846                         | \$ 3,893 | \$ 4,583 |
| Death claims per \$1,000 of in-force                           | 2.40                             | 2.43     | 2.49     |

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

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



## Commissions and Other Expenses

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

|                                                                                   | For the Years Ended December 31, |                 |                 |
|-----------------------------------------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                                                   | 2025                             | 2024            | 2023            |
| <b>Commissions and Other Expenses</b>                                             |                                  |                 |                 |
| Commissions                                                                       | \$ 474                           | \$ 461          | \$ 571          |
| General and administrative expenses                                               | 541                              | 563             | 617             |
| Expenses associated with reserve financing                                        | 95                               | 96              | 102             |
| Taxes, licenses and fees                                                          | 144                              | 135             | 150             |
| Total expenses incurred                                                           | 1,254                            | 1,255           | 1,440           |
| DAC and VOBA deferrals                                                            | (553)                            | (543)           | (671)           |
| Total expenses recognized before amortization                                     | 701                              | 712             | 769             |
| DAC and VOBA amortization:                                                        |                                  |                 |                 |
| Amortization                                                                      | 509                              | 503             | 492             |
| Impact from annual assumption review                                              | 2                                | —               | —               |
| Amortization of deferred loss on business sold through reinsurance <sup>(1)</sup> | 96                               | 47              | —               |
| Other intangible amortization                                                     | 4                                | 4               | 4               |
| Total commissions and other expenses                                              | <u>\$ 1,312</u>                  | <u>\$ 1,266</u> | <u>\$ 1,265</u> |
| <b>DAC and VOBA Deferrals</b>                                                     |                                  |                 |                 |
| As a percentage of sales                                                          | 84.2 %                           | 124.0 %         | 123.9 %         |

<sup>(1)</sup> The amortization of deferred loss on business sold through reinsurance pertains to the fourth quarter 2023 reinsurance transaction. See Note 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, 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, |               |               |
|---------------------------------------------------|----------------------------------|---------------|---------------|
|                                                   | 2025                             | 2024          | 2023          |
| <b>Operating Revenues</b>                         |                                  |               |               |
| Insurance premiums                                | \$ 5,490                         | \$ 5,145      | \$ 5,014      |
| Net investment income                             | 376                              | 348           | 339           |
| Other revenues <sup>(1)</sup>                     | 236                              | 224           | 210           |
| Total operating revenues                          | 6,102                            | 5,717         | 5,563         |
| <b>Operating Expenses</b>                         |                                  |               |               |
| Benefits and policyholder liability remeasurement | 3,814                            | 3,692         | 3,732         |
| Interest credited                                 | 2                                | 6             | 5             |
| Commissions and other expenses                    | 1,613                            | 1,481         | 1,447         |
| Total operating expenses                          | 5,429                            | 5,179         | 5,184         |
| Income (loss) from operations before taxes        | 673                              | 538           | 379           |
| Federal income tax expense (benefit)              | 141                              | 113           | 80            |
| Income (loss) from operations                     | <u>\$ 532</u>                    | <u>\$ 425</u> | <u>\$ 299</u> |

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

|                                                      | For the Years Ended December 31, |               |               |
|------------------------------------------------------|----------------------------------|---------------|---------------|
|                                                      | 2025                             | 2024          | 2023          |
| <b>Income (Loss) from Operations by Product Line</b> |                                  |               |               |
| Life                                                 | \$ 160                           | \$ 110        | \$ 70         |
| Disability                                           | 381                              | 323           | 237           |
| Dental                                               | (9)                              | (8)           | (8)           |
| Income (loss) from operations                        | <u>\$ 532</u>                    | <u>\$ 425</u> | <u>\$ 299</u> |

### Comparison of 2025 to 2024

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

- Higher insurance premiums due to growth in business in force and persistency.
- Higher net investment income, net of interest credited, driven by growth in business in force.

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

- Higher commissions and other expenses due to incentive compensation as a result of production performance and higher other costs pertaining to business operations.
- Higher benefits and policyholder liability remeasurement driven by less favorable claims experience than expected in our disability business and growth in business in force, partially offset by the impact of our annual assumption review and lower incidence in our life business.

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

### 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 \$46 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, |                 |                 |
|-------------------------------------------|----------------------------------|-----------------|-----------------|
|                                           | 2025                             | 2024            | 2023            |
| <b>Insurance Premiums by Product Line</b> |                                  |                 |                 |
| Life                                      | \$ 2,158                         | \$ 2,001        | \$ 1,938        |
| Disability                                | 3,142                            | 2,962           | 2,892           |
| Dental                                    | 190                              | 182             | 184             |
| Total insurance premiums                  | <u>\$ 5,490</u>                  | <u>\$ 5,145</u> | <u>\$ 5,014</u> |
| <b>Sales by Product Line</b>              |                                  |                 |                 |
| Life                                      | \$ 390                           | \$ 392          | \$ 333          |
| Disability                                | 397                              | 414             | 311             |
| Dental                                    | 64                               | 50              | 49              |
| Total sales                               | <u>\$ 851</u>                    | <u>\$ 856</u>   | <u>\$ 693</u>   |

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

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

## Net Investment Income

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

|                                                                                                    | For the Years Ended December 31, |               |               |
|----------------------------------------------------------------------------------------------------|----------------------------------|---------------|---------------|
|                                                                                                    | 2025                             | 2024          | 2023          |
| <b>Net Investment Income</b>                                                                       |                                  |               |               |
| Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses | \$ 294                           | \$ 269        | \$ 268        |
| Commercial mortgage loan prepayment and bond make-whole premiums <sup>(1)</sup>                    | 2                                | 2             | 1             |
| Surplus investments <sup>(2)</sup>                                                                 | 80                               | 77            | 70            |
| Total net investment income                                                                        | <u>\$ 376</u>                    | <u>\$ 348</u> | <u>\$ 339</u> |

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

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

## Benefits and Policyholder Liability Remeasurement

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

|                                                                          | For the Years Ended December 31, |                 |                 |
|--------------------------------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                                          | 2025                             | 2024            | 2023            |
| <b>Benefits and Policyholder Liability Remeasurement by Product Line</b> |                                  |                 |                 |
| Life                                                                     | \$ 1,457                         | \$ 1,424        | \$ 1,434        |
| Disability                                                               | 2,211                            | 2,134           | 2,163           |
| Dental                                                                   | 148                              | 140             | 140             |
| Total benefits and policyholder liability remeasurement by product line  | <u>\$ 3,816</u>                  | <u>\$ 3,698</u> | <u>\$ 3,737</u> |

## Loss Ratios by Product Line

|            |        |        |        |
|------------|--------|--------|--------|
| Life       | 67.5 % | 71.1 % | 74.0 % |
| Disability | 70.4 % | 72.1 % | 74.8 % |
| Dental     | 78.0 % | 77.0 % | 76.1 % |
| Total      | 69.5 % | 71.9 % | 74.5 % |

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, |          |          |
|-----------------------------------------------|----------------------------------|----------|----------|
|                                               | 2025                             | 2024     | 2023     |
| <b>Commissions and Other Expenses</b>         |                                  |          |          |
| Commissions                                   | \$ 541                           | \$ 462   | \$ 446   |
| General and administrative expenses           | 915                              | 870      | 846      |
| Taxes, licenses and fees                      | 140                              | 138      | 133      |
| Other                                         | 4                                | 3        | 3        |
| Total expenses incurred                       | 1,600                            | 1,473    | 1,428    |
| DAC deferrals                                 | (142)                            | (135)    | (113)    |
| Total expenses recognized before amortization | 1,458                            | 1,338    | 1,315    |
| DAC and other intangible amortization         | 155                              | 143      | 132      |
| Total commissions and other expenses          | \$ 1,613                         | \$ 1,481 | \$ 1,447 |

## DAC Deferrals

|                                       |       |       |       |
|---------------------------------------|-------|-------|-------|
| As a percentage of insurance premiums | 2.6 % | 2.6 % | 2.3 % |
|---------------------------------------|-------|-------|-------|

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 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, |               |               |
|--------------------------------------------|----------------------------------|---------------|---------------|
|                                            | 2025                             | 2024          | 2023          |
| <b>Operating Revenues</b>                  |                                  |               |               |
| Fee income                                 | \$ 301                           | \$ 292        | \$ 262        |
| Net investment income                      | 1,022                            | 997           | 1,012         |
| Other revenues <sup>(1)</sup>              | 30                               | 32            | 36            |
| Total operating revenues                   | 1,353                            | 1,321         | 1,310         |
| <b>Operating Expenses</b>                  |                                  |               |               |
| Interest credited                          | 692                              | 675           | 665           |
| Commissions and other expenses             | 473                              | 460           | 444           |
| Total operating expenses                   | 1,165                            | 1,135         | 1,109         |
| Income (loss) from operations before taxes | 188                              | 186           | 201           |
| Federal income tax expense (benefit)       | 25                               | 23            | 30            |
| Income (loss) from operations              | <u>\$ 163</u>                    | <u>\$ 163</u> | <u>\$ 171</u> |

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

### Comparison of 2025 to 2024

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

- Higher fee income driven by higher average daily separate account balances.
- Higher net investment income, net of interest credited, driven by higher average general account balances, impacts to portfolio yields from the current interest rate environment and higher investment income on prepayment and bond make-whole premiums, partially offset by an increase in crediting rates.
- Higher commissions and other expenses driven by higher trail commissions resulting from higher average daily separate account balances.
- Lower other revenues in 2025 due to a plan termination during the fourth quarter of 2024.

### Additional Information

Net flows in this business fluctuate based on the timing of larger plans being implemented and terminating over the course of the year. New deposits are an important component of net flows and key to our efforts to grow our business. Although deposits do not significantly affect current period income from operations, they can significantly impact future income from operations. The other component of net flows relates to the retention of the business. An important measure of retention is the reduction in account balances caused by plan sponsor terminations and participant withdrawals. These outflows as a percentage of average account balances were 17%, 14% and 12% for 2025, 2024 and 2023, respectively. The increase in the outflow rate for the year ended December 31, 2025, was attributable primarily to a large plan termination during the first quarter of 2025.

Our net flows are negatively affected by the continued net outflows from our oldest blocks of annuities business (as presented on our Net Flows By Market table below as “Multi-Fund® and other”), which are among our higher margin product lines in this segment, due to the fact that they are mature blocks with low distribution and servicing costs. The proportion of these products to our total account balances was 11%, 13% and 15% for 2025, 2024 and 2023, respectively. Due to this overall shift in business mix toward products with lower returns, new deposit production continues to be necessary to maintain earnings at current levels.

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



statutory requirements” and “Part I – Item 1A. Risk Factors – Market Conditions – Increases in interest rates and sustained higher interest rates may negatively affect our profitability, capital position and the value of our investment portfolio and may also result in increased contract withdrawals and surrenders” and “Part II – Item 7A. Quantitative and Qualitative Disclosures About Market Risk – Interest Rate Risk.” 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, |               |               |
|-----------------------------|----------------------------------|---------------|---------------|
|                             | 2025                             | 2024          | 2023          |
| <b>Fee Income</b>           |                                  |               |               |
| Annuity expense assessments | \$ 218                           | \$ 214        | \$ 191        |
| Mutual fund fees            | 78                               | 75            | 69            |
| Total expense assessments   | 296                              | 289           | 260           |
| Surrender charges           | 5                                | 3             | 2             |
| Total fee income            | <u>\$ 301</u>                    | <u>\$ 292</u> | <u>\$ 262</u> |

Our fee income is primarily composed of expense assessments that we charge to cover insurance, administrative, recordkeeping and other services and mutual fund fees earned for services we provide to our mutual fund programs. Fee income is primarily based on average account balances, 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, |               |                 |
|----------------------------------------------------------------------------------------------------|----------------------------------|---------------|-----------------|
|                                                                                                    | 2025                             | 2024          | 2023            |
| <b>Net Investment Income</b>                                                                       |                                  |               |                 |
| Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses | \$ 939                           | \$ 917        | \$ 935          |
| Commercial mortgage loan prepayment and bond make-whole premiums <sup>(1)</sup>                    | 4                                | 2             | 1               |
| Surplus investments <sup>(2)</sup>                                                                 | 79                               | 78            | 76              |
| Total net investment income                                                                        | <u>\$ 1,022</u>                  | <u>\$ 997</u> | <u>\$ 1,012</u> |
| <b>Interest Credited</b>                                                                           | <u>\$ 692</u>                    | <u>\$ 675</u> | <u>\$ 665</u>   |

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

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

A portion of our investment income earned is credited to the policyholders of our fixed annuity products, including the fixed portion of variable annuity contracts. We expect to earn a spread between what we earn on the underlying general account investments supporting the fixed annuity product line, including the fixed portion of variable annuity contracts, and what we credit to our 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<br>December 31, |          |          |
|------------------------------------------------------------|----------------------------------------------|----------|----------|
|                                                            | 2025                                         | 2024     | 2023     |
| <b>Separate Account Balance Information <sup>(1)</sup></b> |                                              |          |          |
| Separate account deposits                                  | \$ 2,305                                     | \$ 2,225 | \$ 2,268 |
| Separate account net flows                                 | (1,403)                                      | (1,129)  | (240)    |
| Separate account balances                                  | 23,136                                       | 21,489   | 19,668   |
| Average daily separate account balances                    | 22,046                                       | 21,003   | 18,183   |
| Average daily S&P 500 <sup>®</sup> Index <sup>(2)</sup>    | 6,211                                        | 5,428    | 4,285    |
| <b>General Account Balance Information</b>                 |                                              |          |          |
| General account deposits                                   | \$ 4,065                                     | \$ 3,407 | \$ 2,776 |
| General account net flows                                  | (1,006)                                      | (1,088)  | (1,718)  |
| General account balances                                   | 23,843                                       | 23,619   | 23,784   |
| Average general account balances                           | 23,665                                       | 23,603   | 24,502   |
| <b>Mutual Fund Account Balance Information</b>             |                                              |          |          |
| Mutual fund deposits                                       | \$ 10,286                                    | \$ 9,106 | \$ 6,734 |
| Mutual fund net flows                                      | (603)                                        | 2,329    | 2,090    |
| Mutual fund account balances <sup>(3)</sup>                | 77,061                                       | 67,473   | 57,533   |

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

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

<sup>(3)</sup> Mutual funds are not included in the separate accounts reported on the Consolidated Balance Sheets as we do not have any ownership interest in them.

|                                   | For the Years Ended December 31, |         |         |
|-----------------------------------|----------------------------------|---------|---------|
|                                   | 2025                             | 2024    | 2023    |
| <b>Net Flows By Market</b>        |                                  |         |         |
| Small market                      | \$ 96                            | \$ (11) | \$ 382  |
| Mid – large market                | (1,309)                          | 1,944   | 1,279   |
| Multi-Fund <sup>®</sup> and other | (1,799)                          | (1,821) | (1,529) |
| Total net flows                   | \$ (3,012)                       | \$ 112  | \$ 132  |

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, |               |               |
|-----------------------------------------------|----------------------------------|---------------|---------------|
|                                               | 2025                             | 2024          | 2023          |
| <b>Commissions and Other Expenses</b>         |                                  |               |               |
| Commissions:                                  |                                  |               |               |
| Deferrable                                    | \$ 6                             | \$ 4          | \$ 4          |
| Non-deferrable                                | 109                              | 99            | 83            |
| General and administrative expenses           | 342                              | 340           | 341           |
| Taxes, licenses and fees                      | 18                               | 19            | 19            |
| Total expenses incurred                       | 475                              | 462           | 447           |
| DAC deferrals                                 | (20)                             | (21)          | (21)          |
| Total expenses recognized before amortization | 455                              | 441           | 426           |
| DAC amortization                              | 18                               | 19            | 18            |
| Total commissions and other expenses          | <u>\$ 473</u>                    | <u>\$ 460</u> | <u>\$ 444</u> |

## DAC Deferrals

|                                           |      |      |      |
|-------------------------------------------|------|------|------|
| As a percentage of annuity sales/deposits | 0.3% | 0.4% | 0.4% |
|-------------------------------------------|------|------|------|

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, |                 |                 |
|---------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                   | 2025                             | 2024            | 2023            |
| <b>Operating Revenues</b>                         |                                  |                 |                 |
| Insurance premiums <sup>(1)</sup>                 | \$ 2                             | \$ 4            | \$ (921)        |
| Net investment income <sup>(2)</sup>              | 147                              | 111             | 151             |
| Other revenues <sup>(3)</sup>                     | 49                               | 45              | 15              |
| Total operating revenues                          | 198                              | 160             | (755)           |
| <b>Operating Expenses</b>                         |                                  |                 |                 |
| Benefits and policyholder liability remeasurement | 19                               | 12              | (866)           |
| Interest credited                                 | 80                               | 32              | 36              |
| Other expenses                                    | 259                              | 246             | 250             |
| Interest and debt expense                         | 321                              | 336             | 331             |
| Total operating expenses                          | 679                              | 626             | (249)           |
| Income (loss) from operations before taxes        | (481)                            | (466)           | (506)           |
| Federal income tax expense (benefit)              | (99)                             | (96)            | (112)           |
| Income (loss) from operations                     | <u>\$ (382)</u>                  | <u>\$ (370)</u> | <u>\$ (394)</u> |

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

<sup>(2)</sup> Includes our institutional pension business, which has a corresponding offset in insurance premiums and benefits and policyholder liability remeasurement for changes in reserves, and funding agreement activity beginning in 2025, which has a partial offset in interest credited. For information on funding agreements, see Note 11.

<sup>(3)</sup> Includes certain third-party advisory fees, which has a partial offset in other expenses.

### Comparison of 2025 to 2024

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

- Lower net investment income, net of interest credited, related to lower portfolio yields.
- Higher other expenses associated with costs pertaining to business operations.

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

- Higher other revenues due to the effect of market fluctuations on assets held as part of certain compensation plans.
- Lower interest and debt expense driven by a decline in average outstanding debt and 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 and policyholder liability remeasurement 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.

### 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 and Policyholder Liability Remeasurement

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

### Other Expenses

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

|                                           | For the Years Ended December 31, |               |               |
|-------------------------------------------|----------------------------------|---------------|---------------|
|                                           | 2025                             | 2024          | 2023          |
| General and administrative expenses:      |                                  |               |               |
| Legal                                     | \$ 4                             | \$ 6          | \$ (4)        |
| Branding                                  | 42                               | 42            | 42            |
| Other <sup>(1)</sup>                      | 208                              | 208           | 220           |
| Total general and administrative expenses | 254                              | 256           | 258           |
| DAC deferrals                             | (6)                              | —             | —             |
| Other <sup>(2)</sup>                      | 11                               | (10)          | (8)           |
| Total other expenses                      | <u>\$ 259</u>                    | <u>\$ 246</u> | <u>\$ 250</u> |

<sup>(1)</sup> Includes expenses that are corporate in nature and not allocated to our business segments.

<sup>(2)</sup> Consists primarily of reimbursements to Other Operations from the Life Insurance segment for the use of proceeds from certain issuances of senior notes that were used as long-term structured solutions, net of expenses incurred by Other Operations for its access to a financing facility and issuance of letters of credit ("LOCs") and taxes, licenses and fees.

### Interest and Debt Expense

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



## CONSOLIDATED INVESTMENTS

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

|                                                              | As of<br>December 31,<br>2025 | As of<br>December 31,<br>2024 | Percentage of<br>Total Investments |                               |
|--------------------------------------------------------------|-------------------------------|-------------------------------|------------------------------------|-------------------------------|
|                                                              |                               |                               | As of<br>December 31,<br>2025      | As of<br>December 31,<br>2024 |
| <b>Investments</b>                                           |                               |                               |                                    |                               |
| Fixed maturity AFS securities                                | \$ 93,448                     | \$ 87,111                     | 67.3 %                             | 67.1 %                        |
| Trading securities                                           | 1,676                         | 2,025                         | 1.2 %                              | 1.6 %                         |
| Equity securities                                            | 636                           | 294                           | 0.4 %                              | 0.2 %                         |
| Mortgage loans on real estate                                | 22,472                        | 21,083                        | 16.2 %                             | 16.2 %                        |
| Policy loans                                                 | 2,626                         | 2,476                         | 1.9 %                              | 1.9 %                         |
| Derivative investments                                       | 9,945                         | 9,677                         | 7.2 %                              | 7.4 %                         |
| Other investments:                                           |                               |                               |                                    |                               |
| Alternative investments                                      | 4,182                         | 3,836                         | 3.0 %                              | 3.0 %                         |
| Alternative investments – reinsurance-related <sup>(1)</sup> | 1,438                         | 1,464                         | 1.0 %                              | 1.1 %                         |
| Company-owned life insurance                                 | 1,190                         | 664                           | 0.9 %                              | 0.5 %                         |
| Other                                                        | 1,295                         | 1,288                         | 0.9 %                              | 1.0 %                         |
| <b>Total investments</b>                                     | <b>\$ 138,908</b>             | <b>\$ 129,918</b>             | <b>100.0 %</b>                     | <b>100.0 %</b>                |

<sup>(1)</sup> Represents alternative investments that support reinsurance funds withheld and modified coinsurance agreements where the investment results are passed directly to the reinsurers. For more information, see Note 7.

### 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, 2025 |                  |          |           |       |         |
|---------------------------------------------------------|-------------------------|------------------|----------|-----------|-------|---------|
|                                                         | Net                     | Gross Unrealized |          |           | Fair  | %       |
|                                                         | Amortized               |                  |          |           | Fair  | Fair    |
|                                                         | Cost <sup>(1)</sup>     | Gains            | Losses   | Value     | Value |         |
| Fixed Maturity AFS Securities                           |                         |                  |          |           |       |         |
| Industry corporate bonds:                               |                         |                  |          |           |       |         |
| Financial services                                      | \$ 14,577               | \$ 155           | \$ 1,019 | \$ 13,713 |       | 14.6 %  |
| Basic industry                                          | 3,180                   | 51               | 324      | 2,907     |       | 3.1 %   |
| Capital goods                                           | 6,270                   | 78               | 596      | 5,752     |       | 6.2 %   |
| Communications                                          | 3,328                   | 54               | 376      | 3,006     |       | 3.2 %   |
| Consumer cyclical                                       | 5,765                   | 61               | 467      | 5,359     |       | 5.7 %   |
| Consumer non-cyclical                                   | 14,952                  | 154              | 2,043    | 13,063    |       | 14.0 %  |
| Energy                                                  | 2,974                   | 38               | 266      | 2,746     |       | 2.9 %   |
| Technology                                              | 5,064                   | 27               | 537      | 4,554     |       | 4.9 %   |
| Transportation                                          | 3,552                   | 41               | 315      | 3,278     |       | 3.5 %   |
| Industrial other                                        | 2,596                   | 18               | 412      | 2,202     |       | 2.4 %   |
| Utilities                                               | 12,721                  | 132              | 1,492    | 11,361    |       | 12.2 %  |
| Government-related entities                             | 1,286                   | 25               | 207      | 1,104     |       | 1.2 %   |
| Collateralized mortgage and other obligations (“CMOs”): |                         |                  |          |           |       |         |
| Agency backed                                           | 1,156                   | 4                | 120      | 1,040     |       | 1.1 %   |
| Non-agency backed                                       | 400                     | 29               | 3        | 426       |       | 0.5 %   |
| Mortgage pass through securities (“MPTS”):              |                         |                  |          |           |       |         |
| Agency backed                                           | 675                     | 12               | 31       | 656       |       | 0.7 %   |
| Commercial mortgage-backed securities (“CMBS”):         |                         |                  |          |           |       |         |
| Non-agency backed                                       | 2,586                   | 15               | 99       | 2,502     |       | 2.7 %   |
| Asset-backed securities (“ABS”):                        |                         |                  |          |           |       |         |
| Collateralized loan obligations (“CLOs”)                | 8,619                   | 6                | 126      | 8,499     |       | 9.1 %   |
| Other <sup>(2)</sup>                                    | 7,743                   | 131              | 91       | 7,783     |       | 8.3 %   |
| Municipals:                                             |                         |                  |          |           |       |         |
| Taxable                                                 | 2,479                   | 18               | 383      | 2,114     |       | 2.3 %   |
| Tax-exempt                                              | 35                      | —                | 2        | 33        |       | 0.0 %   |
| Government:                                             |                         |                  |          |           |       |         |
| United States                                           | 892                     | 9                | 32       | 869       |       | 0.9 %   |
| Foreign                                                 | 261                     | 16               | 51       | 226       |       | 0.2 %   |
| Hybrid and redeemable preferred securities              | 241                     | 21               | 7        | 255       |       | 0.3 %   |
| Total fixed maturity AFS securities                     | 101,352                 | 1,095            | 8,999    | 93,448    |       | 100.0 % |
| Trading Securities <sup>(3)</sup>                       | 1,756                   | 44               | 124      | 1,676     |       |         |
| Equity Securities                                       | 632                     | 15               | 11       | 636       |       |         |
| Total fixed maturity AFS, trading and equity securities | \$ 103,740              | \$ 1,154         | \$ 9,134 | \$ 95,760 |       |         |

|                                                         | As of December 31, 2024 |                  |           |           |      |         |
|---------------------------------------------------------|-------------------------|------------------|-----------|-----------|------|---------|
|                                                         | Net                     | Gross Unrealized |           |           | Fair | %       |
|                                                         | Amortized               |                  |           |           |      |         |
|                                                         | Cost <sup>(1)</sup>     | Gains            | Losses    | 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 %   |
| CMOs:                                                   |                         |                  |           |           |      |         |
| Agency backed                                           | 1,202                   | 3                | 168       | 1,037     |      | 1.2 %   |
| Non-agency backed                                       | 328                     | 21               | 4         | 345       |      | 0.4 %   |
| MPTS:                                                   |                         |                  |           |           |      |         |
| Agency backed                                           | 529                     | —                | 48        | 481       |      | 0.6 %   |
| CMBS:                                                   |                         |                  |           |           |      |         |
| Non-agency backed                                       | 1,817                   | 4                | 156       | 1,665     |      | 1.9 %   |
| ABS:                                                    |                         |                  |           |           |      |         |
| CLOs                                                    | 8,307                   | 21               | 277       | 8,051     |      | 9.2 %   |
| Other <sup>(2)</sup>                                    | 5,895                   | 78               | 144       | 5,829     |      | 6.6 %   |
| 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 <sup>(3)</sup>                       | 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 |      |         |

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

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

<sup>(3)</sup> Certain of our trading securities support our reinsurance funds withheld and modified coinsurance agreements and the investment results are passed directly to the reinsurers. See “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:

| NAIC<br>Designation <sup>(1)</sup>                                                                   | Rating Agency<br>Equivalent<br>Designation <sup>(1)</sup> | As of December 31, 2025  |                  |                | As of December 31, 2024  |                  |                |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------|------------------|----------------|--------------------------|------------------|----------------|
|                                                                                                      |                                                           | Net<br>Amortized<br>Cost | Fair<br>Value    | % of<br>Total  | Net<br>Amortized<br>Cost | Fair<br>Value    | % of<br>Total  |
|                                                                                                      |                                                           |                          |                  |                |                          |                  |                |
| Investment Grade Securities                                                                          |                                                           |                          |                  |                |                          |                  |                |
| 1                                                                                                    | AAA / AA / A                                              | \$ 61,616                | \$ 56,349        | 60.3 %         | \$ 58,103                | \$ 51,596        | 59.2 %         |
| 2                                                                                                    | BBB                                                       | 36,551                   | 33,995           | 36.4 %         | 36,224                   | 32,583           | 37.4 %         |
| Total investment grade securities                                                                    |                                                           | 98,167                   | 90,344           | 96.7 %         | 94,327                   | 84,179           | 96.6 %         |
|                                                                                                      |                                                           |                          |                  |                |                          |                  |                |
| Below Investment Grade Securities                                                                    |                                                           |                          |                  |                |                          |                  |                |
| 3                                                                                                    | BB                                                        | 1,025                    | 955              | 1.0 %          | 960                      | 910              | 1.0 %          |
| 4                                                                                                    | B                                                         | 1,970                    | 1,966            | 2.1 %          | 1,857                    | 1,826            | 2.1 %          |
| 5                                                                                                    | CCC and lower                                             | 108                      | 106              | 0.1 %          | 138                      | 124              | 0.2 %          |
| 6                                                                                                    | In or near default                                        | 82                       | 77               | 0.1 %          | 87                       | 72               | 0.1 %          |
| Total below investment grade securities                                                              |                                                           | 3,185                    | 3,104            | 3.3 %          | 3,042                    | 2,932            | 3.4 %          |
| Total fixed maturity AFS securities                                                                  |                                                           | <u>\$ 101,352</u>        | <u>\$ 93,448</u> | <u>100.0 %</u> | <u>\$ 97,369</u>         | <u>\$ 87,111</u> | <u>100.0 %</u> |
|                                                                                                      |                                                           |                          |                  |                |                          |                  |                |
| Total securities below investment grade<br>as a percentage of total fixed maturity<br>AFS securities |                                                           |                          |                  |                |                          |                  |                |
|                                                                                                      |                                                           | 3.1 %                    | 3.3 %            |                | 3.1 %                    | 3.4 %            |                |

<sup>(1)</sup> Based upon the rating designations determined and provided by the National Association of Insurance Commissioners (the "NAIC") or the major credit rating agencies (Fitch Ratings ("Fitch"), Moody's Investors Service ("Moody's") and S&P Global Ratings ("S&P")). For securities where the ratings assigned by the major credit rating agencies are not equivalent, the second lowest rating assigned is used. For those securities where ratings by the major credit rating agencies are not available, which does not represent a significant amount of our total fixed maturity AFS securities, we base the ratings disclosed upon internal ratings. The average credit quality of our total fixed maturity AFS securities portfolio was A- as of December 31, 2025.

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

As of December 31, 2025 and 2024, 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, 2025, decreased by \$2.0 billion since December 31, 2024. For the year ended December 31, 2025, we recognized \$278 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, 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.

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, 2025, 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 \$(89) million and \$(42) million of credit loss benefit (expense) on our fixed maturity AFS securities for the years ended December 31, 2025 and 2024, 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 \$148.4 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 \$120.6 billion as of December 31, 2025. 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 \$33.8 billion as of December 31, 2025, 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, 2025 and 2024, the estimated fair value for all private placement securities was \$23.2 billion and \$20.9 billion, respectively, representing 17% and 16% 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 (loss) 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, 2025 and 2024, our ABS home equity and RMBS had a market value of \$2.4 billion and \$2.1 billion, respectively, and a net unrealized gain (loss) of \$(80) million and \$(178) million, respectively.

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

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

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



- (1) Does not include the amortized cost of trading securities totaling \$68 million that primarily support our reinsurance funds withheld and modified coinsurance agreements because investment results for these agreements are passed directly to the reinsurers. The \$68 million in trading securities consisted of \$30 million agency and \$38 million non-agency.
- (2) Does not include the fair value of trading securities totaling \$62 million that primarily support our reinsurance funds withheld and modified coinsurance agreements because investment results for these agreements are passed directly to the reinsurers. The \$62 million in trading securities consisted of \$29 million agency and \$33 million non-agency.
- (3) Based upon the rating designations determined and provided by the NAIC.

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      |
| <b>Type</b>                                    |                    |                 |                    |               |                    |                 |
| RMBS                                           | \$ 1,731           | \$ 1,518        | \$ 328             | \$ 345        | \$ 2,059           | \$ 1,863        |
| ABS home equity                                | —                  | —               | 159                | 189           | 159                | 189             |
| Total by type <sup>(1)(2)</sup>                | <u>\$ 1,731</u>    | <u>\$ 1,518</u> | <u>\$ 487</u>      | <u>\$ 534</u> | <u>\$ 2,218</u>    | <u>\$ 2,052</u> |
| <b>NAIC Designation</b>                        |                    |                 |                    |               |                    |                 |
| 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 <sup>(1)(2)(3)</sup> | <u>\$ 1,731</u>    | <u>\$ 1,518</u> | <u>\$ 487</u>      | <u>\$ 534</u> | <u>\$ 2,218</u>    | <u>\$ 2,052</u> |

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

- (1) Does not include the amortized cost of trading securities totaling \$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 as of December 31, 2025, and December 31, 2024, 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, 2025:

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

|                                                                                                                                    |       |       |
|------------------------------------------------------------------------------------------------------------------------------------|-------|-------|
| Total fixed maturity AFS securities backed by pools of commercial mortgages as a percentage of total fixed maturity AFS securities | 2.6 % | 2.7 % |
|------------------------------------------------------------------------------------------------------------------------------------|-------|-------|

- <sup>(1)</sup> Does not include the amortized cost of trading securities totaling \$113 million that primarily support our reinsurance funds withheld and modified coinsurance agreements because investment results for these agreements are passed directly to the reinsurers. The \$113 million in trading securities consisted of \$64 million of multiple property CMBS and \$49 million of single property CMBS.
- <sup>(2)</sup> Does not include the fair value of trading securities totaling \$100 million that primarily support our reinsurance funds withheld and modified coinsurance agreements because investment results for these agreements are passed directly to the reinsurers. The \$100 million in trading securities consisted of \$58 million of multiple property CMBS and \$42 million of single property CMBS.
- <sup>(3)</sup> Based upon the rating designations determined and provided by the NAIC.

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

| Type                                           | Multiple Property  |            | Single Property    |            | Total              |            |
|------------------------------------------------|--------------------|------------|--------------------|------------|--------------------|------------|
|                                                | Net Amortized Cost | Fair Value | Net Amortized Cost | Fair Value | Net Amortized Cost | Fair Value |
| CMBS <sup>(1)(2)</sup>                         | \$ 1,672           | \$ 1,526   | \$ 145             | \$ 139     | \$ 1,817           | \$ 1,665   |
| <b>NAIC Designation</b>                        |                    |            |                    |            |                    |            |
| 1                                              | \$ 1,667           | \$ 1,522   | \$ 145             | \$ 139     | \$ 1,812           | \$ 1,661   |
| 2                                              | 5                  | 4          | —                  | —          | 5                  | 4          |
| 3                                              | —                  | —          | —                  | —          | —                  | —          |
| 4                                              | —                  | —          | —                  | —          | —                  | —          |
| 5                                              | —                  | —          | —                  | —          | —                  | —          |
| 6                                              | —                  | —          | —                  | —          | —                  | —          |
| Total by NAIC designation <sup>(1)(2)(3)</sup> | \$ 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.

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

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

- (1) Does not include the amortized cost of trading securities totaling \$274 million that primarily support our reinsurance funds withheld and modified coinsurance agreements because investment results for these agreements are passed directly to the reinsurers. The \$274 million in trading securities consisted of \$138 million of CLOs and \$136 million of Other ABS.
- (2) Does not include the fair value of trading securities totaling \$271 million that primarily support our reinsurance funds withheld and modified coinsurance agreements because investment results for these agreements are passed directly to the reinsurers. The \$271 million in trading securities consisted of \$137 million of CLOs and \$134 million of Other ABS.
- (3) Based upon the rating designations determined and provided by the NAIC.

The following summarizes our investments in ABS within fixed maturity AFS securities (in millions) as of December 31, 2024:

| Type                                           | CLOs               |            | Other              |            | Total              |            |
|------------------------------------------------|--------------------|------------|--------------------|------------|--------------------|------------|
|                                                | Net Amortized Cost | Fair Value | Net Amortized Cost | Fair Value | Net Amortized Cost | Fair Value |
| ABS <sup>(1)(2)</sup>                          | \$ 8,307           | \$ 8,051   | \$ 5,895           | \$ 5,829   | \$ 14,202          | \$ 13,880  |
| <b>NAIC Designation</b>                        |                    |            |                    |            |                    |            |
| 1                                              | \$ 8,106           | \$ 7,848   | \$ 4,453           | \$ 4,425   | \$ 12,559          | \$ 12,273  |
| 2                                              | 201                | 203        | 1,354              | 1,325      | 1,555              | 1,528      |
| 3                                              | —                  | —          | —                  | —          | —                  | —          |
| 4                                              | —                  | —          | 6                  | 13         | 6                  | 13         |
| 5                                              | —                  | —          | —                  | —          | —                  | —          |
| 6                                              | —                  | —          | 82                 | 66         | 82                 | 66         |
| Total by NAIC designation <sup>(1)(2)(3)</sup> | \$ 8,307           | \$ 8,051   | \$ 5,895           | \$ 5,829   | \$ 14,202          | \$ 13,880  |

<sup>(1)</sup> Does not include the amortized cost of trading securities totaling \$378 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 \$378 million in trading securities consisted of \$240 million of CLOs and \$138 million of Other ABS.

<sup>(2)</sup> Does not include the fair value of trading securities totaling \$369 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 \$369 million in trading securities consisted of \$240 million of CLOs and \$129 million of Other ABS.

<sup>(3)</sup> 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, 2025, was as follows:

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

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<br>Amortized<br>Cost | %<br>Net<br>Amortized<br>Cost | Gross<br>Unrealized<br>Losses | %<br>Gross<br>Unrealized<br>Losses | Fair Value | %<br>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      | 2.0 %           |
| 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      | 1.7 %           |
| 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 % <sup>i</sup> |
|--------------------------------------------------------------------------|--------|---------|---------------------|



## Mortgage Loans on Real Estate

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

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

|                                                      | As of December 31, 2024 |                 |                  |         |
|------------------------------------------------------|-------------------------|-----------------|------------------|---------|
|                                                      | Commercial              | Residential     | Total            | %       |
| <b>Credit Quality Indicator</b>                      |                         |                 |                  |         |
| Current                                              | \$ 17,546               | \$ 3,572        | \$ 21,118        | 99.4 %  |
| Delinquent <sup>(1)</sup>                            | 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                  | <u>\$ 17,472</u>        | <u>\$ 3,611</u> | <u>\$ 21,083</u> |         |

<sup>(1)</sup> 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, 2025, and December 31, 2024, the fair value of such commercial mortgage loans on real estate that were in delinquent status was \$20 million and \$21 million, respectively.

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

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, 2025 and 2024, was \$40 million and \$34 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, 2025 and 2024, was \$58 million and \$32 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<br>December 31,<br>2025 | As of<br>December 31,<br>2024 |
|-------------------------------------|-------------------------------|-------------------------------|
| <b>Segment</b>                      |                               |                               |
| Annuities                           | \$ 10,181                     | \$ 8,783                      |
| Life Insurance                      | 3,327                         | 3,527                         |
| Group Protection                    | 1,650                         | 1,608                         |
| Retirement Plan Services            | 5,332                         | 5,380                         |
| Other Operations                    | 1,982                         | 1,785                         |
| Total mortgage loans on real estate | <u>\$ 22,472</u>              | <u>\$ 21,083</u>              |

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

| As of December 31, 2025  |                  |                | As of December 31, 2025 |                  |                |
|--------------------------|------------------|----------------|-------------------------|------------------|----------------|
|                          | Carrying Value   | %              |                         | Carrying Value   | %              |
| <b>Property Type</b>     |                  |                | <b>State</b>            |                  |                |
| Apartment                | \$ 5,362         | 30.6 %         | CA                      | \$ 4,828         | 27.5 %         |
| Industrial               | 5,202            | 29.7 %         | TX                      | 1,785            | 10.2 %         |
| Office building          | 3,017            | 17.2 %         | FL                      | 924              | 5.3 %          |
| Retail                   | 2,828            | 16.1 %         | PA                      | 879              | 5.0 %          |
| Other commercial         | 853              | 4.9 %          | AZ                      | 865              | 4.9 %          |
| Mixed use                | 162              | 0.9 %          | NY                      | 852              | 4.9 %          |
| Hotel/motel              | 103              | 0.6 %          | WA                      | 658              | 3.9 %          |
| Total                    | <u>\$ 17,527</u> | <u>100.0 %</u> | MD                      | 643              | 3.7 %          |
| <b>Geographic Region</b> |                  |                | GA                      | 632              | 3.6 %          |
| Pacific                  | 5,798            | 33.1 %         | NC                      | 571              | 3.3 %          |
| South Atlantic           | 3,631            | 20.6 %         | TN                      | 517              | 2.9 %          |
| Middle Atlantic          | 2,152            | 12.3 %         | UT                      | 439              | 2.5 %          |
| West South Central       | 1,925            | 11.0 %         | NJ                      | 421              | 2.4 %          |
| Mountain                 | 1,591            | 9.1 %          | VA                      | 385              | 2.2 %          |
| East North Central       | 1,053            | 6.0 %          | OH                      | 316              | 1.8 %          |
| East South Central       | 615              | 3.5 %          | OR                      | 312              | 1.8 %          |
| West North Central       | 414              | 2.4 %          | IL                      | 301              | 1.7 %          |
| New England              | 348              | 2.0 %          | All other states        | 2,199            | 12.4 %         |
| Total                    | <u>\$ 17,527</u> | <u>100.0 %</u> | Total                   | <u>\$ 17,527</u> | <u>100.0 %</u> |

The composition of commercial mortgage loans (in millions) by property type, geographic region and state is shown below as of December 31, 2024:

|                          | Carrying Value   | %              |                  | Carrying Value   | %              |
|--------------------------|------------------|----------------|------------------|------------------|----------------|
| <b>Property Type</b>     |                  |                | <b>State</b>     |                  |                |
| 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                    | <u>\$ 17,472</u> | <u>100.0 %</u> | MD               | 671              | 3.8 %          |
| <b>Geographic Region</b> |                  |                | 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                    | <u>\$ 17,472</u> | <u>100.0 %</u> | Total            | <u>\$ 17,472</u> | <u>100.0 %</u> |

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

|                                 | As of December 31, 2025 |                 |                  |                |
|---------------------------------|-------------------------|-----------------|------------------|----------------|
|                                 | Commercial              | Residential     | Total            | %              |
| <b>Principal Repayment Year</b> |                         |                 |                  |                |
| 2026                            | \$ 1,414                | \$ 702          | \$ 2,116         | 9.4 %          |
| 2027                            | 1,813                   | 162             | 1,975            | 8.7 %          |
| 2028                            | 2,274                   | 58              | 2,332            | 10.3 %         |
| 2029                            | 1,842                   | 59              | 1,901            | 8.5 %          |
| 2030                            | 1,886                   | 66              | 1,952            | 8.6 %          |
| 2031 and thereafter             | 8,448                   | 3,852           | 12,300           | 54.5 %         |
| Total                           | <u>\$ 17,677</u>        | <u>\$ 4,899</u> | <u>\$ 22,576</u> | <u>100.0 %</u> |

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, |               |               |
|--------------------------|----------------------------------|---------------|---------------|
|                          | 2025                             | 2024          | 2023          |
| Annuities                | \$ 11                            | \$ 12         | \$ 16         |
| Life Insurance           | 373                              | 294           | 207           |
| Group Protection         | 8                                | 5             | 9             |
| Retirement Plan Services | 9                                | 6             | 10            |
| Other Operations         | —                                | 2             | 1             |
| Total <sup>(1)</sup>     | <u>\$ 401</u>                    | <u>\$ 319</u> | <u>\$ 243</u> |

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

As of December 31, 2025 and 2024, alternative investments included investments in 384 and 371 different partnerships, respectively, and the portfolio represented approximately 3% of total investments. These amounts do not include alternative investments that support funds withheld and modified coinsurance reinsurance agreements where the investment results are passed directly to the reinsurers. The partnerships do not represent off-balance sheet financing and generally involve several third-party partners. Some of our partnerships contain capital calls, which require us to contribute capital upon notification by the general partner. These capital calls are contemplated during the initial investment decision and are planned for well in advance of the call date. The capital calls are not material in size and are not material to our liquidity. Alternative investments are accounted for using the equity method of accounting and are included in other investments on the Consolidated Balance Sheets.

### Non-Income Producing Investments

As of December 31, 2025 and 2024, the carrying amount of fixed maturity securities, mortgage loans on real estate and real estate that were non-income producing was \$74 million and \$14 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, |          |          |
|---------------------------------------------------------------------------------|----------------------------------|----------|----------|
|                                                                                 | 2025                             | 2024     | 2023     |
| <b>Net Investment Income</b>                                                    |                                  |          |          |
| Fixed maturity AFS securities                                                   | \$ 4,294                         | \$ 4,222 | \$ 4,819 |
| Trading securities                                                              | 97                               | 118      | 161      |
| Equity securities                                                               | 16                               | 21       | 13       |
| Mortgage loans on real estate                                                   | 1,039                            | 887      | 755      |
| Policy loans                                                                    | 104                              | 95       | 103      |
| Cash and invested cash                                                          | 287                              | 194      | 129      |
| Commercial mortgage loan prepayment and bond make-whole premiums <sup>(1)</sup> | 23                               | 15       | 10       |
| Other investments <sup>(2)</sup>                                                | 522                              | 308      | 234      |
| Investment income                                                               | 6,382                            | 5,860    | 6,224    |
| Investment expense                                                              | (307)                            | (316)    | (324)    |
| Net investment income                                                           | \$ 6,075                         | \$ 5,544 | \$ 5,900 |

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

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

|                                                                                                    | For the Years Ended December 31, |        |        |
|----------------------------------------------------------------------------------------------------|----------------------------------|--------|--------|
|                                                                                                    | 2025                             | 2024   | 2023   |
| <b>Interest Rate Yield</b>                                                                         |                                  |        |        |
| Fixed maturity AFS securities, mortgage loans on real estate and other, net of investment expenses | 4.16 %                           | 4.04 % | 4.04 % |
| Commercial mortgage loan prepayment and bond make-whole premiums                                   | 0.02 %                           | 0.01 % | 0.01 % |
| Other investments                                                                                  | 0.39 %                           | 0.25 % | 0.17 % |
| Net investment income yield on invested assets                                                     | 4.57 %                           | 4.30 % | 4.22 % |

We earn investment income on our general account investments supporting our liabilities associated with investment-type annuities (including RILA, individual and group fixed and fixed portion of variable annuities, fixed indexed deferred annuities and non-life contingent payout fixed annuities), UL, *MoneyGuard*<sup>®</sup>, VUL, IUL and funding agreement products. The profitability of our products is affected by our ability to achieve target spreads, or margins, between the interest income earned on the general account assets and the interest credited to the policyholder account balance. The net investment income and the interest rate yield tables above each include commercial mortgage loan prepayments and bond make-whole premiums, alternative investments and contingent interest and standby real estate equity commitments. These items can vary significantly from period to period due to a number of factors and, therefore, can provide results that are not indicative of the underlying trends.

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

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

## 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. For more information about the impacts of reinsurance on our consolidated financial statements, see Notes 1 and 7. 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.

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 \$33.7 billion on the Consolidated Balance Sheets as of December 31, 2025. For additional information, see Note 7.

Our amounts recoverable from reinsurers represent receivables from and reserves ceded to reinsurers. As of December 31, 2025, 84%, or \$23.5 billion, of our total reinsurance recoverable was secured by collateral for our benefit. Of this amount, \$22.0 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), \$1.4 billion was held in our funds withheld portfolios and \$142 million was secured by LOCs for which we are the beneficiary, an off-balance sheet arrangement. We reported funds withheld reinsurance liabilities of \$17.9 billion on the Consolidated Balance Sheets as of December 31, 2025.

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 \$2.4 billion of statutory reserves as of December 31, 2025. 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 \$848 million of statutory reserves as of December 31, 2025. 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 \$530 million of statutory reserves as of December 31, 2025, 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, which may cause them to retain more capital. This in turn may pressure our subsidiaries’ ability to pay dividends to LNC, which may lead us to take steps to preserve or raise additional capital. We believe we have appropriate capital to operate our business in accordance with our strategy. For more information, see “Subsidiaries’ Capital” below.

For factors that could cause actual results to differ materially from those set forth in this section and that could affect our expectations for liquidity and capital, see “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 obligations under insurance policies and contracts, to fund commissions and other general operating expenses, to purchase investments, to fund policy surrenders and withdrawals, to pay dividends to our common and preferred stockholders, to repurchase our common stock and to repay debt. Our operating activities provided (used) cash of \$(167) million, \$(2.0) billion and \$(2.1) billion in 2025, 2024 and 2023, respectively. Cash flows from operating activities will fluctuate based on the timing of insurance premiums received and benefit payments to policyholders, as well as other business activities including cash payments on certain derivatives used to hedge exposure to product-related risks.

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

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



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

|                                                               | For the Years Ended December 31, |               |               |
|---------------------------------------------------------------|----------------------------------|---------------|---------------|
|                                                               | 2025                             | 2024          | 2023          |
| <b>Cash Dividends and Return of Capital from Subsidiaries</b> |                                  |               |               |
| LNL                                                           | \$ 685                           | \$ 505        | \$ 495        |
| First Penn-Pacific Life Insurance Company                     | 10                               | –             | 15            |
| Lincoln Investment Management Company                         | 25                               | 40            | 25            |
| Lincoln National Reinsurance Company (Barbados) Limited       | 50                               | 50            | 150           |
| Lincoln Pinehurst Reinsurance Company (Bermuda) Limited       | 75                               | –             | –             |
| Total cash dividends and return of capital from subsidiaries  | <u>\$ 845</u>                    | <u>\$ 595</u> | <u>\$ 685</u> |
| <b>Interest from Subsidiaries</b>                             |                                  |               |               |
| Interest on inter-company notes                               | <u>\$ 138</u>                    | <u>\$ 154</u> | <u>\$ 147</u> |

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

During 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 “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 FSC, 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 \$805 million in 2026 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, debt financing, excess of loss structures with third-party reinsurers, as well as other financing strategies to finance certain reserves. Included in the LOCs issued as of December 31, 2025, was \$5 million 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 Note 13. Our captive reinsurance and reinsurance subsidiaries have also issued long-term notes of \$3.2 billion to finance a portion of the excess reserves associated with our term and UL products with secondary guarantees as of December 31, 2025; of this amount, \$2.6 billion involve exposure to variable interest entities. For information on these long-term notes issued by our captive reinsurance and reinsurance subsidiaries, see Note 4. 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 and a third-party reinsurance agreement to mitigate potential capital volatility from guaranteed benefits on VUL policies. Market conditions greatly influence the ultimate capital required due to its effect on the valuation of reserves and supporting derivatives.

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

LNC made \$967 million in capital contributions in cash to subsidiaries in 2025, including \$800 million to LNL in the second quarter of 2025 using proceeds from the Bain Capital transaction. For more information on the Bain Capital transaction, see "Issuance of Common Stock" below and Note 18.

During 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 \$5 million and \$7 million in capital contributions in cash to other subsidiaries in 2024 and 2023, 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 Holdings, Inc., a Delaware corporation. 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, 2025, were as follows:

|                                                     | Beginning<br>Balance | Issuances | Maturities,<br>Repayments<br>and<br>Refinancing | Change in<br>Fair Value<br>Hedges | Other<br>Changes <sup>(1)</sup> | Ending<br>Balance |
|-----------------------------------------------------|----------------------|-----------|-------------------------------------------------|-----------------------------------|---------------------------------|-------------------|
| <b>Short-Term Debt</b>                              |                      |           |                                                 |                                   |                                 |                   |
| Current maturities of long-term debt <sup>(2)</sup> | \$ 300               | \$ —      | \$ (300)                                        | \$ —                              | \$ 400                          | \$ 400            |
| <b>Long-Term Debt</b>                               |                      |           |                                                 |                                   |                                 |                   |
| Senior notes <sup>(3)</sup>                         | \$ 4,498             | \$ 1,000  | \$ (299)                                        | \$ 34                             | \$ (505)                        | \$ 4,728          |
| Term loans                                          | 150                  | —         | —                                               | —                                 | —                               | 150               |
| Subordinated notes <sup>(4)</sup>                   | 995                  | —         | (194)                                           | —                                 | —                               | 801               |
| Capital securities <sup>(5)</sup>                   | 213                  | —         | (26)                                            | —                                 | —                               | 187               |
| Total long-term debt                                | \$ 5,856             | \$ 1,000  | \$ (519)                                        | \$ 34                             | \$ (505)                        | \$ 5,866          |

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

<sup>(2)</sup> We repaid our 3.35% Senior Notes that matured on March 9, 2025. As of December 31, 2025, consisted of \$400 million principal amount of our 3.625% Senior Notes due December 12, 2026.

<sup>(3)</sup> In May 2025, we repurchased \$34 million of our 3.05% Senior Notes due 2030, \$129 million of our 4.35% Senior Notes due 2048 and \$136 million of our 4.375% Senior Notes due 2050.

<sup>(4)</sup> In May 2025, we repurchased \$97 million of our Subordinated Notes due 2066 and \$97 million of our Subordinated Notes due 2067.

<sup>(5)</sup> In May 2025, we repurchased \$21 million of our Capital Securities due 2066 and \$5 million of our Capital Securities due 2067.

On November 10, 2025, we completed the issuance and sale of \$500 million aggregate principal amount of our 5.350% Senior Notes due 2035. We intend to use the net proceeds from the offering to fund the repayment of the Company's 3.625% Senior Notes due 2026, of which \$400 million aggregate principal amount was outstanding as of December 31, 2025, on or prior to their maturity. We intend to use the remainder of the net proceeds from this offering for general corporate purposes, which may include the repayment of other debt on or prior to its maturity. On May 15, 2025, we issued \$500 million aggregate principal amount of our 2.330% Senior Notes due 2030. See "Alternative Sources of Liquidity – Facility Agreements for Senior Notes Issuances" below for more information.

LNC made interest payments to service debt to third parties of \$309 million, \$308 million and \$311 million for the years ended December 31, 2025, 2024 and 2023, respectively.

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

### *Preferred Stock*

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

|                                    | For the Years Ended December 31, |              |              |
|------------------------------------|----------------------------------|--------------|--------------|
|                                    | 2025                             | 2024         | 2023         |
| Series C preferred stock dividends | \$ 46                            | \$ 46        | \$ 36        |
| Series D preferred stock dividends | 45                               | 45           | 46           |
| Total preferred stock dividends    | <u>\$ 91</u>                     | <u>\$ 91</u> | <u>\$ 82</u> |

For additional information on preferred stock, see Note 18.

### *Issuance of Common Stock*

On June 5, 2025, we closed our stock sale transaction pursuant to the Purchase Agreement with Bain Capital Prairie, LLC, a newly formed subsidiary of Bain Capital, under which we agreed to sell shares representing 9.9% of our outstanding common stock on a post-issuance basis to the Buyer. Under the final terms, Lincoln sold approximately 18.8 million shares of its common stock for aggregate consideration of \$825 million. The transaction provided us with capital that we are deploying and expect to continue to deploy toward our strategic priorities, including growing spread-based earnings, advancing our portfolio management efforts and asset sourcing capabilities and optimizing our legacy life portfolio. For additional information on the Bain Capital transaction, 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. 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, |               |               |
|--------------------------------------------|----------------------------------|---------------|---------------|
|                                            | 2025                             | 2024          | 2023          |
| Dividends to common stockholders           | \$ 324                           | \$ 306        | \$ 305        |
| Repurchase of common stock                 | –                                | –             | –             |
| Total cash returned to common stockholders | <u>\$ 324</u>                    | <u>\$ 306</u> | <u>\$ 305</u> |

## **Alternative Sources of Liquidity**

### *Inter-Company Cash Management Program*

To meet short-term liquidity needs that arise in the ordinary course of business, we utilize an inter-company cash management program between LNC and participating subsidiaries whereby participating subsidiaries can borrow cash from or lend cash to LNC. Loans under the inter-company cash management program are permitted under applicable insurance laws subject to certain restrictions. For our Indiana-domiciled insurance subsidiary, the borrowing and lending limit is currently 3% of the insurance company’s admitted assets as of its most recent year end. For our New York-domiciled insurance subsidiary, it may borrow from LNC less than 2% of its admitted assets as of its most recent year end but may not lend any amounts to LNC. As of December 31, 2025, LNC had \$157 million of outstanding borrowings from the cash management program related primarily to liquidity management and had no outstanding lending into the cash management program. 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. See “Part IV – Item 15(a)(2) Financial Statement Schedules – Schedule II – Condensed Financial Information of Registrant” for the holding company balance sheet.

### *Facility Agreements for Senior Notes Issuance*

On May 13, 2025, LNC exercised in full its issuance right under the 10-year facility agreement, dated as of August 18, 2020 (the “Trust I Facility Agreement”) with Belrose Funding Trust, a Delaware statutory trust (“Trust I”) and on May 15, 2025, LNC issued \$500 million aggregate principal amount of its 2.330% Senior Notes due 2030 (the “2.330% Senior Notes”) to Trust I in exchange for the principal and interest strips of U.S. Treasury securities held by Trust I (the “Trust I Eligible Assets”), which had a fair value of \$418 million when the 2.330% Senior Notes were issued. The net proceeds from the issuance of the 2.330% Senior Notes and subsequent sale of the Trust I Eligible Assets were subsequently used to early extinguish long-term debt during the second quarter of 2025 pursuant to a tender offer. For more information on the early extinguishment of debt, see “Debt” above and Note 13.

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

For additional information on the facility agreements for senior notes issuances, 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 as an alternative source of liquidity, and to issue funding agreements, both of which are collateralized by qualifying mortgage-related assets, agency securities or U.S. Treasury securities. Borrowings under this facility are subject to the FHLBI’s discretion and require the availability of qualifying assets at LNL. As of December 31, 2025, LNL had a Board-approved maximum borrowing capacity of \$7.0 billion under the FHLBI facility with outstanding funding agreements of \$1.5 billion. Liquidity borrowings are reported within payables for collateral on investments and funding agreements are reported within policyholder account balances on the Consolidated Balance Sheets. LLANY is a member of the Federal Home Loan Bank of New York (“FHLBNY”) with a Board-approved maximum borrowing capacity of \$750 million. Borrowings under this facility are subject to the FHLBNY’s discretion and require the availability of qualifying assets at LLANY. As of December 31, 2025, LLANY had no outstanding borrowings under this facility. For additional information on borrowings under this facility, see “Payables for Collateral on Investments” in Note 3. For additional information on funding agreements issued to FHLBI, see Note 11.

### *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, 2025. Our insurance subsidiaries, by virtue of their general account fixed-income investment holdings, can also access liquidity through securities lending programs and uncommitted repurchase agreements. As of December 31, 2025, our insurance subsidiaries had securities pledged under securities lending agreements with a carrying value of \$145 million, and none pledged under uncommitted repurchase agreements. For additional information, see “Payables for Collateral on Investments” in Note 3.

### *Collateral on Derivative Contracts*

Our cash flows associated with collateral received from counterparties (when we are in a net collateral payable position) and posted with counterparties (when we are in a net collateral receivable position) change as the market value of the underlying derivative contract changes. The net collateral position depends on changes in interest rates and equity markets related to the amount of the exposures hedged. As of December 31, 2025, we were in a net collateral payable position of \$7.8 billion. In the event of adverse changes in fair value of our derivative instruments, we may need to return, post or pledge collateral to counterparties. If we do not have sufficient high quality securities or cash to provide as collateral to counterparties, we have alternative sources of liquidity. In addition to the liquidity from repurchase agreements and FHLB facilities discussed above, we also have a five-year revolving credit facility discussed in Note 13. For additional information, see “Credit Risk” in Note 5.

## Material Cash Outflows

Details underlying our estimated material cash outflows as of December 31, 2025, were as follows:

|                                                                                 | Less Than<br>1 Year | 1 - 3 Years      | 3 - 5 Years      | More Than<br>5 Years | Total             |
|---------------------------------------------------------------------------------|---------------------|------------------|------------------|----------------------|-------------------|
| Policyholder account balances, future contract benefits and MRBs <sup>(1)</sup> | \$ 32,760           | \$ 63,383        | \$ 55,982        | \$ 388,854           | \$ 540,979        |
| Funding agreements <sup>(2)</sup>                                               | 1,450               | 500              | 1,800            | –                    | 3,750             |
| Short-term and long-term debt <sup>(3)</sup>                                    | 400                 | 650              | 966              | 4,246                | 6,262             |
| Investment commitments <sup>(4)</sup>                                           | 1,838               | 566              | 444              | 1,820                | 4,668             |
| Certain financing arrangements <sup>(5)</sup>                                   | 229                 | 161              | 29               | 10                   | 429               |
| Retirement and other plans <sup>(6)</sup>                                       | 99                  | 191              | 187              | 413                  | 890               |
| <b>Total</b>                                                                    | <b>\$ 36,776</b>    | <b>\$ 65,451</b> | <b>\$ 59,408</b> | <b>\$ 395,343</b>    | <b>\$ 556,978</b> |

- <sup>(1)</sup> Estimates are based on financial projections over 40 years, not discounted for the time value of money and gross of any reinsurance recoverable. 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.
- <sup>(2)</sup> See Note 11 for additional information.
- <sup>(3)</sup> Represents principal amounts of debt only. See Note 13 for additional information.
- <sup>(4)</sup> See Note 3 for additional information.
- <sup>(5)</sup> Represents certain financing arrangements that did not meet the requirements to be classified as a sale-leaseback arrangement. See Note 17 for additional information.
- <sup>(6)</sup> Includes anticipated funding for benefit payments for our retirement and postretirement plans through 2035 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 12, 2026, 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 12, 2026, 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                |
|------------------------------|-------------------|--------------------|--------------------|
| <i>"AMB-1+ to<br/>AMB-4"</i> | <i>"F1+ to D"</i> | <i>"P-1 to NP"</i> | <i>"A-1+ to D"</i> |
| 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 – 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, through an integrated asset-liability management process. 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 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. The derivatives play an important role in mitigating the impacts of these market risks on our earnings. Additional market exposures exist in our other general account insurance products and in our debt structure and derivatives positions.

Our most significant 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, 2025:



|                                                        | 2026     | 2027     | 2028     | 2029     | 2030     | Thereafter | Total     | Estimated<br>Fair Value |
|--------------------------------------------------------|----------|----------|----------|----------|----------|------------|-----------|-------------------------|
| <b>Rate Sensitive Assets</b>                           |          |          |          |          |          |            |           |                         |
| Fixed maturity AFS securities:                         |          |          |          |          |          |            |           |                         |
| Fixed interest rate securities                         | \$ 4,087 | \$ 5,526 | \$ 5,113 | \$ 4,200 | \$ 5,545 | \$ 66,518  | \$ 90,989 | \$ 82,996               |
| Average interest rate                                  | 3.4 %    | 3.8 %    | 4.1 %    | 4.2 %    | 3.9 %    | 4.3 %      | 4.2 %     |                         |
| Variable interest rate securities                      | \$ 408   | \$ 453   | \$ 577   | \$ 346   | \$ 594   | \$ 8,095   | \$ 10,473 | \$ 10,452               |
| Average interest rate                                  | 8.5 %    | 8.8 %    | 7.4 %    | 8.0 %    | 7.8 %    | 5.7 %      | 6.3 %     |                         |
| Trading securities:                                    |          |          |          |          |          |            |           |                         |
| Fixed interest rate securities                         | \$ 67    | \$ 103   | \$ 57    | \$ 55    | \$ 95    | \$ 1,112   | \$ 1,489  | \$ 1,422                |
| Average interest rate                                  | 4.3 %    | 5.3 %    | 5.6 %    | 5.6 %    | 4.2 %    | 4.9 %      | 4.9 %     |                         |
| Variable interest rate securities                      | \$ 5     | \$ 6     | \$ —     | \$ 2     | \$ —     | \$ 254     | \$ 267    | \$ 254                  |
| Average interest rate                                  | 7.2%     | 8.0%     | 0.0%     | 6.2%     | 0.0%     | 5.3 %      | 5.4 %     |                         |
| Mortgage loans on real estate:                         |          |          |          |          |          |            |           |                         |
| Total mortgage loans                                   | \$ 2,116 | \$ 1,975 | \$ 2,332 | \$ 1,901 | \$ 1,952 | \$ 12,300  | \$ 22,576 | \$ 21,955               |
| Average interest rate                                  | 5.9 %    | 4.6 %    | 4.6 %    | 4.6 %    | 4.7 %    | 5.1 %      | 5.0 %     |                         |
| <b>Rate Sensitive Liabilities</b>                      |          |          |          |          |          |            |           |                         |
| Investment type                                        |          |          |          |          |          |            |           |                         |
| insurance contracts <sup>(1)</sup>                     | \$ 4,330 | \$ 4,880 | \$ 5,188 | \$ 3,792 | \$ 4,558 | \$ 29,935  | \$ 52,683 | \$ 50,956               |
| Average interest rate <sup>(1)</sup>                   | 4.3 %    | 4.0 %    | 4.3 %    | 4.3 %    | 4.4 %    | 4.7 %      | 4.5 %     |                         |
| Debt                                                   | \$ 400   | \$ 150   | \$ 500   | \$ —     | \$ 966   | \$ 4,246   | \$ 6,262  | \$ 6,004                |
| Average interest rate                                  | 3.6 %    | 5.2 %    | 3.8%     | 0.0%     | 2.7%     | 5.5 %      | 4.8 %     |                         |
| <b>Rate Sensitive Derivative Financial Instruments</b> |          |          |          |          |          |            |           |                         |
| Interest rate swaps:                                   |          |          |          |          |          |            |           |                         |
| Pay variable/receive fixed                             | \$ 4,616 | \$ 619   | \$ 4,320 | \$ 1,253 | \$ 3,724 | \$ 24,787  | \$ 39,319 | \$ (3,867)              |
| Average pay rate                                       | 4.0 %    | 2.9 %    | 3.7 %    | 3.2 %    | 3.2 %    | 3.9 %      | 3.8 %     |                         |
| Average receive rate                                   | 1.8 %    | 2.5 %    | 2.1 %    | 3.9 %    | 3.3 %    | 2.3 %      | 2.4 %     |                         |
| Pay fixed/receive variable                             | \$ 6,544 | \$ 319   | \$ 1,861 | \$ 1,331 | \$ 1,747 | \$ 23,151  | \$ 34,953 | \$ 2,222                |
| Average pay rate                                       | 2.1 %    | 1.2 %    | 1.3 %    | 3.5 %    | 3.8 %    | 2.8 %      | 2.6 %     |                         |
| Average receive rate                                   | 3.8 %    | 3.7 %    | 3.9 %    | 3.7 %    | 3.7 %    | 3.8 %      | 3.8 %     |                         |
| Foreign currency swaps: <sup>(2)</sup>                 |          |          |          |          |          |            |           |                         |
| Pay variable/receive fixed                             | \$ —     | \$ 56    | \$ 57    | \$ 70    | \$ 41    | \$ 85      | \$ 309    | \$ 16                   |
| Average pay rate                                       | 0.0 %    | 6.2 %    | 4.6 %    | 4.4 %    | 5.1 %    | 5.1 %      | 5.1 %     |                         |
| Average receive rate                                   | 0.0 %    | 6.0 %    | 4.0 %    | 3.1 %    | 5.5 %    | 3.6 %      | 4.2 %     |                         |
| Pay fixed/receive fixed                                | \$ 147   | \$ 214   | \$ 319   | \$ 275   | \$ 264   | \$ 3,515   | \$ 4,734  | \$ 246                  |
| Average pay rate                                       | 1.6 %    | 2.7 %    | 2.8 %    | 3.1 %    | 4.4 %    | 3.0 %      | 3.0 %     |                         |
| Average receive rate                                   | 3.1 %    | 4.4 %    | 4.4 %    | 4.3 %    | 5.0 %    | 4.3 %      | 4.3 %     |                         |
| Bond forwards:                                         |          |          |          |          |          |            |           |                         |
| 3-year on-the-run Treasury                             | \$ 66    | \$ —     | \$ —     | \$ —     | \$ —     | \$ —       | \$ 66     | \$ —                    |
| Average strike rate                                    | 3.5 %    | 0.0%     | 0.0%     | 0.0%     | 0.0%     | 0.0%       | 3.5 %     |                         |
| Forward CMT curve <sup>(3)</sup>                       | 3.7 %    | 0.0%     | 0.0%     | 0.0%     | 0.0%     | 0.0%       | 3.7 %     |                         |
| 5-year on-the-run Treasury                             | \$ 170   | \$ —     | \$ —     | \$ —     | \$ —     | \$ —       | \$ 170    | \$ —                    |
| Average strike rate                                    | 3.7 %    | 0.0%     | 0.0%     | 0.0%     | 0.0%     | 0.0%       | 3.7 %     |                         |
| Forward CMT curve <sup>(3)</sup>                       | 3.9 %    | 0.0%     | 0.0%     | 0.0%     | 0.0%     | 0.0%       | 3.9 %     |                         |
| 7-year on-the-run Treasury                             | \$ 106   | \$ —     | \$ —     | \$ —     | \$ —     | \$ —       | \$ 106    | \$ —                    |
| Average strike rate                                    | 3.6 %    | 0.0%     | 0.0%     | 0.0%     | 0.0%     | 0.0%       | 3.6 %     |                         |
| Forward CMT curve <sup>(3)</sup>                       | 4.1 %    | 0.0%     | 0.0%     | 0.0%     | 0.0%     | 0.0%       | 4.1 %     |                         |
| 30-year on-the-run Treasury                            | \$ 105   | \$ 25    | \$ 175   | \$ 175   | \$ 5     | \$ —       | \$ 485    | \$ (5)                  |
| Average strike rate                                    | 4.7 %    | 4.7 %    | 5.1 %    | 5.1 %    | 5.4 %    | 0.0%       | 5.0 %     |                         |
| Forward CMT curve <sup>(3)</sup>                       | 4.9 %    | 5.0 %    | 5.1 %    | 5.2 %    | 5.3%     | 0.0%       | 5.1 %     |                         |
| Total return swaps:                                    |          |          |          |          |          |            |           |                         |
| Pay variable/receive fixed                             | \$ 2,515 | \$ 1,566 | \$ 381   | \$ —     | \$ —     | \$ —       | \$ 4,462  | \$ (106)                |
| Pay fixed/receive variable                             | 2,666    | —        | —        | —        | —        | —          | 2,666     | 6                       |
| Interest rate futures:                                 |          |          |          |          |          |            |           |                         |
| 2-year Treasury notes                                  | \$ 1,507 | \$ —     | \$ —     | \$ —     | \$ —     | \$ —       | \$ 1,507  | \$ —                    |
| 5-year Treasury notes                                  | 291      | —        | —        | —        | —        | —          | 291       | —                       |
| 10-year Treasury notes                                 | 787      | —        | —        | —        | —        | —          | 787       | —                       |
| Treasury bonds                                         | 2,137    | —        | —        | —        | —        | —          | 2,137     | —                       |

- (1) The information shown is for our fixed maturity securities and mortgage loans on real estate that support these insurance contracts.
- (2) Includes notional of \$53 million and fair value of \$4 million that support our modified coinsurance and funds withheld reinsurance agreements. Investment results for these agreements are passed directly to the reinsurers.
- (3) The Constant Maturity Treasury (“CMT”) curve is the applicable 3-year, 5-year, 7-year or 30-year CMT forward curve.

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, 2024:

|                                                    | Principal /<br>Notional<br>Amount | Estimated<br>Fair Value |
|----------------------------------------------------|-----------------------------------|-------------------------|
| Fixed maturity AFS securities                      | \$ 97,415                         | \$ 87,111               |
| Trading securities                                 | 2,168                             | 2,025                   |
| Mortgage loans on real estate                      | 21,189                            | 19,647                  |
| Investment-type insurance contracts <sup>(1)</sup> | 41,096                            | 38,404                  |
| Debt                                               | 6,081                             | 5,603                   |
| Interest rate swaps                                | 70,442                            | (1,737)                 |
| Foreign currency swaps                             | 4,876                             | 530                     |
| Bond forwards                                      | 180                               | (13)                    |
| Total return swaps                                 | 5,207                             | (99)                    |
| Interest rate futures                              | 1,914                             | —                       |

- (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, 2025, relative to interest rates remaining flat:

|                               | 1%<br>Increase | 1%<br>Decrease |
|-------------------------------|----------------|----------------|
| Annuities <sup>(1)</sup>      | \$ (21)        | \$ 22          |
| Life Insurance                | 3              | (3)            |
| Group Protection              | 3              | (3)            |
| Retirement Plan Services      | 9              | (8)            |
| Other Operations              | (13)           | 13             |
| Income (loss) from operations | <u>\$ (19)</u> | <u>\$ 21</u>   |

- (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 a wide range of maturities. 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. See “Part I – Item 1A. Risk Factors – Market Conditions – Increases in interest rates and sustained higher interest rates may negatively affect our profitability, capital position and the value of our investment portfolio and may also result in increased contract withdrawals and surrenders” 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 and equity futures. See Note 5 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, 2025         |                         |                                              |                                              | As of December 31, 2024         |                         |
|-------------------------------------------------|---------------------------------|-------------------------|----------------------------------------------|----------------------------------------------|---------------------------------|-------------------------|
|                                                 | Carrying /<br>Notional<br>Value | Estimated<br>Fair Value | 10% Fair<br>Value<br>Increase <sup>(1)</sup> | 10% Fair<br>Value<br>Decrease <sup>(1)</sup> | Carrying /<br>Notional<br>Value | Estimated<br>Fair Value |
| <b>Equity Assets</b>                            |                                 |                         |                                              |                                              |                                 |                         |
| Domestic equities                               | \$ 632                          | \$ 632                  | \$ 63                                        | \$ (63)                                      | \$ 270                          | \$ 270                  |
| Foreign equities                                | 4                               | 4                       | —                                            | —                                            | 24                              | 24                      |
| Total equity securities                         | 636                             | 636                     | 63                                           | (63)                                         | 294                             | 294                     |
| Hedge funds                                     | 234                             | 234                     | 23                                           | (23)                                         | 295                             | 295                     |
| Private equities                                | 5,386                           | 5,386                   | 539                                          | (539)                                        | 5,005                           | 5,005                   |
| Other equity interests                          | 523                             | 523                     | 52                                           | (52)                                         | —                               | —                       |
| Total equity assets                             | <u>\$ 6,779</u>                 | <u>\$ 6,779</u>         | <u>\$ 677</u>                                | <u>\$ (677)</u>                              | <u>\$ 5,594</u>                 | <u>\$ 5,594</u>         |
| <b>Derivatives Hedging Equity</b>               |                                 |                         |                                              |                                              |                                 |                         |
| <b>Market Risk</b>                              |                                 |                         |                                              |                                              |                                 |                         |
| Call options <sup>(2)</sup>                     | \$ 96,609                       | \$ 11,233               | \$ 2,935                                     | \$ (2,966)                                   | \$ 65,868                       | \$ 9,694                |
| Equity futures                                  | 2,591                           | —                       | 47                                           | (47)                                         | 4,328                           | —                       |
| Put options                                     | 116,824                         | (1,278)                 | 382                                          | (338)                                        | 92,492                          | (542)                   |
| Total return swaps                              | 20,402                          | (79)                    | (769)                                        | 769                                          | 26,885                          | 42                      |
| Total derivatives hedging<br>equity market risk | <u>\$ 236,426</u>               | <u>\$ 9,876</u>         | <u>\$ 2,595</u>                              | <u>\$ (2,582)</u>                            | <u>\$ 189,573</u>               | <u>\$ 9,194</u>         |

<sup>(1)</sup> 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.

<sup>(2)</sup> Includes notional and fair value of \$1.4 billion and \$41 million, respectively, as of December 31, 2025, and \$1.9 billion and \$58 million, respectively, as of December 31, 2024, 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, 2025, 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 investment holdings and through our use of derivatives.

### *Investments*

Our portfolio of investments was \$138.9 billion and \$129.9 billion as of December 31, 2025 and 2024, respectively. Of this total, \$70.2 billion and \$67.9 billion consisted of corporate bonds and \$22.5 billion and \$21.1 billion consisted of mortgage loans on real estate as of December 31, 2025 and 2024, respectively. We manage the risk of adverse default experience through a framework that includes multiple controls. This includes leveraging our asset managers' expertise in underwriting and security selection to assess creditworthiness and identify investments that appropriately compensate for risk. Additionally, we have an investment limit framework that promotes diversification and reduces concentration across issuers, industries, geographies and property types. Finally, we conduct regular stress testing to evaluate a range of scenarios that enable understanding of the portfolio's risk profile. Despite these risk management practices, 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/or 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, 2025 and 2024, our unhedged positions consisted of \$6 million and less than \$1 million, respectively, of principal in U.S. dollar equivalents of foreign-denominated investments with maturity dates up to 2048 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 \$108 million and \$136 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 4% and 5%, respectively. As of December 31, 2025 and 2024, our modified coinsurance foreign currency forwards consisted of \$(1) million and \$10 million, respectively, of U.S. dollar market value with maturity dates up to 2031 as of each such date. 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****Table of Contents**

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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, 2025, 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, 2025, 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, 2025, 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, 2025, 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, 2025 and 2024, 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, 2025, and the related notes and financial statement schedules listed in the Index at Item 15(a) and our report dated February 19, 2026 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 19, 2026

## **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, 2025 and 2024, 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, 2025, 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, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, 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, 2025, 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 19, 2026 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, 2025, future contract benefits liabilities totaled \$42.1 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 \$4.8 billion and \$1.1 billion, as of December 31, 2025, 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 behavior 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 behavior 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 19, 2026

**LINCOLN NATIONAL CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**

(in millions, except share data)

|                                                                                                                                                                            | <b>As of December 31,</b> |                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------|
|                                                                                                                                                                            | <b>2025</b>               | <b>2024</b>       |
| <b>ASSETS</b>                                                                                                                                                              |                           |                   |
| Investments:                                                                                                                                                               |                           |                   |
| Fixed maturity available-for-sale securities, at fair value<br>(amortized cost: 2025 - \$101,462; 2024 - \$97,415; allowance for credit losses: 2025 - \$110; 2024 - \$46) | \$ 93,448                 | \$ 87,111         |
| Trading securities                                                                                                                                                         | 1,676                     | 2,025             |
| Equity securities                                                                                                                                                          | 636                       | 294               |
| Mortgage loans on real estate, net of allowance for credit losses<br>(portion at fair value: 2025 - \$199; 2024 - \$232)                                                   | 22,472                    | 21,083            |
| Policy loans                                                                                                                                                               | 2,626                     | 2,476             |
| Derivative investments                                                                                                                                                     | 9,945                     | 9,677             |
| Other investments                                                                                                                                                          | 8,105                     | 7,252             |
| Total investments                                                                                                                                                          | 138,908                   | 129,918           |
| Cash and invested cash                                                                                                                                                     | 9,502                     | 5,801             |
| Deferred acquisition costs, value of business acquired and deferred sales inducements                                                                                      | 12,827                    | 12,537            |
| Reinsurance recoverables, net of allowance for credit losses                                                                                                               | 28,012                    | 28,750            |
| Deposit assets, net of allowance for credit losses                                                                                                                         | 33,690                    | 30,776            |
| Market risk benefit assets                                                                                                                                                 | 4,753                     | 4,860             |
| Accrued investment income                                                                                                                                                  | 1,122                     | 1,108             |
| Goodwill                                                                                                                                                                   | 1,144                     | 1,144             |
| Other assets                                                                                                                                                               | 7,154                     | 7,499             |
| Separate account assets                                                                                                                                                    | 180,092                   | 168,438           |
| Total assets                                                                                                                                                               | <u>\$ 417,204</u>         | <u>\$ 390,831</u> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                                                                                |                           |                   |
| <b>Liabilities</b>                                                                                                                                                         |                           |                   |
| Policyholder account balances                                                                                                                                              | \$ 136,245                | \$ 126,197        |
| Future contract benefits                                                                                                                                                   | 42,077                    | 39,807            |
| Funds withheld reinsurance liabilities                                                                                                                                     | 17,922                    | 16,907            |
| Market risk benefit liabilities                                                                                                                                            | 1,118                     | 1,046             |
| Deferred front-end loads                                                                                                                                                   | 7,586                     | 6,730             |
| Payables for collateral on investments                                                                                                                                     | 7,954                     | 10,020            |
| Short-term debt                                                                                                                                                            | 400                       | 300               |
| Long-term debt                                                                                                                                                             | 5,866                     | 5,856             |
| Other liabilities                                                                                                                                                          | 7,038                     | 7,261             |
| Separate account liabilities                                                                                                                                               | 180,092                   | 168,438           |
| Total liabilities                                                                                                                                                          | <u>406,298</u>            | <u>382,562</u>    |
| <b>Contingencies and Commitments (See Note 17)</b>                                                                                                                         |                           |                   |
| <b>Stockholders' Equity</b>                                                                                                                                                |                           |                   |
| Preferred stock – 10,000,000 shares authorized:                                                                                                                            |                           |                   |
| Series C preferred stock – 20,000 shares authorized, issued and outstanding<br>as of December 31, 2025 and 2024                                                            | 493                       | 493               |
| Series D preferred stock – 20,000 shares authorized, issued and outstanding<br>as of December 31, 2025 and 2024                                                            | 493                       | 493               |
| Common stock – 800,000,000 shares authorized; 190,051,477 and 170,380,646 shares<br>issued and outstanding as of December 31, 2025 and 2024, respectively                  | 5,592                     | 4,674             |
| Retained earnings                                                                                                                                                          | 8,386                     | 7,645             |
| Accumulated other comprehensive income (loss)                                                                                                                              | (4,058)                   | (5,036)           |
| Total stockholders' equity                                                                                                                                                 | <u>10,906</u>             | <u>8,269</u>      |
| Total liabilities and stockholders' equity                                                                                                                                 | <u>\$ 417,204</u>         | <u>\$ 390,831</u> |

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

|                                                                | For the Years Ended December 31, |          |           |
|----------------------------------------------------------------|----------------------------------|----------|-----------|
|                                                                | 2025                             | 2024     | 2023      |
| <b>Revenues</b>                                                |                                  |          |           |
| Insurance premiums                                             | \$ 6,666                         | \$ 6,425 | \$ 3,672  |
| Fee income                                                     | 5,496                            | 5,402    | 5,467     |
| Net investment income                                          | 6,075                            | 5,544    | 5,900     |
| Realized gain (loss)                                           | (799)                            | 269      | (4,311)   |
| Other revenues                                                 | 774                              | 802      | 917       |
| Total revenues                                                 | 18,212                           | 18,442   | 11,645    |
| <b>Expenses</b>                                                |                                  |          |           |
| Benefits                                                       | 7,960                            | 7,918    | 6,138     |
| Policyholder liability remeasurement (gain) loss               | (191)                            | (190)    | (152)     |
| Interest credited                                              | 3,743                            | 3,443    | 3,248     |
| Market risk benefit (gain) loss                                | (372)                            | (2,677)  | (2,264)   |
| Commissions and other expenses                                 | 5,507                            | 5,590    | 5,492     |
| Interest and debt expense                                      | 227                              | 336      | 331       |
| Total expenses                                                 | 16,874                           | 14,420   | 12,793    |
| Income (loss) before taxes                                     | 1,338                            | 4,022    | (1,148)   |
| Federal income tax expense (benefit)                           | 161                              | 747      | (396)     |
| Net income (loss)                                              | 1,177                            | 3,275    | (752)     |
| Other comprehensive income (loss), net of tax:                 |                                  |          |           |
| Unrealized investment gain (loss)                              | 1,638                            | (788)    | 3,715     |
| Market risk benefit non-performance risk gain (loss)           | (408)                            | (924)    | (671)     |
| Policyholder liability discount rate remeasurement gain (loss) | (264)                            | 157      | (160)     |
| Foreign currency translation adjustment                        | 11                               | (3)      | 8         |
| Funded status of employee benefit plans                        | 1                                | (2)      | (16)      |
| Total other comprehensive income (loss), net of tax            | 978                              | (1,560)  | 2,876     |
| Comprehensive income (loss)                                    | \$ 2,155                         | \$ 1,715 | \$ 2,124  |
| <b>Net Income (Loss) Available to Common Stockholders</b>      |                                  |          |           |
| Net income (loss)                                              | \$ 1,177                         | \$ 3,275 | \$ (752)  |
| Preferred stock dividends declared                             | (91)                             | (91)     | (82)      |
| Net income (loss) available to common stockholders             | \$ 1,086                         | \$ 3,184 | \$ (834)  |
| <b>Net Income (Loss) Per Common Share</b>                      |                                  |          |           |
| Basic                                                          | \$ 5.94                          | \$ 18.66 | \$ (4.92) |
| Diluted                                                        | 5.83                             | 18.41    | (4.92)    |
| <b>Cash Dividends Declared Per Common Share</b>                | \$ 1.80                          | \$ 1.80  | \$ 1.80   |



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

|                                                      | For the Years Ended December 31, |                 |                 |
|------------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                      | 2025                             | 2024            | 2023            |
| <b>Preferred Stock</b>                               |                                  |                 |                 |
| Balance as of beginning-of-year                      | \$ 986                           | \$ 986          | \$ 986          |
| Balance as of end-of-year                            | 986                              | 986             | 986             |
| <b>Common Stock</b>                                  |                                  |                 |                 |
| Balance as of beginning-of-year                      | 4,674                            | 4,605           | 4,544           |
| Issuance of common stock                             | 825                              | —               | —               |
| Stock compensation/issued for benefit plans          | 93                               | 69              | 61              |
| Balance as of end-of-year                            | 5,592                            | 4,674           | 4,605           |
| <b>Retained Earnings</b>                             |                                  |                 |                 |
| Balance as of beginning-of-year                      | 7,645                            | 4,778           | 5,924           |
| Net income (loss)                                    | 1,177                            | 3,275           | (752)           |
| Preferred stock dividends declared                   | (91)                             | (91)            | (82)            |
| Common stock dividends declared                      | (345)                            | (317)           | (312)           |
| Balance as of end-of-year                            | 8,386                            | 7,645           | 4,778           |
| <b>Accumulated Other Comprehensive Income (Loss)</b> |                                  |                 |                 |
| Balance as of beginning-of-year                      | (5,036)                          | (3,476)         | (6,352)         |
| Other comprehensive income (loss), net of tax        | 978                              | (1,560)         | 2,876           |
| Balance as of end-of-year                            | (4,058)                          | (5,036)         | (3,476)         |
| Total stockholders' equity as of end-of-year         | <u>\$ 10,906</u>                 | <u>\$ 8,269</u> | <u>\$ 6,893</u> |

See accompanying Notes to Consolidated Financial Statements

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

|                                                                                                                 | For the Years Ended December 31, |          |          |
|-----------------------------------------------------------------------------------------------------------------|----------------------------------|----------|----------|
|                                                                                                                 | 2025                             | 2024     | 2023     |
| <b>Cash Flows from Operating Activities</b>                                                                     |                                  |          |          |
| Net income (loss)                                                                                               | \$ 1,177                         | \$ 3,275 | \$ (752) |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:              |                                  |          |          |
| Realized (gain) loss                                                                                            | 799                              | (269)    | 4,311    |
| Market risk benefit (gain) loss                                                                                 | (372)                            | (2,677)  | (2,264)  |
| Sales and maturities (purchases) of trading securities, net                                                     | 367                              | 343      | 1,301    |
| Net operating cash payments related to closing Fortitude Re reinsurance transaction                             | —                                | —        | (1,438)  |
| Early extinguishment of debt (gain) loss                                                                        | (94)                             | —        | —        |
| Change in:                                                                                                      |                                  |          |          |
| Deferred acquisition costs, value of business acquired, deferred sales inducements and deferred front-end loads | 574                              | 689      | 637      |
| Accrued investment income                                                                                       | (28)                             | (39)     | 4        |
| Insurance liabilities and reinsurance-related balances                                                          | (2,688)                          | (4,068)  | (3,963)  |
| Accrued expenses                                                                                                | 113                              | 251      | 109      |
| Federal income tax accruals                                                                                     | 77                               | 747      | (396)    |
| Other                                                                                                           | (92)                             | (259)    | 377      |
| Net cash provided by (used in) operating activities                                                             | (167)                            | (2,007)  | (2,074)  |
| <b>Cash Flows from Investing Activities</b>                                                                     |                                  |          |          |
| Purchases of available-for-sale securities and equity securities                                                | (19,229)                         | (11,442) | (11,131) |
| Sales of available-for-sale securities and equity securities                                                    | 4,317                            | 1,965    | 4,013    |
| Maturities of available-for-sale securities                                                                     | 11,056                           | 9,442    | 5,670    |
| Purchases of other investments                                                                                  | (2,109)                          | (1,390)  | (630)    |
| Sales and repayments of other investments                                                                       | 1,191                            | 352      | 111      |
| Issuance of mortgage loans on real estate                                                                       | (4,255)                          | (4,146)  | (1,946)  |
| Repayment and maturities of mortgage loans on real estate                                                       | 2,871                            | 1,673    | 1,268    |
| Repayment (issuance) of policy loans, net                                                                       | (147)                            | —        | (119)    |
| Net change in collateral on investments, certain derivatives and related settlements                            | 2,176                            | 4,052    | (260)    |
| Cash received from disposition, net of cash transferred                                                         | —                                | 619      | —        |
| Other                                                                                                           | 116                              | (304)    | (310)    |
| Net cash provided by (used in) investing activities                                                             | (4,013)                          | 821      | (3,334)  |
| <b>Cash Flows from Financing Activities</b>                                                                     |                                  |          |          |
| Payment of long-term debt, including current maturities                                                         | (300)                            | (100)    | (500)    |
| Issuance of long-term debt, net of issuance costs                                                               | 495                              | 346      | —        |
| Payment related to early extinguishment of debt                                                                 | (421)                            | —        | —        |
| Payment related to sale-leaseback transactions                                                                  | (7)                              | (17)     | (79)     |
| Proceeds from certain financing arrangements                                                                    | 33                               | 53       | 86       |
| Payment related to certain financing arrangements                                                               | (148)                            | (137)    | (49)     |
| Net financing cash proceeds related to closing Fortitude Re reinsurance transaction                             | —                                | —        | 1,246    |
| Policyholder account balances:                                                                                  |                                  |          |          |
| Deposits                                                                                                        | 21,109                           | 16,060   | 16,404   |
| Withdrawals                                                                                                     | (12,499)                         | (12,153) | (10,660) |
| Transfers from (to) separate accounts, net                                                                      | (794)                            | (27)     | (624)    |
| Issuance of common stock                                                                                        | 825                              | —        | —        |
| Common stock issued for benefit plans                                                                           | 4                                | (5)      | (7)      |
| Dividends paid to preferred stockholders                                                                        | (91)                             | (91)     | (82)     |
| Dividends paid to common stockholders                                                                           | (325)                            | (307)    | (305)    |
| Net cash provided by (used in) financing activities                                                             | 7,881                            | 3,622    | 5,430    |
| Net increase (decrease) in cash and invested cash                                                               | 3,701                            | 2,436    | 22       |
| Cash and invested cash as of beginning-of-year                                                                  | 5,801                            | 3,365    | 3,343    |
| Cash and invested cash as of end-of-year                                                                        | \$ 9,502                         | \$ 5,801 | \$ 3,365 |

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

Effective in the third quarter of 2025, we reclassified the investments in company-owned life insurance (“COLI”) from other assets to other investments on the Consolidated Balance Sheets and the associated income statement activity from other revenues to net investment income on the Statements of Consolidated Comprehensive Income (Loss), which had no impact to total assets, total stockholders’ equity, total net income (loss) or net cash provided by (used in) investing activities in any such prior year period presented in this report.

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, 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 Financial Accounting Standards Board *Accounting Standards Codification*<sup>TM</sup>, 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, mutual fund shares and closed-end funds. 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. The fair value of unconsolidated sponsored closed-end funds is determined using the net asset value ("NAV") of the fund. The NAV of the fund represents the price at which we would be able to initiate a transaction

### *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.

We review each loan individually in our commercial mortgage loan portfolio on an annual basis to identify emerging risks. We primarily focus on properties that experienced a reduction in debt-service coverage or occupancy, as well as properties that have significant tenant rollover risk. We also focus on other qualitative trends, including historical loan performance, investment in the property and borrower behavior. 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, COLI, asset-backed consolidated VIEs, cash collateral receivables related to our derivative instruments, Federal Home Loan Bank ("FHLB") common stock and short-term investments. For more information on asset-backed consolidated VIEs, see Note 4.

Alternative investments consist primarily of investments in LPs. We account for our investments in LPs using the equity method to determine the carrying value. Investment income on alternative investments is reported within net investment income on the Consolidated Statements of Comprehensive Income (Loss). 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 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.

We invest in COLI on the lives of certain officers and key employees who have consented to the Company being the beneficiary of such contracts. COLI is carried at the cash surrender value of the policies. Changes in the cash surrender value are reported within net investment income on the Consolidated Statements of Comprehensive Income (Loss). As of December 31, 2025 and 2024, we had \$1.2 billion and \$664 million of COLI reported within other investments on our Consolidated Balance Sheets.

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 and to issue funding agreements. For more information on our collateralized financing arrangements, see "Payables for Collateral on Investments" below. For more information on our funding agreements, see "Policyholder Account Balances" 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:

| <b>Business Segment</b>  | <b>Amortization Basis</b>                        | <b>Expected Amortization Period</b> |
|--------------------------|--------------------------------------------------|-------------------------------------|
| 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 test goodwill for impairment by performing a qualitative assessment. The qualitative assessment considers current events including the economic and regulatory environment, financial performance and industry conditions to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying value. If it is determined based on our qualitative analysis that it is more likely than not that the fair value is less than the carrying value, we perform a quantitative assessment 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, current and deferred taxes, certain reinsurance assets, property and equipment, 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 pension and other employee benefit liabilities, certain reinsurance payables, other policyholder liabilities, certain financing arrangements, payables resulting from purchases of securities that had not yet settled as of the balance sheet date, ceded MRB assets, deferred gain on business sold through reinsurance, operating lease liabilities, derivative instrument liabilities 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 and is reported within realized gain (loss) on our Consolidated Statements of Comprehensive Income (Loss).

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.

Obligations arising from funding agreements are also reported within policyholder account balances reported on the Consolidated Balance Sheets at amortized cost with the associated interest reported within interest credited on the Consolidated Statements of Comprehensive Income (Loss). The Company issues funding agreements through its funding-agreement-backed notes (“FABN”) program, under secured funding agreement-backed repurchase agreements (“FABRs”) and to the FHLB.

#### *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 disability and life waiver 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, morbidity, 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, 2025, 2024 and 2023, participating policies comprised less than 1% of the face amount of business in force, and dividend expenses were \$27 million, \$40 million and \$41 million for the years ended December 31, 2025, 2024 and 2023, 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 and fees earned by our Retirement Plan Services segment on services provided to our mutual fund programs 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. Certain services related to our Retirement

Plan Services segment, including recordkeeping, administrative and other services, are recorded as revenues based on a contractual percentage of customer account balances over the period services are provided. These revenues, reported primarily within our Annuities segment, were \$790 million, \$774 million and \$715 million for the years ended December 31, 2025, 2024 and 2023, 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 the net settlement related to certain reinsurance-related activity, as net investment income and interest credited are presented gross of reinsurance activity on the Consolidated Statements of Comprehensive Income (Loss), and fees earned from administrative services performed by our Group Protection segment. Administrative services fees are recognized as performance obligations are met over the terms of the underlying agreements, and were \$236 million, \$224 million and \$210 million for the years ended December 31, 2025, 2024 and 2023, respectively.

Prior to the sale of our wealth management business in 2024, other revenues also included 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. The broker-dealer services consisted 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 and \$564 million for the years ended December 31, 2024 and 2023, respectively. See "Sale of Wealth Management Business" above for additional information.

#### *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*

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. Compensation cost is measured at grant-date fair value and recognized as expense over the required service period, which generally corresponds to the vesting period. We estimate forfeitures and adjust compensation expense accordingly. The fair value of stock options is determined using a Black-Scholes options valuation model, and the fair value of other stock awards is based upon the market value of the stock. The relative total shareholder return (“rTSR”) component of performance shares is valued using a Monte Carlo simulation. We issue new shares to satisfy option exercises and vested performance shares and RSUs. Cash received from stock option exercises and cash remitted for employee tax withholding on share-settled awards are reflected in financing activities in the Consolidated Statements of Cash Flows. 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 (accrued) 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

shares 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 Accounting Standards

The following table provides a description of current period adoptions of Accounting Standards Updates (“ASUs”).

| 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 (Annual Filings) | We adopted this ASU effective January 1, 2025. The adoption did not have a material impact on the consolidated financial statements, including disclosures within the Federal Income Taxes Note. |

### Future Adoption of Accounting Standards

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

| Standard                                                                                                                                                | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Effective Date  | Effect on Financial Statements or Other Significant Matters                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------------|
| ASU 2024-03, Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40)                                   | This ASU requires disclosure of specified information about certain costs and expenses, including employee compensation, depreciation and intangible asset amortization.                                                                                                                                                                                                                                                                                                               | January 1, 2027 | We are evaluating the impact of this ASU to the consolidated financial statements. |
| ASU 2025-06, Intangibles - Goodwill and Other – Internal-Use Software (Topic 350-40): Targeted Improvements to the Accounting for Internal-Use Software | This ASU removes all references to prescriptive and sequential software development stages (referred to as “project stages”) and requires capitalization of software costs when both of the following occur: (i) management has authorized and committed to funding the software project; and (ii) it is probable that the project will be completed and the software will be used to perform the function intended (referred to as the “probable-to-complete recognition threshold”). | January 1, 2028 | We are evaluating the impact of this ASU to the consolidated financial statements. |

### 3. Investments

#### Fixed Maturity AFS Securities

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

|                                            | As of December 31, 2025 |                  |                 |                                |                  |
|--------------------------------------------|-------------------------|------------------|-----------------|--------------------------------|------------------|
|                                            | Amortized<br>Cost       | Gross Unrealized |                 | Allowance for<br>Credit Losses | Fair Value       |
|                                            |                         | Gains            | Losses          |                                |                  |
| Fixed maturity AFS securities:             |                         |                  |                 |                                |                  |
| Corporate bonds                            | \$ 76,318               | \$ 834           | \$ 8,054        | \$ 53                          | \$ 69,045        |
| U.S. government bonds                      | 892                     | 9                | 32              | –                              | 869              |
| State and municipal bonds                  | 2,514                   | 18               | 385             | –                              | 2,147            |
| Foreign government bonds                   | 261                     | 16               | 51              | –                              | 226              |
| RMBS                                       | 2,237                   | 45               | 154             | 6                              | 2,122            |
| CMBS                                       | 2,586                   | 15               | 99              | –                              | 2,502            |
| ABS                                        | 16,412                  | 137              | 217             | 50                             | 16,282           |
| Hybrid and redeemable preferred securities | 242                     | 21               | 7               | 1                              | 255              |
| Total fixed maturity AFS securities        | <u>\$ 101,462</u>       | <u>\$ 1,095</u>  | <u>\$ 8,999</u> | <u>\$ 110</u>                  | <u>\$ 93,448</u> |

|                                            | As of December 31, 2024 |                  |                  |                                |                  |
|--------------------------------------------|-------------------------|------------------|------------------|--------------------------------|------------------|
|                                            | Amortized<br>Cost       | Gross Unrealized |                  | Allowance for<br>Credit Losses | Fair Value       |
|                                            |                         | Gains            | Losses           |                                |                  |
| 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        | <u>\$ 97,415</u>        | <u>\$ 747</u>    | <u>\$ 11,005</u> | <u>\$ 46</u>                   | <u>\$ 87,111</u> |

The amortized cost and fair value of fixed maturity AFS securities by contractual maturities (in millions) as of December 31, 2025, were as follows:

|                                         | Amortized<br>Cost | Fair Value       |
|-----------------------------------------|-------------------|------------------|
| Due in one year or less                 | \$ 4,407          | \$ 4,366         |
| Due after one year through five years   | 20,460            | 20,231           |
| Due after five years through ten years  | 12,802            | 12,417           |
| Due after ten years                     | 42,558            | 35,528           |
| Subtotal                                | <u>80,227</u>     | <u>72,542</u>    |
| Structured securities (RMBS, CMBS, ABS) | <u>21,235</u>     | <u>20,906</u>    |
| Total fixed maturity AFS securities     | <u>\$ 101,462</u> | <u>\$ 93,448</u> |

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



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

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

Total number of fixed maturity AFS securities in an unrealized loss position 6,089

| 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 <sup>(1)</sup> |
| 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        | <u>\$ 30,166</u>                    | <u>\$ 4,537</u>         | <u>\$ 36,345</u>           | <u>\$ 6,468</u>         | <u>\$ 66,511</u> | <u>\$ 11,005</u>                       |

Total number of fixed maturity AFS securities in an unrealized loss position 6,985

<sup>(1)</sup> As of December 31, 2025 and 2024, we recognized \$12 million and \$23 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, 2025                             |                 |                         |                                     |
|-----------------------------------------------------|-----------------|-------------------------|-------------------------------------|
|                                                     | Fair Value      | Gross Unrealized Losses | Number of Securities <sup>(1)</sup> |
| Less than six months                                | \$ 2,355        | \$ 839                  | 445                                 |
| Six months or greater, but less than nine months    | 351             | 163                     | 65                                  |
| Nine months or greater, but less than twelve months | 302             | 119                     | 99                                  |
| Twelve months or greater                            | 5,214           | 2,195                   | 902                                 |
| Total                                               | <u>\$ 8,222</u> | <u>\$ 3,316</u>         | <u>1,511</u>                        |

  

| As of December 31, 2024                             |                  |                         |                                     |
|-----------------------------------------------------|------------------|-------------------------|-------------------------------------|
|                                                     | Fair Value       | Gross Unrealized Losses | Number of Securities <sup>(1)</sup> |
| 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                                               | <u>\$ 10,287</u> | <u>\$ 4,065</u>         | <u>1,793</u>                        |

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

Our gross unrealized losses on fixed maturity AFS securities decreased by \$2.0 billion for the year ended December 31, 2025. As discussed further below, we do not believe the unrealized loss position as of December 31, 2025, 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, 2025, 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, 2025, 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, 2025 and 2024, 96% of the fair value of our corporate bond portfolio was rated investment grade. As of December 31, 2025 and 2024, the portion of our corporate bond portfolio rated below investment grade had an amortized cost of \$3.1 billion and \$2.9 billion, respectively, and a fair value of \$2.9 billion and \$2.8 billion, respectively. Based upon the analysis discussed above, we believe that as of December 31, 2025 and 2024, we would have recovered the amortized cost of each corporate bond.

As of December 31, 2025, 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, 2025, 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:

| As of or For the Year Ended December 31, 2025                                            |                    |             |              |             |               |
|------------------------------------------------------------------------------------------|--------------------|-------------|--------------|-------------|---------------|
|                                                                                          | Corporate<br>Bonds | RMBS        | ABS          | Hybrids     | Total         |
| Balance as of beginning-of-year                                                          | \$ 14              | \$ 7        | \$ 24        | \$ 1        | \$ 46         |
| Additions from purchases of PCD debt securities <sup>(1)</sup>                           | —                  | —           | —            | —           | —             |
| Additions for securities for which credit losses were not previously recognized          | 45                 | —           | 20           | —           | 65            |
| Additions (reductions) for securities for which credit losses were previously recognized | 26                 | (1)         | 7            | —           | 32            |
| Reductions for disposed securities                                                       | (7)                | —           | (1)          | —           | (8)           |
| Reductions for securities charged off                                                    | (25)               | —           | —            | —           | (25)          |
| Balance as of end-of-year <sup>(2)</sup>                                                 | <u>\$ 53</u>       | <u>\$ 6</u> | <u>\$ 50</u> | <u>\$ 1</u> | <u>\$ 110</u> |

| As of or For the Year Ended December 31, 2024                                            |                    |             |              |             |              |
|------------------------------------------------------------------------------------------|--------------------|-------------|--------------|-------------|--------------|
|                                                                                          | Corporate<br>Bonds | RMBS        | ABS          | Hybrids     | Total        |
| Balance as of beginning-of-year                                                          | \$ 8               | \$ 6        | \$ 4         | \$ 1        | \$ 19        |
| Additions from purchases of PCD debt securities <sup>(1)</sup>                           | —                  | —           | —            | —           | —            |
| 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 disposed securities                                                       | —                  | —           | —            | —           | —            |
| Reductions for securities charged off                                                    | (15)               | —           | —            | —           | (15)         |
| Balance as of end-of-year <sup>(2)</sup>                                                 | <u>\$ 14</u>       | <u>\$ 7</u> | <u>\$ 24</u> | <u>\$ 1</u> | <u>\$ 46</u> |

| As of or For the Year Ended December 31, 2023                                            |                    |             |             |             |              |
|------------------------------------------------------------------------------------------|--------------------|-------------|-------------|-------------|--------------|
|                                                                                          | Corporate<br>Bonds | RMBS        | ABS         | Hybrids     | Total        |
| Balance as of beginning-of-year                                                          | \$ 9               | \$ 7        | \$ 5        | \$ 1        | \$ 22        |
| Additions from purchases of PCD debt securities <sup>(1)</sup>                           | —                  | —           | —           | —           | —            |
| 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 disposed securities                                                       | (2)                | —           | —           | —           | (2)          |
| Reductions for securities charged off                                                    | (22)               | —           | —           | —           | (22)         |
| Balance as of end-of-year <sup>(2)</sup>                                                 | <u>\$ 8</u>        | <u>\$ 6</u> | <u>\$ 4</u> | <u>\$ 1</u> | <u>\$ 19</u> |

- <sup>(1)</sup> Represents purchased credit-deteriorated (“PCD”) fixed maturity AFS securities.
- <sup>(2)</sup> As of December 31, 2025, 2024 and 2023, accrued investment income on fixed maturity AFS securities totaled \$897 million, \$876 million and \$908 million, respectively, and was excluded from the estimate of credit losses.

Losses from debt instrument modifications were \$27 million and \$3 million for the years ended December 31, 2025 and 2024, respectively.

## Trading Securities

Trading securities at fair value (in millions) consisted of the following:

|                                            | As of December 31, |                 |
|--------------------------------------------|--------------------|-----------------|
|                                            | 2025               | 2024            |
| Fixed maturity securities:                 |                    |                 |
| Corporate bonds                            | \$ 1,182           | \$ 1,409        |
| State and municipal bonds                  | 13                 | 13              |
| Foreign government bonds                   | 39                 | 41              |
| RMBS                                       | 56                 | 63              |
| CMBS                                       | 100                | 109             |
| ABS                                        | 273                | 371             |
| Hybrid and redeemable preferred securities | 13                 | 19              |
| Total trading securities                   | <u>\$ 1,676</u>    | <u>\$ 2,025</u> |

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, 2025, 2024 and 2023, was \$41 million, \$(2) million and \$81 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, 2025 |                 |                  | As of December 31, 2024 |                 |                  |
|----------------------------------------------|-------------------------|-----------------|------------------|-------------------------|-----------------|------------------|
|                                              | Commercial              | Residential     | Total            | Commercial              | Residential     | Total            |
| Current                                      | \$ 17,636               | \$ 4,628        | \$ 22,264        | \$ 17,567               | \$ 3,387        | \$ 20,954        |
| 30 to 59 days past due                       | 1                       | 93              | 94               | 6                       | 71              | 77               |
| 60 to 89 days past due                       | 5                       | 34              | 39               | —                       | 33              | 33               |
| 90 or more days past due                     | 35                      | 144             | 179              | 35                      | 90              | 125              |
| Allowance for credit losses                  | (113)                   | (69)            | (182)            | (99)                    | (53)            | (152)            |
| Unamortized premium (discount)               | (4)                     | 115             | 111              | (6)                     | 83              | 77               |
| Mark-to-market gains (losses) <sup>(1)</sup> | (33)                    | —               | (33)             | (31)                    | —               | (31)             |
| Total carrying value                         | <u>\$ 17,527</u>        | <u>\$ 4,945</u> | <u>\$ 22,472</u> | <u>\$ 17,472</u>        | <u>\$ 3,611</u> | <u>\$ 21,083</u> |

- <sup>(1)</sup> 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, 2025, the amortized cost and fair value of such mortgage loans on real estate that were in nonaccrual status was \$30 million and \$20 million, respectively. 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, 2025 and 2024, there were no such mortgage loans on real estate that were more than 90 days past due and still accruing interest. For additional information, see “Fair Value Option” in Note 14.

Our commercial mortgage loan portfolio had the largest concentrations in California, which accounted for 28% and 27% of commercial mortgage loans on real estate as of December 31, 2025 and 2024, respectively, and Texas, which accounted for 10% of commercial mortgage loans on real estate as of December 31, 2025 and 2024.

As of December 31, 2025, our residential mortgage loan portfolio had the largest concentrations in New York and Florida, which accounted for 13% and 12% of residential mortgage loans on real estate, respectively. As of December 31, 2024, our residential mortgage

loans portfolio had the largest concentrations in California and New York, which accounted for 14% of residential mortgage loans on real estate.

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<br>December 31,<br>2025 | As of<br>December 31,<br>2024 |
|-------------------------------------------|-------------------------------|-------------------------------|
| Commercial mortgage loans on real estate  | \$ 5                          | \$ 4                          |
| Residential mortgage loans on real estate | 148                           | 92                            |
| Total                                     | <u>\$ 153</u>                 | <u>\$ 96</u>                  |

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

| As of December 31, 2024 |                         |                                   |                   |                                   |                            |                                   |           |               |
|-------------------------|-------------------------|-----------------------------------|-------------------|-----------------------------------|----------------------------|-----------------------------------|-----------|---------------|
| Origination Year        | LTV<br>Less Than<br>65% | Debt-Service<br>Coverage<br>Ratio | LTV<br>65% to 75% | Debt-Service<br>Coverage<br>Ratio | LTV<br>Greater<br>Than 75% | Debt-Service<br>Coverage<br>Ratio | Total     |               |
| 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                   | <u>\$ 17,192</u>        |                                   | <u>\$ 398</u>     |                                   | <u>\$ 12</u>               |                                   | <u>\$</u> | <u>17,602</u> |

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

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

|                         | As of December 31, 2024 |               |                 |
|-------------------------|-------------------------|---------------|-----------------|
|                         | Performing              | Nonperforming | Total           |
| <b>Origination Year</b> |                         |               |                 |
| 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                   | <u>\$ 3,572</u>         | <u>\$ 92</u>  | <u>\$ 3,664</u> |

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

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

|                                                                              | As of or For the Year Ended December 31, 2025 |              |               |
|------------------------------------------------------------------------------|-----------------------------------------------|--------------|---------------|
|                                                                              | Commercial                                    | Residential  | Total         |
| Balance as of beginning-of-year                                              | \$ 99                                         | \$ 53        | \$ 152        |
| Additions (reductions) from provision for credit loss expense <sup>(1)</sup> | 21                                            | 16           | 37            |
| Additions from purchases of PCD mortgage loans on real estate                | —                                             | —            | —             |
| Reductions for mortgage loans on real estate charged off                     | (7)                                           | —            | (7)           |
| Balance as of end-of-year <sup>(2)</sup>                                     | <u>\$ 113</u>                                 | <u>\$ 69</u> | <u>\$ 182</u> |

|                                                                              | As of or 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 <sup>(1)</sup> | 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 <sup>(2)</sup>                                     | <u>\$ 99</u>                                  | <u>\$ 53</u> | <u>\$ 152</u> |

|                                                                              | As of or 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 <sup>(1)</sup> | 2                                             | 13           | 15            |
| Additions from purchases of PCD mortgage loans on real estate                | —                                             | —            | —             |
| Balance as of end-of-year <sup>(2)</sup>                                     | <u>\$ 86</u>                                  | <u>\$ 28</u> | <u>\$ 114</u> |

<sup>(1)</sup> We recognized less than \$1 million of credit loss benefit (expense) related to unfunded commitments for mortgage loans on real estate for the years ended December 31, 2025 and 2024. We recognized \$(1) million of credit loss benefit (expense) related to unfunded commitments for mortgage loans on real estate for the year ended December 31, 2023.

<sup>(2)</sup> Accrued investment income on mortgage loans on real estate totaled \$109 million, \$94 million and \$68 million as of December 31, 2025, 2024 and 2023, respectively, and was excluded from the estimate of credit losses.

## Alternative Investments

As of December 31, 2025 and 2024, alternative investments included investments in 384 and 371 different partnerships, respectively, and represented approximately 3% of total investments. These amounts do not include alternative investments that support funds withheld and modified coinsurance reinsurance agreements where the investment results are passed directly to the reinsurers.

## 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, |                 |                 |
|------------------------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                                  | 2025                             | 2024            | 2023            |
| Fixed maturity AFS securities                                    | \$ 4,294                         | \$ 4,222        | \$ 4,819        |
| Trading securities                                               | 97                               | 118             | 161             |
| Equity securities                                                | 16                               | 21              | 13              |
| Mortgage loans on real estate                                    | 1,039                            | 887             | 755             |
| Policy loans                                                     | 104                              | 95              | 103             |
| Cash and invested cash                                           | 287                              | 194             | 129             |
| Commercial mortgage loan prepayment and bond make-whole premiums | 23                               | 15              | 10              |
| Other investments                                                | 522                              | 308             | 234             |
| Investment income                                                | 6,382                            | 5,860           | 6,224           |
| Investment expense                                               | (307)                            | (316)           | (324)           |
| Net investment income                                            | <u>\$ 6,075</u>                  | <u>\$ 5,544</u> | <u>\$ 5,900</u> |

## 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, |                |                   |
|--------------------------------------------------|----------------------------------|----------------|-------------------|
|                                                  | 2025                             | 2024           | 2023              |
| <b>Intent to Sell Impairments <sup>(1)</sup></b> |                                  |                |                   |
| 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                 | <u>\$ —</u>                      | <u>\$ —</u>    | <u>\$ (1,091)</u> |
| <b>Credit Loss Benefit (Expense)</b>             |                                  |                |                   |
| Fixed maturity AFS securities:                   |                                  |                |                   |
| Corporate bonds                                  | \$ (64)                          | \$ (21)        | \$ (24)           |
| RMBS                                             | 1                                | (1)            | 1                 |
| ABS                                              | (26)                             | (20)           | 1                 |
| Total credit loss benefit (expense)              | <u>\$ (89)</u>                   | <u>\$ (42)</u> | <u>\$ (22)</u>    |

<sup>(1)</sup> 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, 2025 |                 | As of December 31, 2024 |                  |
|-----------------------------------------------------------------------|-------------------------|-----------------|-------------------------|------------------|
|                                                                       | Carrying Value          | Fair Value      | Carrying Value          | Fair Value       |
| Collateral payable for derivative investments <sup>(1)</sup>          | \$ 7,809                | \$ 7,809        | \$ 7,213                | \$ 7,213         |
| Securities pledged under securities lending agreements <sup>(2)</sup> | 145                     | 139             | 157                     | 151              |
| Investments pledged for FHLB lending program <sup>(3)</sup>           | —                       | —               | 2,650                   | 3,657            |
| Total payables for collateral on investments                          | <u>\$ 7,954</u>         | <u>\$ 7,948</u> | <u>\$ 10,020</u>        | <u>\$ 11,021</u> |

<sup>(1)</sup> We obtain collateral based upon contractual provisions with our counterparties. These agreements take into consideration the counterparties' credit rating as compared to ours, the fair value of the derivative investments and specified thresholds that if exceeded result in the receipt of cash that is typically invested in cash and invested cash or fixed maturity AFS securities. This also includes interest payable on collateral. See Note 5 for additional information.

<sup>(2)</sup> Our pledged securities under securities lending agreements are included in fixed maturity AFS securities on the Consolidated Balance Sheets. We generally obtain collateral in an amount equal to 102% and 105% of the fair value of the domestic and foreign securities, respectively. We value collateral daily and obtain additional collateral when deemed appropriate. The cash received in our securities lending program is typically invested in cash and invested cash or fixed maturity AFS securities.

<sup>(3)</sup> Our pledged investments for Federal Home Loan Bank ("FHLB") related to the lending program 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. Lincoln National Corporation guarantees the obligations of certain reinsurance subsidiaries under certain repurchase agreements. As of December 31, 2025 and 2024, 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, |          |          |
|---------------------------------------------------------------------|----------------------------------|----------|----------|
|                                                                     | 2025                             | 2024     | 2023     |
| Collateral payable for derivative investments                       | \$ 596                           | \$ 1,963 | \$ 1,966 |
| Securities pledged under securities lending agreements              | (12)                             | (48)     | (93)     |
| Investments pledged for FHLB lending program                        | (2,650)                          | –        | (480)    |
| Total increase (decrease) in payables for collateral on investments | \$ (2,066)                       | \$ 1,915 | \$ 1,393 |

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, 2025  |               |            |                      |        |
|--------------------------------|--------------------------|---------------|------------|----------------------|--------|
|                                | Overnight and Continuous | Up to 30 Days | 30-90 Days | Greater Than 90 Days | Total  |
| <b>Securities Lending</b>      |                          |               |            |                      |        |
| Corporate bonds                | \$ 130                   | \$ –          | \$ –       | \$ –                 | \$ 130 |
| Foreign government bonds       | 5                        | –             | –          | –                    | 5      |
| Equity securities              | 10                       | –             | –          | –                    | 10     |
| Total gross secured borrowings | \$ 145                   | \$ –          | \$ –       | \$ –                 | \$ 145 |

|                                | As of December 31, 2024  |               |            |                      |        |
|--------------------------------|--------------------------|---------------|------------|----------------------|--------|
|                                | Overnight and Continuous | Up to 30 Days | 30-90 Days | Greater Than 90 Days | Total  |
| <b>Securities Lending</b>      |                          |               |            |                      |        |
| Corporate bonds                | \$ 144                   | \$ –          | \$ –       | \$ –                 | \$ 144 |
| U.S. government bonds          | 1                        | –             | –          | –                    | 1      |
| Equity securities              | 12                       | –             | –          | –                    | 12     |
| Total gross secured borrowings | \$ 157                   | \$ –          | \$ –       | \$ –                 | \$ 157 |

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, 2025, 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, 2025, the fair value of this collateral received that we are permitted to sell or re-pledge was \$2.3 billion, and we had re-pledged \$31 million of this collateral to cover our collateral requirements.

## Assets Pledged as Collateral

We pledge assets as collateral in connection with derivative, securities lending and repurchase agreements, FABR funding agreements, membership obligations with the FHLB and regulatory deposits. See “Payables for Collateral on Investments” above and “Funding Agreements – FABR Funding Agreements” in Note 11 for additional information. Assets pledged as collateral at carrying value as reported on the Consolidated Balance Sheets were as follows:

|                                    | As of<br>December 31,<br>2025 | As of<br>December 31,<br>2024 |
|------------------------------------|-------------------------------|-------------------------------|
| Fixed maturity AFS securities      | \$ 3,578                      | \$ 1,737                      |
| Trading securities                 | 14                            | 24                            |
| Equity securities                  | 10                            | 12                            |
| Mortgage loans on real estate      | 1,217                         | 3,530                         |
| Other investments                  | 71                            | 68                            |
| Cash and invested cash             | 65                            | 111                           |
| Total assets pledged as collateral | <u>\$ 4,955</u>               | <u>\$ 5,482</u>               |

## Investment Commitments

As of December 31, 2025, our investment commitments were \$4.7 billion, which included \$3.1 billion of LPs, \$890 million of mortgage loans on real estate, \$390 million of asset-backed variable interest entities and \$245 million of private placement securities.

## Concentrations of Financial Instruments

As of December 31, 2025 and 2024, our most significant investments in one issuer were our investments in securities issued by the Federal National Mortgage Association with a fair value of \$951 million and \$851 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 \$595 million and \$566 million, respectively, or less than 1% of total investments. These concentrations include fixed maturity AFS, trading and equity securities.

As of December 31, 2025 and 2024, our most significant investments in one industry were our investments in securities in the financial services industry with a fair value of \$14.2 billion and \$13.4 billion, respectively, or 10% of total investments, and our investments in securities in the consumer non-cyclical industry with a fair value of \$13.2 billion and \$12.9 billion, respectively, or 9% and 10%, respectively, of total investments. These concentrations include fixed maturity AFS, trading and equity securities.

## 4. Variable Interest Entities

### Consolidated VIEs

#### *Reinsurance-Related Notes*

We were the sole equity owner of Lincoln Financial Limited Liability Company I (“LFLLCI”), which was formed in July 2013. The activities of LFLLCI related solely to our captive reinsurance subsidiary, the Lincoln Reinsurance Company of Vermont V (“LRCVV”), and were primarily to acquire, hold and issue notes with LRCVV as well as pay and collect interest on the notes. LFLLCI held 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 had a principal balance that moved concurrently with any variability in the face amount of the surplus note LFLLCI received from LRCVV. We concluded that LFLLCI was a VIE and that LNC was the primary beneficiary as we had the power to direct the most significant activities affecting the performance of LFLLCI. On October 1, 2025, LRCVV merged into the Lincoln Reinsurance Company of Vermont IV (“LRCIV”) as part of restructuring certain captive reinsurance subsidiaries. As a result, the reinsurance-related note structure was terminated effective October 1, 2025, and LFLLCI was dissolved.

#### *Asset-backed VIE*

We are the primary beneficiary of an LP that was formed in September 2025. The activities of this LP are primarily to acquire and hold other LP investments and issue rated notes and a residual tranche to the Company and pass along LP distributions via interest payments. This LP has a carrying value of \$210 million as of December 31, 2025. We concluded that the Company is the primary beneficiary as we purchased all of the notes and have the obligation to absorb all benefits or losses that could potentially be significant to the VIE.

The assets of the VIE can only be used to settle obligations of the VIE and do not represent additional claims against the Company's general assets. The Company's maximum exposure to loss as a result of its involvement with the VIE is limited to its investment in the VIE and any additional support the Company may choose to provide in the future.

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

|                         | As of December 31, 2025 |                      |                | As of December 31, 2024 |                      |                |
|-------------------------|-------------------------|----------------------|----------------|-------------------------|----------------------|----------------|
|                         | Number of Instruments   | Notional/Par Amounts | Carrying Value | Number of Instruments   | Notional/Par Amounts | Carrying Value |
| <b>Assets</b>           |                         |                      |                |                         |                      |                |
| Asset-backed VIE        | 1                       | \$ 210               | \$ 210         | —                       | \$ —                 | \$ —           |
| Total return swap       | —                       | —                    | —              | 1                       | 522                  | —              |
| Total consolidated VIEs | 1                       | \$ 210               | \$ 210         | 1                       | \$ 522               | \$ —           |

There were no gains or losses for consolidated VIEs recognized on the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2025 and 2024.

## Unconsolidated VIEs

### *Reinsurance-Related Notes*

Effective September 30, 2014, a subsidiary of LNC 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. That subsidiary 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 another one of our subsidiaries. The outstanding principal balance of this long-term senior note was \$1.2 billion as of December 31, 2025, 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 \$1.4 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, 2025, 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, a subsidiary of LNC 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. That subsidiary 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 another one of our subsidiaries. The outstanding principal balance of this long-term senior note was \$424 million as of December 31, 2025, 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, a subsidiary of LNC 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. That subsidiary 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 another one of our subsidiaries. The outstanding principal balance of this long-term senior note was \$396 million as of December 31, 2025, 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, Lincoln National Corporation 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. Lincoln National Corporation 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, 2025, 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, other than the asset-backed VIE LP discussed above, we are not the primary beneficiary of the VIEs as we do not have the power to direct the most significant activities of the LPs and LLCs. The carrying amounts of our investments in the LPs and LLCs are recognized in other investments on the Consolidated Balance Sheets and were \$5.8 billion and \$5.3 billion as of December 31, 2025 and 2024, respectively.

#### *Sponsored Investment Funds*

We invest in certain closed-end funds that we have concluded are VIEs as the equity holders lack power through voting rights to direct the activities of the entity that most significantly impact its economic performance. We determined that we are not the primary beneficiary of the VIEs as we do not have the power to influence the decisions that are most impactful to the performance of the VIE, and we do not receive all of the economics of the VIE. Our exposure to loss is limited to the capital we invest in the funds. The carrying amounts of our investments in these funds are recognized in equity securities on the Consolidated Balance Sheets and were \$135 million and \$5 million as of December 31, 2025 and 2024, 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, life insurance and retirement products.

### *Interest Rate Cap Corridors*

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

### *Interest Rate Futures*

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

### *Interest Rate Swap Agreements*

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

We also use interest rate swap agreements designated and qualifying as cash flow hedges to hedge the interest rate risk of floating-rate bond coupon payments on certain variable-rate long-term debt and other variable-rate bonds held by replicating a fixed-rate bond.

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

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

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

## **Foreign Currency Contracts**

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

### *Foreign Currency Swaps*

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

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

### *Foreign Currency Forwards*

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

## **Equity Market Contracts**

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

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

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

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

### *Consumer Price Index Swaps*

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

### *Equity Futures*

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

### *Put Options*

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

### *Total Return Swaps*

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

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

## **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, 2025 |            |           | As of December 31, 2024 |            |           |
|-----------------------------------------------------------------|-------------------------|------------|-----------|-------------------------|------------|-----------|
|                                                                 | Notional<br>Amounts     | Fair Value |           | Notional<br>Amounts     | Fair Value |           |
|                                                                 |                         | Asset      | Liability |                         | Asset      | Liability |
| Qualifying Hedges                                               |                         |            |           |                         |            |           |
| Cash flow hedges:                                               |                         |            |           |                         |            |           |
| Interest rate contracts <sup>(1)</sup>                          | \$ 1,300                | \$ 12      | \$ 7      | \$ 1,230                | \$ 156     | \$ 16     |
| Foreign currency contracts <sup>(1)</sup>                       | 4,922                   | 380        | 125       | 4,738                   | 556        | 44        |
| Total cash flow hedges                                          | 6,222                   | 392        | 132       | 5,968                   | 712        | 60        |
| Fair value hedges:                                              |                         |            |           |                         |            |           |
| Interest rate contracts <sup>(1)</sup>                          | 833                     | 1          | –         | 1,066                   | 10         | 16        |
| Foreign currency contracts <sup>(1)</sup>                       | 25                      | –          | 2         | 25                      | 1          | –         |
| Total fair value hedges                                         | 858                     | 1          | 2         | 1,091                   | 11         | 16        |
| Non-Qualifying Hedges                                           |                         |            |           |                         |            |           |
| Interest rate contracts <sup>(1)</sup>                          | 84,814                  | 64         | 321       | 75,445                  | 63         | 439       |
| Foreign currency contracts <sup>(1)</sup>                       | 289                     | 12         | 4         | 348                     | 30         | 2         |
| Equity market contracts <sup>(1)</sup>                          | 238,623                 | 15,560     | 5,685     | 191,666                 | 13,072     | 3,879     |
| Credit contracts <sup>(1)</sup>                                 | 17                      | –          | –         | 57                      | –          | –         |
| Embedded derivatives:                                           |                         |            |           |                         |            |           |
| Reinsurance-related <sup>(2)</sup>                              | –                       | –          | 289       | –                       | –          | 30        |
| RILA, fixed indexed annuity<br>and IUL contracts <sup>(3)</sup> | –                       | 1,369      | 15,115    | –                       | 1,115      | 12,449    |
| Total derivative instruments                                    | \$ 330,823              | \$ 17,398  | \$ 21,548 | \$ 274,575              | \$ 15,003  | \$ 16,875 |

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

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

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

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

|                                                       | Remaining Life as of December 31, 2025 |                |                 |                  |                  |            |
|-------------------------------------------------------|----------------------------------------|----------------|-----------------|------------------|------------------|------------|
|                                                       | Less Than<br>1 Year                    | 1 - 5<br>Years | 6 - 10<br>Years | 11 - 30<br>Years | Over 30<br>Years | Total      |
| Interest rate contracts <sup>(1)</sup>                | \$ 21,508                              | \$ 17,291      | \$ 22,513       | \$ 25,635        | \$ –             | \$ 86,947  |
| Foreign currency contracts <sup>(2)</sup>             | 245                                    | 1,380          | 1,808           | 1,761            | 42               | 5,236      |
| Equity market contracts                               | 169,749                                | 56,126         | 10,563          | 7                | 2,178            | 238,623    |
| Credit contracts                                      | –                                      | 17             | –               | –                | –                | 17         |
| Total derivative instruments<br>with notional amounts | \$ 191,502                             | \$ 74,814      | \$ 34,884       | \$ 27,403        | \$ 2,220         | \$ 330,823 |

<sup>(1)</sup> As of December 31, 2025, the latest maturity date for which we were hedging our exposure to the variability in future cash flows for these instruments was January 28, 2030.

<sup>(2)</sup> As of December 31, 2025, the latest maturity date for which we were hedging our exposure to the variability in future cash flows for these instruments was June 16, 2061.

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

| Line Item in the Consolidated Balance Sheets in which the Hedged Item is Included | Amortized Cost of the Hedged Assets (Liabilities) |                         | Cumulative Fair Value Hedging Adjustment Included in the Amortized Cost of the Hedged Assets (Liabilities) |                         |
|-----------------------------------------------------------------------------------|---------------------------------------------------|-------------------------|------------------------------------------------------------------------------------------------------------|-------------------------|
|                                                                                   | As of December 31, 2025                           | As of December 31, 2024 | As of December 31, 2025                                                                                    | As of December 31, 2024 |
| Fixed maturity AFS securities, at fair value <sup>(1)</sup>                       | \$ 645                                            | \$ 484                  | \$ 21                                                                                                      | \$ 7                    |
| Long-term debt <sup>(2)</sup>                                                     | (989)                                             | (676)                   | (114)                                                                                                      | 199                     |

<sup>(1)</sup> Includes \$21 million of unamortized adjustments from discontinued hedges as of December 31, 2025, and none as of December 31, 2024.

<sup>(2)</sup> Includes \$(278) million and \$(310) million of unamortized adjustments from discontinued hedges as of December 31, 2025 and 2024, respectively.

The change in our unrealized gain (loss) on derivative instruments within AOCI (in millions) was as follows:

|                                                                               | For the Years Ended December 31, |        |        |
|-------------------------------------------------------------------------------|----------------------------------|--------|--------|
|                                                                               | 2025                             | 2024   | 2023   |
| <b>Unrealized Gain (Loss) on Derivative Instruments</b>                       |                                  |        |        |
| Balance as of beginning-of-year                                               | \$ 638                           | \$ 375 | \$ 388 |
| Other comprehensive income (loss):                                            |                                  |        |        |
| Unrealized holding gains (losses) arising during the year:                    |                                  |        |        |
| Cash flow hedges:                                                             |                                  |        |        |
| Interest rate contracts                                                       | 29                               | 180    | 293    |
| Foreign currency contracts                                                    | 208                              | 21     | (50)   |
| Change in foreign currency exchange rate adjustment                           | (411)                            | 220    | (169)  |
| Income tax benefit (expense)                                                  | 37                               | (88)   | (15)   |
| Less:                                                                         |                                  |        |        |
| Reclassification adjustment for gains (losses) included in net income (loss): |                                  |        |        |
| Cash flow hedges:                                                             |                                  |        |        |
| Interest rate contracts <sup>(1)</sup>                                        | —                                | (3)    | (1)    |
| Interest rate contracts <sup>(2)</sup>                                        | 11                               | 25     | 31     |
| Foreign currency contracts <sup>(1)</sup>                                     | 57                               | 59     | 54     |
| Foreign currency contracts <sup>(3)</sup>                                     | (3)                              | 8      | 7      |
| Income tax benefit (expense)                                                  | (14)                             | (19)   | (19)   |
| Balance as of end-of-year                                                     | \$ 450                           | \$ 638 | \$ 375 |

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

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

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

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

|                                                                                                 | Gain (Loss) Recognized in Income<br>For the Year Ended December 31, 2025 |                             |                                 |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------|---------------------------------|
|                                                                                                 | Realized Gain<br>(Loss)                                                  | Net<br>Investment<br>Income | Interest and<br>Debt<br>Expense |
| <b>Total Line Items in which the Effects of Fair Value or<br/>Cash Flow Hedges are Recorded</b> | \$ (799)                                                                 | \$ 6,075                    | \$ 227                          |
| <b>Qualifying Hedges</b>                                                                        |                                                                          |                             |                                 |
| Gain or (loss) on fair value hedging relationships:                                             |                                                                          |                             |                                 |
| Interest rate contracts:                                                                        |                                                                          |                             |                                 |
| Hedged items                                                                                    | —                                                                        | 11                          | (34)                            |
| Derivatives designated as hedging instruments                                                   | —                                                                        | (11)                        | 34                              |
| Foreign currency contracts:                                                                     |                                                                          |                             |                                 |
| Hedged items                                                                                    | —                                                                        | 3                           | —                               |
| Derivatives designated as hedging instruments                                                   | —                                                                        | (3)                         | —                               |
| Gain or (loss) on cash flow hedging relationships:                                              |                                                                          |                             |                                 |
| Interest rate contracts:                                                                        |                                                                          |                             |                                 |
| Amount of gain or (loss) reclassified from AOCI<br>into income                                  | —                                                                        | —                           | 11                              |
| Foreign currency contracts:                                                                     |                                                                          |                             |                                 |
| Amount of gain or (loss) reclassified from AOCI<br>into income                                  | (3)                                                                      | 57                          | —                               |
| <b>Non-Qualifying Hedges</b>                                                                    |                                                                          |                             |                                 |
| Interest rate contracts                                                                         | 144                                                                      | —                           | —                               |
| Foreign currency contracts                                                                      | (5)                                                                      | —                           | —                               |
| Equity market contracts                                                                         | 3,159                                                                    | —                           | —                               |
| Credit contracts                                                                                | 2                                                                        | —                           | —                               |
| Embedded derivatives:                                                                           |                                                                          |                             |                                 |
| Reinsurance-related                                                                             | (259)                                                                    | —                           | —                               |
| RILA, fixed indexed annuity and IUL contracts                                                   | (2,071)                                                                  | —                           | —                               |

|                                                                                                 | Gain (Loss) Recognized in Income<br>For the Year Ended December 31, 2024 |                             |                                 |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------|---------------------------------|
|                                                                                                 | Realized Gain<br>(Loss)                                                  | Net<br>Investment<br>Income | Interest and<br>Debt<br>Expense |
| <b>Total Line Items in which the Effects of Fair Value or<br/>Cash Flow Hedges are Recorded</b> | \$ 269                                                                   | \$ 5,544                    | \$ 336                          |
| <b>Qualifying Hedges</b>                                                                        |                                                                          |                             |                                 |
| 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<br>into income                                  | —                                                                        | (3)                         | 25                              |
| Foreign currency contracts:                                                                     |                                                                          |                             |                                 |
| Amount of gain or (loss) reclassified from AOCI<br>into income                                  | 8                                                                        | 59                          | —                               |
| <b>Non-Qualifying Hedges</b>                                                                    |                                                                          |                             |                                 |
| 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<br>For the Year Ended December 31, 2023 |                             |                                 |
|-------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|-----------------------------|---------------------------------|
|                                                                                                 | Realized Gain<br>(Loss)                                                  | Net<br>Investment<br>Income | Interest and<br>Debt<br>Expense |
| <b>Total Line Items in which the Effects of Fair Value or<br/>Cash Flow Hedges are Recorded</b> | \$ (4,311)                                                               | \$ 5,900                    | \$ 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<br>into income | — | (1) | 31 |
|----------------------------------------------------------------|---|-----|----|

Foreign currency contracts:

|                                                                |   |    |   |
|----------------------------------------------------------------|---|----|---|
| Amount of gain or (loss) reclassified from AOCI<br>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) | — | — |

As of December 31, 2025, \$68 million of the deferred net gains (losses) on derivative instruments in AOCI were expected to be reclassified to earnings during the next 12 months. The reclassification is impacted by both interest rates and foreign currency forward rates, as the cash flow hedges affecting the reclassification include interest rate swaps and foreign currency swaps.

For the years ended December 31, 2025 and 2024, 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, 2025 and 2024, 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, 2025, 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, 2025 or 2024.

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

|                                              | As of December 31, 2025                 |                                         | As of December 31, 2024                 |                                         |
|----------------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------------|
|                                              | Collateral<br>Posted by<br>Counterparty | Collateral<br>Posted to<br>Counterparty | Collateral<br>Posted by<br>Counterparty | Collateral<br>Posted to<br>Counterparty |
| <b>S&amp;P Credit Rating of Counterparty</b> |                                         |                                         |                                         |                                         |
| AA-                                          | \$ 2,868                                | \$ (4)                                  | \$ 4,043                                | \$ (21)                                 |
| A+                                           | 4,612                                   | (15)                                    | 2,460                                   | (89)                                    |
| A                                            | 64                                      | –                                       | 47                                      | –                                       |
| A-                                           | 240                                     | –                                       | 632                                     | –                                       |
| Total cash collateral                        | <u>\$ 7,784</u>                         | <u>\$ (19)</u>                          | <u>\$ 7,182</u>                         | <u>\$ (110)</u>                         |

### Balance Sheet Offsetting

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

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

<sup>(1)</sup> Excludes excess non-cash collateral received of \$1.6 billion, as the collateral offset is limited to the net estimated fair value of derivatives after application of netting arrangements.

|                                        | As of December 31, 2024   |                                       |           |
|----------------------------------------|---------------------------|---------------------------------------|-----------|
|                                        | Derivative<br>Instruments | Embedded<br>Derivative<br>Instruments | Total     |
| <b>Financial Assets</b>                |                           |                                       |           |
| 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 <sup>(1)</sup>     | (2,495)                   | —                                     | (2,495)   |
| Net amount                             | \$ —                      | \$ 1,115                              | \$ 1,115  |
| <b>Financial Liabilities</b>           |                           |                                       |           |
| 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 <sup>(2)</sup>     | (75)                      | —                                     | (75)      |
| Net amount                             | \$ —                      | \$ 12,479                             | \$ 12,479 |

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

## 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, |           |
|--------------------------|--------------------|-----------|
|                          | 2025               | 2024      |
| <b>DAC, VOBA and DSI</b> |                    |           |
| Variable Annuities       | \$ 4,112           | \$ 3,964  |
| Fixed Annuities          | 478                | 423       |
| Traditional Life         | 1,308              | 1,370     |
| UL and Other             | 6,421              | 6,318     |
| Group Protection         | 198                | 178       |
| Retirement Plan Services | 304                | 284       |
| Other Operations         | 6                  | —         |
| Total DAC, VOBA and DSI  | \$ 12,827          | \$ 12,537 |



The following table reconciles DFEL (in millions) to the Consolidated Balance Sheets:

|                                 | As of December 31, |                 |
|---------------------------------|--------------------|-----------------|
|                                 | 2025               | 2024            |
| <b>DFEL</b>                     |                    |                 |
| Variable Annuities              | \$ 264             | \$ 273          |
| UL and Other <sup>(1)</sup>     | 7,265              | 6,406           |
| Other Operations <sup>(2)</sup> | 57                 | 51              |
| <b>Total DFEL</b>               | <b>\$ 7,586</b>    | <b>\$ 6,730</b> |

<sup>(1)</sup> We reported \$225 million and \$256 million of ceded DFEL in reinsurance recoverables on the Consolidated Balance Sheets as of December 31, 2025 and 2024, respectively.

<sup>(2)</sup> Represents DFEL reported in Other Operations attributable to the indemnity reinsurance agreement with Protective that is excluded from the following tables. We reported \$57 million and \$51 million of ceded DFEL in reinsurance recoverables on the Consolidated Balance Sheets as of December 31, 2025 and 2024, respectively.

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

|                                 | For the Year Ended December 31, 2025 |                 |                  |                 |                  |                          |
|---------------------------------|--------------------------------------|-----------------|------------------|-----------------|------------------|--------------------------|
|                                 | Variable Annuities                   | Fixed Annuities | Traditional Life | UL and Other    | Group Protection | Retirement Plan Services |
| Balance as of beginning-of-year | \$ 3,851                             | \$ 394          | \$ 1,335         | \$ 5,916        | \$ 178           | \$ 242                   |
| Deferrals                       | 570                                  | 123             | 88               | 464             | 142              | 19                       |
| Amortization                    | (413)                                | (65)            | (142)            | (323)           | (122)            | (19)                     |
| Balance as of end-of-year       | <u>\$ 4,008</u>                      | <u>\$ 452</u>   | <u>\$ 1,281</u>  | <u>\$ 6,057</u> | <u>\$ 198</u>    | <u>\$ 242</u>            |

|                                 | 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       | <u>\$ 3,851</u>                      | <u>\$ 394</u>   | <u>\$ 1,335</u>  | <u>\$ 5,916</u> | <u>\$ 178</u>    | <u>\$ 242</u>            |

DAC amortization expense of \$1.1 billion, \$1.0 billion and \$987 million was recorded in commissions and other expenses on the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2025, 2024 and 2023, respectively.

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

|                                 | For the Year Ended December 31, 2025 |                  |               |
|---------------------------------|--------------------------------------|------------------|---------------|
|                                 | Fixed Annuities                      | Traditional Life | UL and Other  |
| Balance as of beginning-of-year | \$ 13                                | \$ 35            | \$ 375        |
| Deferrals                       | —                                    | —                | 2             |
| Amortization                    | (1)                                  | (8)              | (38)          |
| Balance as of end-of-year       | <u>\$ 12</u>                         | <u>\$ 27</u>     | <u>\$ 339</u> |

|                                 | 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       | <u>\$ 13</u>                         | <u>\$ 35</u>     | <u>\$ 375</u> |

VOBA amortization expense of \$47 million, \$48 million and \$53 million was recorded in commissions and other expenses on the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2025, 2024 and 2023, respectively. No additions or write-offs were recorded for each respective year.

Estimated future amortization of VOBA (in millions), as of December 31, 2025, was as follows:

|      |       |
|------|-------|
| 2026 | \$ 36 |
| 2027 | 31    |
| 2028 | 26    |
| 2029 | 22    |
| 2030 | 20    |

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

|                                 | For the Year Ended December 31, 2025 |                 |              |                          |
|---------------------------------|--------------------------------------|-----------------|--------------|--------------------------|
|                                 | Variable Annuities                   | Fixed Annuities | UL and Other | Retirement Plan Services |
| Balance as of beginning-of-year | \$ 113                               | \$ 16           | \$ 27        | \$ 42                    |
| Deferrals                       | 1                                    | —               | —            | 21                       |
| Amortization                    | (10)                                 | (2)             | (2)          | (1)                      |
| Balance as of end-of-year       | <u>\$ 104</u>                        | <u>\$ 14</u>    | <u>\$ 25</u> | <u>\$ 62</u>             |

|                                 | 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       | <u>\$ 113</u>                        | <u>\$ 16</u>    | <u>\$ 27</u> | <u>\$ 42</u>             |

DSI amortization expense of \$15 million, \$17 million and \$19 million was recorded in interest credited on the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2025, 2024 and 2023, respectively.

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

|                                               | For the Year Ended<br>December 31, 2025 |                 | For the Year Ended<br>December 31, 2024 |                 |
|-----------------------------------------------|-----------------------------------------|-----------------|-----------------------------------------|-----------------|
|                                               | Variable<br>Annuities                   | UL and<br>Other | Variable<br>Annuities                   | UL and<br>Other |
| Balance as of beginning-of-year               | \$ 273                                  | \$ 6,406        | \$ 278                                  | \$ 5,579        |
| Deferrals                                     | 15                                      | 1,221           | 19                                      | 1,114           |
| Amortization                                  | (24)                                    | (362)           | (24)                                    | (287)           |
| Balance as of end-of-year                     | 264                                     | 7,265           | 273                                     | 6,406           |
| Less: reinsurance recoverables                | —                                       | 225             | —                                       | 256             |
| Balance as of end-of-year, net of reinsurance | \$ 264                                  | \$ 7,040        | \$ 273                                  | \$ 6,150        |

DFEL amortization of \$386 million, \$311 million and \$288 million was recorded in fee income on the Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2025, 2024 and 2023, 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, |            |            |
|---------------------------------------------------------|----------------------------------|------------|------------|
|                                                         | 2025                             | 2024       | 2023       |
| Direct insurance premiums and fee income                | \$ 14,485                        | \$ 14,160  | \$ 13,782  |
| Reinsurance assumed                                     | 29                               | 86         | 90         |
| Reinsurance ceded <sup>(1)</sup>                        | (2,352)                          | (2,419)    | (4,733)    |
| Total insurance premiums and fee income                 | \$ 12,162                        | \$ 11,827  | \$ 9,139   |
| Direct insurance benefits                               | \$ 10,818                        | \$ 10,857  | \$ 10,829  |
| Reinsurance ceded <sup>(1)</sup>                        | (2,858)                          | (2,939)    | (4,691)    |
| Total benefits                                          | \$ 7,960                         | \$ 7,918   | \$ 6,138   |
| Direct market risk benefit (gain) loss                  | \$ (350)                         | \$ (2,818) | \$ (2,309) |
| Reinsurance ceded                                       | (22)                             | 141        | 45         |
| Total market risk benefit (gain) loss                   | \$ (372)                         | \$ (2,677) | \$ (2,264) |
| Direct policyholder liability remeasurement (gain) loss | \$ (173)                         | \$ 86      | \$ (224)   |
| Reinsurance ceded                                       | (18)                             | (276)      | 72         |
| Total policyholder liability remeasurement (gain) loss  | \$ (191)                         | \$ (190)   | \$ (152)   |

<sup>(1)</sup> 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, 2025, 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 2025.

## 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, 2025.

The first agreement was structured as a coinsurance treaty between us and Fortitude Re for the ULSG and fixed annuities blocks. As significant insurance risk was transferred for ULSG products and life-contingent annuities, amounts recoverable from Fortitude Re were \$10.6 billion as of December 31, 2025 and 2024. We reported a deferred loss on the transaction of \$2.5 billion and \$2.6 billion as of December 31, 2025 and 2024, respectively. We amortized \$92 million and \$90 million of the deferred loss during the years ended December 31, 2025 and 2024, respectively. Annuities that are not life-contingent do not contain significant insurance risk; therefore, we reported deposit assets for these contracts of \$2.4 billion and \$3.0 billion as of December 31, 2025 and 2024, respectively.

The second agreement was structured as coinsurance with funds withheld for the *MoneyGuard* block; however, as we retained significant insurance risk under the agreement, we reported deposit assets of \$8.5 billion and \$8.1 billion as of December 31, 2025 and 2024, 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 \$8.9 billion and \$9.3 billion in support of reserves associated with the Fortitude Re transaction in a funds withheld arrangement as of December 31, 2025 and 2024, respectively, which consisted of the following (in millions):

|                               | As of December 31, |                 |
|-------------------------------|--------------------|-----------------|
|                               | 2025               | 2024            |
| Fixed maturity AFS securities | \$ 7,325           | \$ 7,764        |
| Derivative investments        | 21                 | 30              |
| Other investments             | 1,388              | 1,419           |
| Cash and invested cash        | 88                 | 28              |
| Accrued investment income     | 88                 | 96              |
| Total                         | <u>\$ 8,910</u>    | <u>\$ 9,337</u> |

### 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 was structured as coinsurance for the general account reserves and modified coinsurance for the separate account reserves. Amounts recoverable from Resolution Life were \$4.8 billion and \$4.9 billion as of December 31, 2025 and 2024, 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 \$3.7 billion as of December 31, 2025 and 2024.

### 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 \$11.5 billion and \$9.5 billion as of December 31, 2025 and 2024, respectively. Commonwealth has funded trusts, the balances of which change as a result of ongoing reinsurance activity to support the business ceded, that totaled \$11.6 billion and \$9.0 billion as of December 31, 2025 and 2024, 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 \$8.1 billion and \$8.4 billion as of December 31, 2025 and 2024, 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 \$9.3 billion and \$9.9 billion as of December 31, 2025 and 2024, 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 \$1.7 billion and \$2.1 billion as of December 31, 2025 and 2024, 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, |                 |
|-------------------------------|--------------------|-----------------|
|                               | 2025               | 2024            |
| Fixed maturity AFS securities | \$ 124             | \$ 142          |
| Trading securities            | 1,121              | 1,385           |
| Equity securities             | 43                 | 42              |
| Mortgage loans on real estate | 199                | 232             |
| Derivative investments        | 24                 | 46              |
| Other investments             | 56                 | 54              |
| Cash and invested cash        | 100                | 147             |
| Accrued investment income     | 14                 | 18              |
| Other assets                  | 2                  | 1               |
| Total                         | <u>\$ 1,683</u>    | <u>\$ 2,067</u> |

The portfolio was supported by \$47 million of over-collateralization and a \$50 million letter of credit as of December 31, 2025. Additionally, we recorded a deferred gain on business sold through reinsurance related to the transaction with Athene and amortized \$18 million, \$26 million and \$33 million of the gain during 2025, 2024 and 2023, 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 \$1.4 billion and \$1.3 billion as of December 31, 2025 and 2024, respectively. Swiss Re has funded a trust, with a balance of \$597 million and \$617 million as of December 31, 2025 and 2024, 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.

### Hannover Life

Effective October 1, 2023, we entered into a reinsurance agreement with Hannover Life Reassurance Company of America (Bermuda) Ltd. (“Hannover Life”) to reinsure certain group annuity contracts, which resulted in net deposit asset of \$4.5 billion and \$3.0 billion as of December 31, 2025 and 2024, respectively.

### *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 \$97 million and \$100 million as of December 31, 2025 and 2024, respectively.

## 8. Goodwill and Specifically Identifiable Intangible Assets

The changes in the carrying amount of goodwill (in millions) by segment were as follows:

|                          | Gross Goodwill as of Beginning-of-Year | Accumulated Impairment as of Beginning-of-Year | For the Year Ended December 31, 2025 |             |                                |
|--------------------------|----------------------------------------|------------------------------------------------|--------------------------------------|-------------|--------------------------------|
|                          |                                        |                                                | 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           | <u>\$ 1,744</u>                        | <u>\$ (600)</u>                                | <u>\$ 1,144</u>                      | <u>\$ –</u> | <u>\$ 1,144</u>                |

|                          | Gross Goodwill as of Beginning-of-Year | Accumulated Impairment as of Beginning-of-Year | For the Year Ended December 31, 2024 |             |                                |
|--------------------------|----------------------------------------|------------------------------------------------|--------------------------------------|-------------|--------------------------------|
|                          |                                        |                                                | 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           | <u>\$ 1,744</u>                        | <u>\$ (600)</u>                                | <u>\$ 1,144</u>                      | <u>\$ –</u> | <u>\$ 1,144</u>                |

### 2025, 2024 and 2023 Analysis

As of October 1, 2025, 2024 and 2023, respectively, we performed our annual 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.

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, 2025 |                          | As of December 31, 2024 |                          |
|--------------------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|
|                                            | Gross Carrying Amount   | Accumulated Amortization | Gross Carrying Amount   | Accumulated Amortization |
| Life Insurance:                            |                         |                          |                         |                          |
| Sales force                                | \$ 100                  | \$ 79                    | \$ 100                  | \$ 75                    |
| Group Protection:                          |                         |                          |                         |                          |
| VOCRA                                      | 576                     | 205                      | 576                     | 175                      |
| VODA                                       | 31                      | 17                       | 31                      | 15                       |
| Retirement Plan Services:                  |                         |                          |                         |                          |
| Mutual fund contract rights <sup>(1)</sup> | 5                       | –                        | 5                       | –                        |
| Total                                      | <u>\$ 712</u>           | <u>\$ 301</u>            | <u>\$ 712</u>           | <u>\$ 265</u>            |

<sup>(1)</sup> No amortization recorded as the intangible asset has indefinite life.

Future estimated amortization of specifically identifiable intangible assets (in millions) as of December 31, 2025, was as follows:

|            |    |     |
|------------|----|-----|
| 2026       | \$ | 37  |
| 2027       |    | 37  |
| 2028       |    | 37  |
| 2029       |    | 35  |
| 2030       |    | 35  |
| Thereafter |    | 225 |



## 9. MRBs

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

|                          | As of December 31, 2025 |                 |                          | As of December 31, 2024 |                 |                          |
|--------------------------|-------------------------|-----------------|--------------------------|-------------------------|-----------------|--------------------------|
|                          | Assets                  | Liabilities     | Net (Assets) Liabilities | Assets                  | Liabilities     | Net (Assets) Liabilities |
| Variable Annuities       | \$ 4,655                | \$ 940          | \$ (3,715)               | \$ 4,737                | \$ 933          | \$ (3,804)               |
| Fixed Annuities          | 51                      | 175             | 124                      | 78                      | 110             | 32                       |
| Retirement Plan Services | 47                      | 3               | (44)                     | 45                      | 3               | (42)                     |
| Total MRBs               | <u>\$ 4,753</u>         | <u>\$ 1,118</u> | <u>\$ (3,635)</u>        | <u>\$ 4,860</u>         | <u>\$ 1,046</u> | <u>\$ (3,814)</u>        |

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, 2025 |                 |                          | As of or For the Year Ended December 31, 2024 |                 |                          |
|---------------------------------------------------------------------------------------|-----------------------------------------------|-----------------|--------------------------|-----------------------------------------------|-----------------|--------------------------|
|                                                                                       | Variable Annuities                            | Fixed Annuities | Retirement Plan Services | Variable Annuities                            | Fixed Annuities | Retirement Plan Services |
| Balance as of beginning-of-year                                                       | \$ (3,804)                                    | \$ 32           | \$ (42)                  | \$ (2,180)                                    | \$ 32           | \$ (30)                  |
| Less: Effect of cumulative changes in non-performance risk                            | (153)                                         | (33)            | —                        | (1,299)                                       | (58)            | (4)                      |
| Balance as of beginning-of-year, before the effect of changes in non-performance risk | (3,651)                                       | 65              | (42)                     | (881)                                         | 90              | (26)                     |
| Issuances                                                                             | 14                                            | —               | —                        | 6                                             | —               | —                        |
| Attributed fees collected                                                             | 1,481                                         | 29              | 8                        | 1,520                                         | 31              | 8                        |
| Benefit payments                                                                      | (26)                                          | —               | —                        | (34)                                          | —               | —                        |
| Effect of changes in interest rates                                                   | (520)                                         | 32              | (7)                      | (1,918)                                       | (70)            | (18)                     |
| Effect of changes in equity markets                                                   | (1,962)                                       | (8)             | (7)                      | (2,277)                                       | (16)            | (8)                      |
| Effect of changes in equity index volatility                                          | 66                                            | 7               | —                        | (88)                                          | (5)             | —                        |
| In-force updates and other changes in MRBs <sup>(1)</sup>                             | 470                                           | 19              | 3                        | 213                                           | 6               | 8                        |
| Effect of assumption review:                                                          |                                               |                 |                          |                                               |                 |                          |
| Effect of changes in future expected policyholder behavior                            | 37                                            | 15              | (1)                      | 7                                             | 11              | —                        |
| Effect of changes in other future expected assumptions <sup>(2)</sup>                 | 10                                            | —               | 1                        | (199)                                         | 18              | (6)                      |
| Balance as of end-of-year, before the effect of changes in non-performance risk       | (4,081)                                       | 159             | (45)                     | (3,651)                                       | 65              | (42)                     |
| Effect of cumulative changes in non-performance risk                                  | 366                                           | (35)            | 1                        | (153)                                         | (33)            | —                        |
| Balance as of end-of-year                                                             | (3,715)                                       | 124             | (44)                     | (3,804)                                       | 32              | (42)                     |
| Less: Ceded MRB assets (liabilities)                                                  | (357)                                         | —               | —                        | (379)                                         | —               | —                        |
| Balance as of end-of-year, net of reinsurance                                         | <u>\$ (3,358)</u>                             | <u>\$ 124</u>   | <u>\$ (44)</u>           | <u>\$ (3,425)</u>                             | <u>\$ 32</u>    | <u>\$ (42)</u>           |
| Weighted-average age of policyholders (years)                                         | 73                                            | 70              | 63                       | 73                                            | 70              | 63                       |
| Net amount at risk <sup>(3)</sup>                                                     | \$ 1,639                                      | \$ 354          | \$ 2                     | \$ 1,962                                      | \$ 240          | \$ 3                     |

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

<sup>(2)</sup> Consists primarily of the update of fund mapping, volatility and other capital market assumptions.

<sup>(3)</sup> Net amount at risk (“NAR”) is the current guaranteed minimum benefit in excess of the current account balance as of the balance sheet date. For 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 Annual Assumption Review*

For the year ended December 31, 2025, Variable Annuities had an unfavorable impact to net income (loss) attributable to the annual assumption review driven by updates to policyholder behavior and capital market assumptions and other items, partially offset by model enhancements and updates to separate account fee assumptions. For the year ended December 31, 2025, Fixed Annuities and Retirement Plan Services did not have any significant assumption updates.

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.

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:

|                                                | <b>As of December 31,</b> |                   |
|------------------------------------------------|---------------------------|-------------------|
|                                                | <b>2025</b>               | <b>2024</b>       |
| Mutual funds and collective investment trusts: |                           |                   |
| Equity funds:                                  |                           |                   |
| Domestic                                       | \$ 84,274                 | \$ 77,740         |
| International                                  | 18,262                    | 16,282            |
| Other equity funds                             | 1,505                     | 1,403             |
| Balanced funds                                 | 46,561                    | 45,683            |
| Bond funds                                     | 24,164                    | 23,399            |
| Money market funds                             | 2,096                     | 1,931             |
| Other funds                                    | 1,491                     | 1,321             |
| Exchange-traded funds                          | 323                       | 336               |
| Fixed maturity AFS securities                  | 164                       | 161               |
| Cash and invested cash                         | 35                        | 12                |
| Other investments                              | 1,217                     | 170               |
| Total separate account assets                  | <u>\$ 180,092</u>         | <u>\$ 168,438</u> |

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

|                                    | <b>As of December 31,</b> |                   |
|------------------------------------|---------------------------|-------------------|
|                                    | <b>2025</b>               | <b>2024</b>       |
| Variable Annuities                 | \$ 122,945                | \$ 117,998        |
| UL and Other                       | 34,038                    | 28,841            |
| Retirement Plan Services           | 23,047                    | 21,541            |
| Other Operations <sup>(1)</sup>    | 62                        | 58                |
| Total separate account liabilities | <u>\$ 180,092</u>         | <u>\$ 168,438</u> |

<sup>(1)</sup> Represents separate account liabilities reported in Other Operations primarily attributable to the indemnity reinsurance agreements with Protective (\$53 million and \$49 million as of December 31, 2025 and 2024, 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<br>December 31, 2025 |                  |                                | As of or For the Year Ended<br>December 31, 2024 |                  |                                |
|-----------------------------------------|--------------------------------------------------|------------------|--------------------------------|--------------------------------------------------|------------------|--------------------------------|
|                                         | Variable<br>Annuities                            | UL and<br>Other  | Retirement<br>Plan<br>Services | Variable<br>Annuities                            | UL and<br>Other  | Retirement<br>Plan<br>Services |
| Balance as of beginning-of-year         | \$ 117,998                                       | \$ 28,841        | \$ 21,541                      | \$ 113,356                                       | \$ 25,150        | \$ 19,699                      |
| Gross deposits                          | 6,034                                            | 2,646            | 2,282                          | 4,765                                            | 1,483            | 2,302                          |
| Withdrawals                             | (16,524)                                         | (867)            | (3,746)                        | (14,074)                                         | (477)            | (3,378)                        |
| Policyholder assessments                | (2,650)                                          | (1,000)          | (186)                          | (2,639)                                          | (995)            | (182)                          |
| Change in market performance            | 15,922                                           | 4,600            | 3,242                          | 15,548                                           | 3,876            | 3,072                          |
| Net transfers from (to) general account | 2,165                                            | (182)            | (86)                           | 1,042                                            | (196)            | 28                             |
| Balance as of end-of-year               | <u>\$ 122,945</u>                                | <u>\$ 34,038</u> | <u>\$ 23,047</u>               | <u>\$ 117,998</u>                                | <u>\$ 28,841</u> | <u>\$ 21,541</u>               |
| Cash surrender value                    | \$ 121,531                                       | \$ 31,613        | \$ 23,033                      | \$ 116,612                                       | \$ 26,435        | \$ 21,526                      |

## 11. Policyholder Account Balances

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

|                                     | As of December 31, |                   |
|-------------------------------------|--------------------|-------------------|
|                                     | 2025               | 2024              |
| Variable Annuities                  | \$ 40,060          | \$ 35,267         |
| Fixed Annuities                     | 28,728             | 25,963            |
| UL and Other                        | 35,986             | 36,599            |
| Retirement Plan Services            | 23,843             | 23,619            |
| Other <sup>(1)</sup>                | 7,628              | 4,749             |
| Total policyholder account balances | <u>\$ 136,245</u>  | <u>\$ 126,197</u> |

- <sup>(1)</sup> Represents policyholder account balances reported primarily in Other Operations attributable to the indemnity reinsurance agreements with Protective (\$3.5 billion and \$4.4 billion as of December 31, 2025 and 2024, respectively) and funding agreements (\$3.7 billion and none as of December 31, 2025 and 2024, respectively). See “Funding Agreements” below for more information.

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

|                                                                      | As of or For the Year Ended December 31, 2025 |                    |                  |                                |
|----------------------------------------------------------------------|-----------------------------------------------|--------------------|------------------|--------------------------------|
|                                                                      | Variable<br>Annuities                         | Fixed<br>Annuities | UL and<br>Other  | Retirement<br>Plan<br>Services |
| Balance as of beginning-of-year                                      | \$ 35,267                                     | \$ 25,963          | \$ 36,599        | \$ 23,619                      |
| Gross deposits                                                       | 6,450                                         | 4,698              | 3,557            | 4,065                          |
| Withdrawals                                                          | (2,777)                                       | (3,089)            | (1,501)          | (5,071)                        |
| Policyholder assessments                                             | (3)                                           | (59)               | (4,450)          | (17)                           |
| Net transfers from (to) separate account                             | (1,517)                                       | –                  | 183              | 540                            |
| Interest credited                                                    | 838                                           | 929                | 1,443            | 707                            |
| Change in fair value of embedded derivative<br>instruments and other | 1,802                                         | 286                | 155              | –                              |
| Balance as of end-of-year                                            | <u>\$ 40,060</u>                              | <u>\$ 28,728</u>   | <u>\$ 35,986</u> | <u>\$ 23,843</u>               |
| Weighted-average crediting rate                                      | 2.3%                                          | 3.4%               | 4.0%             | 3.0%                           |
| Net amount at risk <sup>(1)(2)</sup>                                 | \$ 1,639                                      | \$ 354             | \$ 291,547       | \$ 2                           |
| Cash surrender value                                                 | 38,706                                        | 27,437             | 32,302           | 23,806                         |

  

|                                                                      | As of or For the Year Ended December 31, 2024 |                    |                  |                                |
|----------------------------------------------------------------------|-----------------------------------------------|--------------------|------------------|--------------------------------|
|                                                                      | Variable<br>Annuities                         | Fixed<br>Annuities | UL and<br>Other  | Retirement<br>Plan<br>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<br>instruments and other | 2,474                                         | 469                | 116              | –                              |
| Balance as of end-of-year                                            | <u>\$ 35,267</u>                              | <u>\$ 25,963</u>   | <u>\$ 36,599</u> | <u>\$ 23,619</u>               |
| Weighted-average crediting rate                                      | 2.1%                                          | 3.1%               | 4.0%             | 2.9%                           |
| Net amount at risk <sup>(1)(2)</sup>                                 | \$ 1,962                                      | \$ 240             | \$ 297,555       | \$ 3                           |
| Cash surrender value                                                 | 34,018                                        | 24,867             | 32,999           | 23,586                         |

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

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

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

|                                            | As of December 31, 2025 |                         |                           |                            |                                     |           |
|--------------------------------------------|-------------------------|-------------------------|---------------------------|----------------------------|-------------------------------------|-----------|
| Range of Guaranteed Minimum Crediting Rate | At Guaranteed Minimum   | 1-50 Basis Points Above | 51-100 Basis Points Above | 101-150 Basis Points Above | Greater Than 150 Basis Points Above | Total     |
| Variable Annuities                         |                         |                         |                           |                            |                                     |           |
| Up to 1.00%                                | \$ —                    | \$ —                    | \$ —                      | \$ —                       | \$ —                                | \$ —      |
| 1.01% - 2.00%                              | 5                       | —                       | —                         | —                          | 4                                   | 9         |
| 2.01% - 3.00%                              | 464                     | —                       | —                         | —                          | —                                   | 464       |
| 3.01% - 4.00%                              | 1,115                   | —                       | —                         | —                          | —                                   | 1,115     |
| 4.01% and above                            | 5                       | —                       | —                         | —                          | —                                   | 5         |
| Other <sup>(1)</sup>                       | —                       | —                       | —                         | —                          | —                                   | 38,467    |
| Total                                      | \$ 1,589                | \$ —                    | \$ —                      | \$ —                       | \$ 4                                | \$ 40,060 |
| Fixed Annuities                            |                         |                         |                           |                            |                                     |           |
| Up to 1.00%                                | \$ 123                  | \$ 768                  | \$ 393                    | \$ 133                     | \$ 2,212                            | \$ 3,629  |
| 1.01% - 2.00%                              | 188                     | 210                     | 120                       | 70                         | 8,221                               | 8,809     |
| 2.01% - 3.00%                              | 1,282                   | 104                     | 1                         | 2                          | 59                                  | 1,448     |
| 3.01% - 4.00%                              | 830                     | —                       | —                         | —                          | —                                   | 830       |
| 4.01% and above                            | 157                     | —                       | —                         | —                          | —                                   | 157       |
| Other <sup>(1)</sup>                       | —                       | —                       | —                         | —                          | —                                   | 13,855    |
| Total                                      | \$ 2,580                | \$ 1,082                | \$ 514                    | \$ 205                     | \$ 10,492                           | \$ 28,728 |
| UL and Other                               |                         |                         |                           |                            |                                     |           |
| Up to 1.00%                                | \$ 256                  | \$ —                    | \$ 239                    | \$ 36                      | \$ 753                              | \$ 1,284  |
| 1.01% - 2.00%                              | 529                     | —                       | —                         | —                          | 2,711                               | 3,240     |
| 2.01% - 3.00%                              | 6,309                   | 10                      | 178                       | —                          | —                                   | 6,497     |
| 3.01% - 4.00%                              | 14,232                  | —                       | 1                         | —                          | —                                   | 14,233    |
| 4.01% and above                            | 3,463                   | —                       | —                         | —                          | —                                   | 3,463     |
| Other <sup>(1)</sup>                       | —                       | —                       | —                         | —                          | —                                   | 7,269     |
| Total                                      | \$ 24,789               | \$ 10                   | \$ 418                    | \$ 36                      | \$ 3,464                            | \$ 35,986 |
| Retirement Plan Services                   |                         |                         |                           |                            |                                     |           |
| Up to 1.00%                                | \$ 622                  | \$ 441                  | \$ 708                    | \$ 3,449                   | \$ 6,919                            | \$ 12,139 |
| 1.01% - 2.00%                              | 481                     | 814                     | 1,711                     | 467                        | 561                                 | 4,034     |
| 2.01% - 3.00%                              | 1,694                   | 27                      | 496                       | 3                          | —                                   | 2,220     |
| 3.01% - 4.00%                              | 3,825                   | 98                      | 7                         | 10                         | —                                   | 3,940     |
| 4.01% and above                            | 1,510                   | —                       | —                         | —                          | —                                   | 1,510     |
| Total                                      | \$ 8,132                | \$ 1,380                | \$ 2,922                  | \$ 3,929                   | \$ 7,480                            | \$ 23,843 |

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            |
|--------------------------------------------|-----------------------|-------------------------|---------------------------|----------------------------|-------------------------------------|------------------|
| <b>Variable Annuities</b>                  |                       |                         |                           |                            |                                     |                  |
| 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 <sup>(1)</sup>                       | —                     | —                       | —                         | —                          | —                                   | 33,507           |
| Total                                      | <u>\$ 1,753</u>       | <u>\$ —</u>             | <u>\$ —</u>               | <u>\$ —</u>                | <u>\$ 7</u>                         | <u>\$ 35,267</u> |
| <b>Fixed Annuities</b>                     |                       |                         |                           |                            |                                     |                  |
| 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 <sup>(1)</sup>                       | —                     | —                       | —                         | —                          | —                                   | 12,898           |
| Total                                      | <u>\$ 3,813</u>       | <u>\$ 1,002</u>         | <u>\$ 691</u>             | <u>\$ 475</u>              | <u>\$ 7,084</u>                     | <u>\$ 25,963</u> |
| <b>UL and Other</b>                        |                       |                         |                           |                            |                                     |                  |
| 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 <sup>(1)</sup>                       | —                     | —                       | —                         | —                          | —                                   | 6,585            |
| Total                                      | <u>\$ 26,044</u>      | <u>\$ 10</u>            | <u>\$ 378</u>             | <u>\$ 122</u>              | <u>\$ 3,460</u>                     | <u>\$ 36,599</u> |
| <b>Retirement Plan Services</b>            |                       |                         |                           |                            |                                     |                  |
| 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                                      | <u>\$ 9,030</u>       | <u>\$ 1,445</u>         | <u>\$ 2,718</u>           | <u>\$ 4,287</u>            | <u>\$ 6,139</u>                     | <u>\$ 23,619</u> |

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

#### *Funding Agreements*

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

#### FABN Program

LNL established a \$5.0 billion FABN program in 2024 pursuant to which LNL may issue unsecured funding agreements to an unaffiliated and unconsolidated special purpose statutory trust (the “Trust”) that will then issue medium-term notes for which payment of interest and principal is secured by such funding agreement. LNL had funding agreements issued under the program totaling \$1.5 billion as of December 31, 2025, compared to none as of December 31, 2024, with original maturities ranging from three to five years.

### FABR Funding Agreements

LNL may issue funding agreements in connection with FABRs. Under an FABR, an unaffiliated and unconsolidated special-purpose entity enters into a repurchase agreement with a bank and uses the proceeds of the repurchase agreement to purchase funding agreements from LNL that are secured by portfolios of assets pledged to the special-purpose entity. LNL had secured funding agreements issued totaling \$800 million as of December 31, 2025, compared to none as of December 31, 2024, with original maturities of five years. See “Assets Pledged as Collateral” in Note 3 for information on pledged assets.

### FHLB Funding Agreements

LNL is a member of the FHLB of Indianapolis (“FHLBI”) and, through membership, has the ability to issue funding agreements. We had FHLB funding agreements outstanding of \$1.5 billion as of December 31, 2025, compared to none as of December 31, 2024, with original maturities of one year or less. The funding agreements are secured by a portfolio of assets pledged to the FHLB. See “Assets Pledged as Collateral” in Note 3 for information on pledged assets.

## 12. Future Contract Benefits

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

|                                 | As of December 31, |                  |
|---------------------------------|--------------------|------------------|
|                                 | 2025               | 2024             |
| Payout Annuities <sup>(1)</sup> | \$ 2,037           | \$ 2,009         |
| Traditional Life <sup>(1)</sup> | 3,755              | 3,774            |
| Group Protection <sup>(2)</sup> | 5,836              | 5,628            |
| UL and Other <sup>(3)</sup>     | 17,948             | 16,062           |
| Other Operations <sup>(4)</sup> | 9,179              | 9,070            |
| Other <sup>(5)</sup>            | 3,322              | 3,264            |
| Total future contract benefits  | <u>\$ 42,077</u>   | <u>\$ 39,807</u> |

<sup>(1)</sup> See “Liability for Future Policy Benefits” below for further information.

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

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

<sup>(4)</sup> Represents future contract benefits reported in Other Operations primarily attributable to the indemnity reinsurance agreements with Protective (\$5.4 billion as of December 31, 2025 and 2024) and Swiss Re (\$2.0 billion and \$1.8 billion as of December 31, 2025 and 2024, respectively) that are excluded from the following tables.

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



### Liability for Future Policy Benefits

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

|                                                                            | As of or For the Year Ended<br>December 31, 2025 |                     | As of or For the Year Ended<br>December 31, 2024 |                     |
|----------------------------------------------------------------------------|--------------------------------------------------|---------------------|--------------------------------------------------|---------------------|
|                                                                            | Payout<br>Annuities                              | Traditional<br>Life | Payout<br>Annuities                              | Traditional<br>Life |
| <b>Present Value of Expected Net Premiums</b>                              |                                                  |                     |                                                  |                     |
| Balance as of beginning-of-year                                            | \$ —                                             | \$ 5,873            | \$ —                                             | \$ 6,200            |
| Less: Effect of cumulative changes in discount rate assumptions            | —                                                | (275)               | —                                                | (148)               |
| Beginning balance at original discount rate                                | —                                                | 6,148               | —                                                | 6,348               |
| Effect of changes in cash flow assumptions <sup>(1)</sup>                  | —                                                | (405)               | —                                                | 28                  |
| Effect of actual variances from expected experience <sup>(2)</sup>         | —                                                | (72)                | —                                                | (53)                |
| Adjusted balance as of beginning-of-year                                   | —                                                | 5,671               | —                                                | 6,323               |
| Issuances                                                                  | —                                                | 282                 | —                                                | 360                 |
| Interest accrual                                                           | —                                                | 238                 | —                                                | 251                 |
| Net premiums collected                                                     | —                                                | (745)               | —                                                | (785)               |
| Flooring impact of LFPB                                                    | —                                                | (5)                 | —                                                | (1)                 |
| Ending balance at original discount rate                                   | —                                                | 5,441               | —                                                | 6,148               |
| Effect of cumulative changes in discount rate assumptions                  | —                                                | (90)                | —                                                | (275)               |
| Balance as of end-of-year                                                  | \$ —                                             | \$ 5,351            | \$ —                                             | \$ 5,873            |
| <b>Present Value of Expected Future Policy Benefits</b>                    |                                                  |                     |                                                  |                     |
| Balance as of beginning-of-year                                            | \$ 2,009                                         | \$ 9,647            | \$ 2,085                                         | \$ 10,041           |
| Less: Effect of cumulative changes in discount rate assumptions            | (251)                                            | (438)               | (187)                                            | (189)               |
| Beginning balance at original discount rate <sup>(3)</sup>                 | 2,260                                            | 10,085              | 2,272                                            | 10,230              |
| Effect of changes in cash flow assumptions <sup>(1)</sup>                  | (8)                                              | (573)               | —                                                | (68)                |
| Effect of actual variances from expected experience <sup>(2)</sup>         | (13)                                             | (80)                | 2                                                | (70)                |
| Adjusted balance as of beginning-of-year                                   | 2,239                                            | 9,432               | 2,274                                            | 10,092              |
| Issuances                                                                  | 97                                               | 282                 | 102                                              | 361                 |
| Interest accrual                                                           | 88                                               | 385                 | 87                                               | 399                 |
| Benefit payments                                                           | (205)                                            | (849)               | (203)                                            | (767)               |
| Ending balance at original discount rate <sup>(3)</sup>                    | 2,219                                            | 9,250               | 2,260                                            | 10,085              |
| Effect of cumulative changes in discount rate assumptions                  | (182)                                            | (144)               | (251)                                            | (438)               |
| Balance as of end-of-year                                                  | \$ 2,037                                         | \$ 9,106            | \$ 2,009                                         | \$ 9,647            |
| Net balance as of end-of-year                                              | \$ 2,037                                         | \$ 3,755            | \$ 2,009                                         | \$ 3,774            |
| Less: Reinsurance recoverables                                             | 1,434                                            | 289                 | 1,477                                            | 385                 |
| Net balance as of end-of-year, net of reinsurance                          | \$ 603                                           | \$ 3,466            | \$ 532                                           | \$ 3,389            |
| Weighted-average duration of future policyholder benefit liability (years) | 8                                                | 8                   | 9                                                | 9                   |

<sup>(1)</sup> The cash flow assumption impact to the liability is calculated as the present value of expected future policy benefits less the present value of expected net premiums. For the years ended December 31, 2025 and 2024, the net effect of changes in cash flow assumptions gross of reinsurance reduced the liability by \$168 million and \$96 million, respectively, primarily associated with favorable updates to mortality assumptions. See “Effect of Annual Assumption Review” below for more information.

- (2) For the year ended December 31, 2025, the Traditional Life actual to expected reserve impact on expected net premiums was attributable primarily to policyholder behavior and mortality, which unfavorably impacted the liability by \$38 million and \$34 million, respectively; and the actual to expected reserve impact on expected future policy benefits was attributable primarily to policyholder behavior and mortality, which favorably impacted the liability by \$49 million and \$31 million, respectively. For the year ended December 31, 2024, the Traditional Life actual to expected reserve impact on expected net premiums was attributable primarily to mortality, which unfavorably impacted the liability by \$67 million, which was partially offset by \$14 million primarily related to policyholder behavior; and the actual to expected reserve impact on expected future policy benefits was attributable primarily to mortality, which favorably impacted the liability by \$107 million, which was partially offset by \$37 million primarily related to policyholder behavior. For the years ended December 31, 2025 and 2024, Payout Annuities did not have any significantly different actual experience compared to expected.
- (3) Includes deferred profit liability within Payout Annuities of \$92 million, \$62 million and \$56 million as of December 31, 2025, 2024 and 2023, respectively.

#### *Effect of Annual Assumption Review*

For the year ended December 31, 2025, 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 and policyholder behavior assumptions.

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.

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

|                                  | As of December 31, 2025 |            | As of December 31, 2024 |            |
|----------------------------------|-------------------------|------------|-------------------------|------------|
|                                  | Undiscounted            | Discounted | Undiscounted            | Discounted |
| <b>Payout Annuities</b>          |                         |            |                         |            |
| Expected future gross premiums   | \$ —                    | \$ —       | \$ —                    | \$ —       |
| Expected future benefit payments | 3,272                   | 2,037      | 3,428                   | 2,009      |
| <b>Traditional Life</b>          |                         |            |                         |            |
| Expected future gross premiums   | 13,156                  | 9,195      | 14,025                  | 9,471      |
| Expected future benefit payments | 12,995                  | 9,106      | 14,319                  | 9,647      |

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, |        |        |
|-------------------------|----------------------------------|--------|--------|
|                         | 2025                             | 2024   | 2023   |
| <b>Payout Annuities</b> |                                  |        |        |
| Gross premiums          | \$ 99                            | \$ 108 | \$ 116 |
| Interest accretion      | 88                               | 87     | 86     |
| <b>Traditional Life</b> |                                  |        |        |
| Gross premiums          | 1,241                            | 1,251  | 1,252  |
| Interest accretion      | 147                              | 148    | 143    |

The following table summarizes the weighted-average interest rates:

|                         | For the Years Ended<br>December 31, |       |
|-------------------------|-------------------------------------|-------|
|                         | 2025                                | 2024  |
| <b>Payout Annuities</b> |                                     |       |
| Interest accretion rate | 4.0 %                               | 4.0 % |
| Current discount rate   | 5.1 %                               | 5.4 % |
| <b>Traditional Life</b> |                                     |       |
| Interest accretion rate | 5.0 %                               | 5.0 % |
| Current discount rate   | 4.6 %                               | 5.1 % |

#### *Liability for Future Claims*

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

|                                                                     | Group Protection                             |          |
|---------------------------------------------------------------------|----------------------------------------------|----------|
|                                                                     | As of or For the Years Ended<br>December 31, |          |
|                                                                     | 2025                                         | 2024     |
| Balance as of beginning-of-year                                     | \$ 5,628                                     | \$ 5,689 |
| Less: Effect of cumulative changes in discount<br>rate assumptions  | (550)                                        | (490)    |
| Beginning balance at original discount rate                         | 6,178                                        | 6,179    |
| Effect of changes in cash flow assumptions                          | (66)                                         | (2)      |
| Effect of actual variances from expected experience <sup>(1)</sup>  | (242)                                        | (345)    |
| Adjusted beginning-of-year balance                                  | 5,870                                        | 5,832    |
| New incidence                                                       | 1,574                                        | 1,641    |
| Interest                                                            | 195                                          | 181      |
| Benefit payments                                                    | (1,440)                                      | (1,476)  |
| Ending balance at original discount rate                            | 6,199                                        | 6,178    |
| Effect of cumulative changes in discount<br>rate assumptions        | (363)                                        | (550)    |
| Balance as of end-of-year                                           | 5,836                                        | 5,628    |
| Less: Reinsurance recoverables                                      | 123                                          | 118      |
| Balance as of end-of-year, net of reinsurance                       | \$ 5,713                                     | \$ 5,510 |
| Weighted-average duration of liability for future<br>claims (years) | 5                                            | 5        |

<sup>(1)</sup> Generally, the experience exhibited for the Group Protection business relates to morbidity and, to a lesser extent, mortality. Group Protection long-duration products have limited exposure to lapse risk, as the liabilities for future claims are limited to those associated with claim reserves. For the years ended December 31, 2025 and 2024, morbidity comprised substantially all of the favorable effect of actual variances from expected experience, as our claims experience was more favorable than assumed.

#### *Effect of Annual Assumption Review*

For the year ended December 31, 2025, we had a favorable cash flow assumption impact to net income (loss) attributable to the annual assumption review from updates to the claim termination rate assumption, partially offset by updates to social security and incurred assumptions. 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.

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

|                                  | As of December 31, 2025 |            | As of December 31, 2024 |            |
|----------------------------------|-------------------------|------------|-------------------------|------------|
|                                  | Undiscounted            | Discounted | Undiscounted            | Discounted |
| <b>Group Protection</b>          |                         |            |                         |            |
| Expected future benefit payments | \$ 7,506                | \$ 5,836   | \$ 7,368                | \$ 5,628   |

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, |          |          |
|-------------------------|----------------------------------|----------|----------|
|                         | 2025                             | 2024     | 2023     |
| <b>Group Protection</b> |                                  |          |          |
| Gross premiums          | \$ 3,719                         | \$ 3,563 | \$ 3,549 |
| Interest accretion      | 195                              | 181      | 159      |

The following table summarizes the weighted-average interest rates:

|                         | For the Years Ended<br>December 31, |       |
|-------------------------|-------------------------------------|-------|
|                         | 2025                                | 2024  |
| <b>Group Protection</b> |                                     |       |
| Interest accretion rate | 3.6 %                               | 3.3 % |
| Current discount rate   | 4.7 %                               | 5.1 % |

### *Additional Liabilities for Other Insurance Benefits*

Additional liabilities for other insurance benefits represent reserves associated with our UL and VUL contracts with secondary guarantees, including *MoneyGuard*®. The following table summarizes the balances of and changes in additional liabilities for other insurance benefits (in millions, except years):

|                                                                                          | <b>UL and Other</b>                 |             |
|------------------------------------------------------------------------------------------|-------------------------------------|-------------|
|                                                                                          | <b>As of or For the Years Ended</b> |             |
|                                                                                          | <b>December 31,</b>                 |             |
|                                                                                          | <b>2025</b>                         | <b>2024</b> |
| Balance as of beginning-of-year                                                          | \$ 16,062                           | \$ 15,000   |
| Less: Effect of cumulative changes in shadow balance in AOCI                             | (2,673)                             | (2,222)     |
| Balance as of beginning-of-year, excluding shadow balance in AOCI                        | 18,735                              | 17,222      |
| Effect of changes in cash flow assumptions                                               | 121                                 | 244         |
| Effect of actual variances from expected experience <sup>(1)(2)</sup>                    | 192                                 | 289         |
| Adjusted beginning-of-year balance                                                       | 19,048                              | 17,755      |
| Interest accrual                                                                         | 941                                 | 863         |
| Net assessments collected                                                                | 1,227                               | 1,168       |
| Benefit payments                                                                         | (1,077)                             | (1,051)     |
| Balance as of end-of-year, excluding shadow balance in AOCI                              | 20,139                              | 18,735      |
| Effect of cumulative changes in shadow balance in AOCI                                   | (2,191)                             | (2,673)     |
| Balance as of end-of-year                                                                | 17,948                              | 16,062      |
| Less: Reinsurance recoverables                                                           | 5,504                               | 5,211       |
| Balance as of end-of-year, net of reinsurance                                            | \$ 12,444                           | \$ 10,851   |
| Weighted-average duration of additional liabilities for other insurance benefits (years) | 16                                  | 16          |

<sup>(1)</sup> For the years ended December 31, 2025 and 2024, the actual to expected reserve impact was attributable primarily to mortality, which unfavorably impacted the liability by \$201 million and \$273 million, respectively.

<sup>(2)</sup> For the years ended December 31, 2025 and 2024, the effect of actual variances from expected experience, net of reinsurance, was \$96 million and \$163 million, respectively.

### *Effect of Annual Assumption Review*

For the year ended December 31, 2025, we had an unfavorable cash flow assumption impact to net income (loss) attributable to the annual assumption review from updates to mortality and policyholder behavior assumptions, partially offset by updates to the morbidity assumption.

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 from updates to policyholder behavior and mortality assumptions that were partially offset by updates to capital market assumptions.

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, |          |          |
|---------------------|----------------------------------|----------|----------|
|                     | 2025                             | 2024     | 2023     |
| <b>UL and Other</b> |                                  |          |          |
| Gross assessments   | \$ 2,950                         | \$ 2,937 | \$ 3,219 |
| Interest accretion  | 941                              | 863      | 775      |

The following table summarizes the weighted-average interest rates:

|                         | For the Years Ended<br>December 31, |       |
|-------------------------|-------------------------------------|-------|
|                         | 2025                                | 2024  |
| <b>UL and Other</b>     |                                     |       |
| Interest accretion rate | 5.5 %                               | 5.4 % |

### 13. Short-Term and Long-Term Debt

Details underlying short-term and long-term debt (in millions) were as follows:

|                                                   | As of December 31, |                 |
|---------------------------------------------------|--------------------|-----------------|
|                                                   | 2025               | 2024            |
| <b>Short-Term Debt</b>                            |                    |                 |
| Current maturities of long-term debt              | \$ 400             | \$ 300          |
| Total short-term debt                             | <u>\$ 400</u>      | <u>\$ 300</u>   |
| <b>Long-Term Debt, Excluding Current Portion</b>  |                    |                 |
| Senior notes:                                     |                    |                 |
| 3.625% notes, due 2026 <sup>(1)</sup>             | \$ —               | \$ 400          |
| 3.80% notes, due 2028 <sup>(1)</sup>              | 500                | 500             |
| 3.05% notes, due 2030 <sup>(1)</sup>              | 466                | 500             |
| 2.330% notes, due 2030 <sup>(1)</sup>             | 500                | —               |
| 3.40% notes, due 2031 <sup>(1)</sup>              | 500                | 500             |
| 3.40% notes, due 2032 <sup>(1)</sup>              | 300                | 300             |
| 5.852% notes, due 2034 <sup>(1)</sup>             | 350                | 350             |
| 5.350% notes, due 2035 <sup>(1)</sup>             | 500                | —               |
| 6.15% notes, due 2036 <sup>(1)</sup>              | 243                | 243             |
| 6.30% notes, due 2037 <sup>(1)(2)</sup>           | 375                | 375             |
| 7.00% notes, due 2040 <sup>(1)(2)</sup>           | 500                | 500             |
| 4.35% notes, due 2048 <sup>(1)</sup>              | 321                | 450             |
| 4.375% notes, due 2050 <sup>(1)</sup>             | 164                | 300             |
| Total senior notes                                | <u>4,719</u>       | <u>4,418</u>    |
| Term loans:                                       |                    |                 |
| Variable rate, due 2027 <sup>(3)</sup>            | 150                | 150             |
| Total term loans                                  | <u>150</u>         | <u>150</u>      |
| Subordinated notes:                               |                    |                 |
| Variable rate, due 2066 <sup>(4)</sup>            | 465                | 562             |
| Variable rate, due 2067 <sup>(5)</sup>            | 336                | 433             |
| Total subordinated notes                          | <u>801</u>         | <u>995</u>      |
| Capital securities:                               |                    |                 |
| Variable rate, due 2066 <sup>(6)</sup>            | 139                | 160             |
| Variable rate, due 2067 <sup>(7)</sup>            | 53                 | 58              |
| Total capital securities                          | <u>192</u>         | <u>218</u>      |
| Unamortized premiums (discounts)                  | (77)               | (6)             |
| Unamortized debt issuance costs                   | (32)               | (30)            |
| Unamortized adjustments from discontinued hedges  | 278                | 310             |
| Fair value hedge on interest rate swap agreements | (165)              | (199)           |
| Total long-term debt                              | <u>\$ 5,866</u>    | <u>\$ 5,856</u> |

- <sup>(1)</sup> 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.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> Secured Overnight Financing Rate (“SOFR”)-based interest rates, plus an applicable transition spread of 10 basis points and credit spread of 137.5 basis points as of December 31, 2025 and 2024.
- <sup>(4)</sup> 3-Month ISDA SOFR-based interest rates, plus a credit spread of 236 basis points.
- <sup>(5)</sup> 3-Month ISDA SOFR-based interest rates, plus a credit spread of 204 basis points.
- <sup>(6)</sup> 3-Month Term SOFR-based interest rates, plus a transition spread of 26.161 basis points and a credit spread of 236 basis points.
- <sup>(7)</sup> 3-Month Term SOFR-based interest rates, plus a transition spread of 26.161 basis points and a credit spread of 204 basis points.



Details underlying the recognition of a gain (loss) on the early extinguishment of debt (in millions) reported within interest expense on our Consolidated Statements of Comprehensive Income (Loss) were as follows:

|                                                                  | For the Years Ended December 31, |      |      |
|------------------------------------------------------------------|----------------------------------|------|------|
|                                                                  | 2025                             | 2024 | 2023 |
| Principal balance outstanding prior to repurchase <sup>(1)</sup> | \$ 519                           | \$ — | \$ — |
| Unamortized debt issuance costs and discounts                    | (4)                              | —    | —    |
| Amount paid to repurchase debt                                   | (421)                            | —    | —    |
| Gain (loss) on early extinguishment of debt, pre-tax             | \$ 94                            | \$ — | \$ — |

<sup>(1)</sup> In May 2025, pursuant to a tender offer, we repurchased \$34 million of our 3.05% Senior Notes due 2030, \$129 million of our 4.35% Senior Notes due 2048, \$136 million of our 4.375% Senior Notes due 2050, \$97 million of our Subordinated Notes due 2066, \$97 million of our Subordinated Notes due 2067, \$21 million of our Capital Securities due 2066 and \$5 million of our Capital Securities due 2067.

Future principal payments due on long-term debt (in millions) as of December 31, 2025, were as follows:

|            |          |
|------------|----------|
| 2026       | \$ 400   |
| 2027       | 150      |
| 2028       | 500      |
| 2029       | —        |
| 2030       | 966      |
| Thereafter | 4,246    |
| Total      | \$ 6,262 |

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 Agreements for Senior Notes Issuances

### *Trust I Facility Agreement*

On August 18, 2020, LNC entered into a 10-year facility agreement (the “Trust I Facility Agreement”) with Belrose Funding Trust, a Delaware statutory trust (“Trust I”), in connection with Trust I’s sale of \$500 million of its Pre-Capitalized Trust Securities Redeemable August 15, 2030, (the “2030 P-Caps”) in a private placement pursuant to Rule 144A under the Securities Act of 1933, as amended (the “Securities Act”). Trust I invested the proceeds from the sale of the 2030 P-Caps in a portfolio of principal and interest strips of U.S. Treasury securities (the “Trust I Eligible Assets”). The Trust I Facility Agreement provided LNC the right to issue to Trust I, and to require Trust I to purchase from LNC, 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 2030 (the “2.330% Senior Notes”) in exchange for a corresponding amount of the Trust I Eligible Assets. In return, LNC paid Trust I a semi-annual facility fee at a rate of 1.691% per year (applied to the unexercised portion of the issuance right) and reimbursed Trust I for its expenses.

On May 13, 2025, LNC exercised in full its issuance right under the Trust I Facility Agreement and on May 15, 2025, LNC issued \$500 million aggregate principal amount of the 2.330% Senior Notes to Trust I in exchange for the Trust I Eligible Assets, which had a fair value of \$418 million when the 2.330% Senior Notes were issued. The net proceeds from the issuance of the 2.330% Senior Notes and subsequent sale of the Trust I Eligible Assets were subsequently used to early extinguish long-term debt during the second quarter of 2025 pursuant to a tender offer.

In connection with the exercise of its issuance right, LNC waived its right to repurchase the 2.330% Senior Notes and directed the trustee of Trust I to dissolve Trust I and deliver the 2.330% Senior Notes to the beneficial holders of the 2030 P-Caps pro rata in respect of each 2030 P-Cap. On May 20, 2025, Trust I was dissolved and The Depository Trust Company distributed the 2.330% Senior Notes to the beneficial holders of the 2030 P-Caps pro rata in respect of each 2030 P-Cap.

*Trust II Facility Agreement*

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

The issuance right will be exercised automatically in full upon (1) LNC’s failure to make certain payments to Trust II, such as the facility fee or payments for Trust II’s expenses, or failure to purchase and pay for any defaulted Trust II Eligible Assets that LNC is required to purchase at their face amount from Trust II pursuant to the Trust II Facility Agreement, in each case if the failure is not cured within 30 days, or (2) certain bankruptcy events involving LNC. LNC is also required to exercise the issuance right in full if it reasonably believes that its consolidated stockholders’ equity (excluding AOCI and equity of noncontrolling interests attributable thereto) has fallen below a minimum threshold (which was \$2.75 billion as of December 31, 2025, and is subject to adjustment from time to time in certain cases), if an event of default under the indenture governing the 6.792% senior notes has occurred or would have occurred, and upon certain other events described in the Trust II Facility Agreement.

Prior to any involuntary exercise of the issuance right, LNC has the right to repurchase the 6.792% senior notes then outstanding and held by Trust II, in whole or in part, in exchange for principal and/or interest strips of U.S. Treasury securities, and may exercise or assign the issuance right with respect to the repurchased 6.792% senior notes at a later date. Additionally, LNC may redeem any outstanding 6.792% senior notes, in whole or in part, prior to their maturity. Prior to November 15, 2054, the redemption price will equal the greater of par and a make-whole redemption price. On or after November 15, 2054, any outstanding 6.792% senior notes may be redeemed at par.

**Credit Facility**

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 letters of credit (“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. Lincoln National Corporation guarantees the obligations of its subsidiaries under the credit agreement. As of December 31, 2025, there were \$92 million of LOCs issued and no amount was drawn on the issued LOCs.

The credit agreement, as currently in effect, contains:

- Customary terms and conditions, including covenants restricting our ability to incur liens, merge or consolidate with another entity where we are not the surviving entity and dispose of all or substantially all of our assets;
- Financial covenants including maintenance of a minimum consolidated net worth equal to the sum of \$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, 2025, we were in compliance with all such covenants.

## **LOCs**

On November 25, 2025, Lincoln National Corporation entered into a letter of credit reimbursement agreement with a third-party lender in connection with the issuance of a \$200 million irrevocable standby LOC to one of its affiliates, under which no amount had been drawn as of December 31, 2025. Under the reimbursement agreement, issuance of additional LOCs is at the discretion of the third-party lender. The reimbursement agreement contains customary terms and conditions, covenants and events of default, including financial covenants that are consistent with the credit agreement disclosed in the “Credit Facility” section above. If an event of default occurs, the counterparty may require Lincoln National Corporation to post cash collateral equal to 100% of the maximum amount available to be drawn under outstanding LOCs. As of December 31, 2025, we were in compliance with all such covenants.

On October 1, 2025, we terminated our LOC facility agreements set to expire in 2031 as a result of restructuring certain captive reinsurance subsidiaries effective October 1, 2025. See Note 19 for additional information.

## **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 and depositary shares.

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

|                                                                                   | As of December 31, 2024                                      |            |             |                        |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------|------------|-------------|------------------------|
|                                                                                   | Asset (Liability) Measurement in the<br>Fair Value Hierarchy |            |             | Total<br>Fair<br>Value |
|                                                                                   | (Level 1)                                                    | (Level 2)  | (Level 3)   |                        |
| <b>Assets</b>                                                                     |                                                              |            |             |                        |
| Investments:                                                                      |                                                              |            |             |                        |
| Fixed maturity AFS securities:                                                    |                                                              |            |             |                        |
| Corporate bonds                                                                   | \$ —                                                         | \$ 63,748  | \$ 2,702    | \$ 66,450              |
| U.S. government bonds                                                             | 371                                                          | 20         | —           | 391                    |
| State and municipal bonds                                                         | —                                                            | 2,371      | —           | 2,371                  |
| Foreign government bonds                                                          | —                                                            | 237        | —           | 237                    |
| RMBS                                                                              | —                                                            | 1,862      | 1           | 1,863                  |
| CMBS                                                                              | —                                                            | 1,657      | 8           | 1,665                  |
| ABS                                                                               | —                                                            | 11,788     | 2,092       | 13,880                 |
| Hybrid and redeemable preferred securities                                        | 48                                                           | 143        | 63          | 254                    |
| Trading securities                                                                | —                                                            | 1,766      | 259         | 2,025                  |
| Equity securities                                                                 | 28                                                           | 232        | 34          | 294                    |
| Mortgage loans on real estate                                                     | —                                                            | —          | 232         | 232                    |
| Derivative investments <sup>(2)</sup>                                             | —                                                            | 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                                                                      | \$ 838                                                       | \$ 266,124 | \$ 11,394   | \$ 278,356             |
| <b>Liabilities</b>                                                                |                                                              |            |             |                        |
| 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 <sup>(2)</sup>                                             | —                                                            | (4,256)    | (139)       | (4,395)                |
| Total liabilities                                                                 | \$ —                                                         | \$ (4,052) | \$ (14,249) | \$ (18,301)            |

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

<sup>(2)</sup> Derivative investment assets and liabilities are presented within the fair value hierarchy on a gross basis by derivative type and not on a master netting basis by counterparty.

The following summarizes changes to our financial instruments carried at fair value (in millions) and classified within Level 3 of the fair value hierarchy. The gains and losses below may include changes in fair value due in part to observable inputs that are a component of the valuation methodology. The summary schedule excludes changes to MRB assets and MRB liabilities as these balances are rolled forward in Note 9.

| For the Year Ended December 31, 2025                                                             |                                                    |                                          |                                                               |                                                                      |                                                      |                                                 |
|--------------------------------------------------------------------------------------------------|----------------------------------------------------|------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------|-------------------------------------------------|
|                                                                                                  | Beginning<br>Asset<br>(Liability)<br>Fair<br>Value | Items<br>Included<br>in<br>Net<br>Income | Gains<br>(Losses)<br>in<br>OCI<br>and<br>Other <sup>(1)</sup> | Issuances,<br>Sales,<br>Maturities,<br>Settlements,<br>Calls,<br>Net | Transfers<br>Into or<br>Out<br>of<br>Level 3,<br>Net | Ending<br>Asset<br>(Liability)<br>Fair<br>Value |
| <b>Assets</b>                                                                                    |                                                    |                                          |                                                               |                                                                      |                                                      |                                                 |
| Investments: <sup>(2)</sup>                                                                      |                                                    |                                          |                                                               |                                                                      |                                                      |                                                 |
| Fixed maturity AFS securities:                                                                   |                                                    |                                          |                                                               |                                                                      |                                                      |                                                 |
| Corporate bonds                                                                                  | \$ 2,702                                           | \$ (66)                                  | \$ 24                                                         | \$ 546                                                               | \$ 707                                               | \$ 3,913                                        |
| RMBS                                                                                             | 1                                                  | —                                        | 1                                                             | 74                                                                   | (76)                                                 | —                                               |
| CMBS                                                                                             | 8                                                  | —                                        | —                                                             | 84                                                                   | (7)                                                  | 85                                              |
| ABS                                                                                              | 2,092                                              | (29)                                     | 55                                                            | 1,650                                                                | (184)                                                | 3,584                                           |
| Hybrid and redeemable preferred securities                                                       | 63                                                 | —                                        | 1                                                             | 19                                                                   | —                                                    | 83                                              |
| Trading securities                                                                               | 259                                                | 8                                        | —                                                             | 28                                                                   | 34                                                   | 329                                             |
| Equity securities                                                                                | 34                                                 | (10)                                     | —                                                             | 7                                                                    | 2                                                    | 33                                              |
| Mortgage loans on real estate                                                                    | 232                                                | (3)                                      | 4                                                             | (34)                                                                 | —                                                    | 199                                             |
| Other investments – short-term investments                                                       | 23                                                 | —                                        | —                                                             | (22)                                                                 | —                                                    | 1                                               |
| Other assets:                                                                                    |                                                    |                                          |                                                               |                                                                      |                                                      |                                                 |
| Ceded MRBs <sup>(3)</sup>                                                                        | 2                                                  | —                                        | —                                                             | —                                                                    | —                                                    | 2                                               |
| Indexed annuity ceded embedded derivatives <sup>(4)</sup>                                        | 1,115                                              | 166                                      | —                                                             | 88                                                                   | —                                                    | 1,369                                           |
| <b>Liabilities</b>                                                                               |                                                    |                                          |                                                               |                                                                      |                                                      |                                                 |
| Policyholder account balances – RILA, fixed annuity and IUL contracts <sup>(4)</sup>             | (12,449)                                           | (2,237)                                  | —                                                             | (429)                                                                | —                                                    | (15,115)                                        |
| Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives <sup>(4)</sup> | (234)                                              | (200)                                    | —                                                             | —                                                                    | —                                                    | (434)                                           |
| Other liabilities:                                                                               |                                                    |                                          |                                                               |                                                                      |                                                      |                                                 |
| Ceded MRBs <sup>(3)</sup>                                                                        | (381)                                              | 22                                       | —                                                             | —                                                                    | —                                                    | (359)                                           |
| Derivative liabilities, net                                                                      | (136)                                              | 24                                       | —                                                             | 4                                                                    | —                                                    | (108)                                           |

**For the Year Ended December 31, 2024**

|                                                           | <b>Beginning<br/>Asset<br/>(Liability)<br/>Fair<br/>Value</b> | <b>Items<br/>Included<br/>in<br/>Net<br/>Income</b> | <b>Gains<br/>(Losses)<br/>in<br/>OCI<br/>and<br/>Other <sup>(1)</sup></b> | <b>Issuances,<br/>Sales,<br/>Maturities,<br/>Settlements,<br/>Calls,<br/>Net</b> | <b>Transfers<br/>Into or<br/>Out<br/>of<br/>Level 3,<br/>Net</b> | <b>Ending<br/>Asset<br/>(Liability)<br/>Fair<br/>Value</b> |
|-----------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------|
| <b>Assets</b>                                             |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| Investments: <sup>(2)</sup>                               |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| Fixed maturity AFS securities:                            |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| Corporate bonds                                           | \$ 2,352                                                      | \$ (2)                                              | \$ (6)                                                                    | \$ 518                                                                           | \$ (160)                                                         | \$ 2,702                                                   |
| State and municipal bonds                                 | 5                                                             | —                                                   | —                                                                         | —                                                                                | (5)                                                              | —                                                          |
| RMBS                                                      | 1                                                             | —                                                   | —                                                                         | —                                                                                | —                                                                | 1                                                          |
| CMBS                                                      | 8                                                             | —                                                   | (1)                                                                       | 19                                                                               | (18)                                                             | 8                                                          |
| ABS                                                       | 1,477                                                         | —                                                   | 23                                                                        | 1,002                                                                            | (410)                                                            | 2,092                                                      |
| Hybrid and redeemable preferred securities                | 48                                                            | —                                                   | 3                                                                         | 12                                                                               | —                                                                | 63                                                         |
| Trading securities                                        | 272                                                           | 1                                                   | —                                                                         | (14)                                                                             | —                                                                | 259                                                        |
| Equity securities                                         | 36                                                            | (3)                                                 | —                                                                         | —                                                                                | 1                                                                | 34                                                         |
| Mortgage loans on real estate                             | 288                                                           | 9                                                   | 1                                                                         | (66)                                                                             | —                                                                | 232                                                        |
| Other investments – short-term investments                | —                                                             | —                                                   | —                                                                         | 13                                                                               | 10                                                               | 23                                                         |
| Other assets:                                             |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| Ceded MRBs <sup>(3)</sup>                                 | 2                                                             | —                                                   | —                                                                         | —                                                                                | —                                                                | 2                                                          |
| Indexed annuity ceded embedded derivatives <sup>(4)</sup> | 940                                                           | 161                                                 | —                                                                         | 14                                                                               | —                                                                | 1,115                                                      |
| <b>Liabilities</b>                                        |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| Policyholder account balances –                           |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| RILA, fixed annuity and                                   |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| IUL contracts <sup>(4)</sup>                              | (9,077)                                                       | (3,059)                                             | —                                                                         | (313)                                                                            | —                                                                | (12,449)                                                   |
| Funds withheld reinsurance                                |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| liabilities – reinsurance-related                         |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| embedded derivatives <sup>(4)</sup>                       | (789)                                                         | 555                                                 | —                                                                         | —                                                                                | —                                                                | (234)                                                      |
| Other liabilities:                                        |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| Ceded MRBs <sup>(3)</sup>                                 | (239)                                                         | (142)                                               | —                                                                         | —                                                                                | —                                                                | (381)                                                      |
| Derivative liabilities, net                               | 36                                                            | (124)                                               | —                                                                         | 3                                                                                | (51)                                                             | (136)                                                      |



**For the Year Ended December 31, 2023**

|                                                                                                  | <b>Beginning<br/>Asset<br/>(Liability)<br/>Fair<br/>Value</b> | <b>Items<br/>Included<br/>in<br/>Net<br/>Income</b> | <b>Gains<br/>(Losses)<br/>in<br/>OCI<br/>and<br/>Other <sup>(1)</sup></b> | <b>Issuances,<br/>Sales,<br/>Maturities,<br/>Settlements,<br/>Calls,<br/>Net</b> | <b>Transfers<br/>Into or<br/>Out<br/>of<br/>Level 3,<br/>Net</b> | <b>Ending<br/>Asset<br/>(Liability)<br/>Fair<br/>Value</b> |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------|
| <b>Assets</b>                                                                                    |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| Investments: <sup>(2)</sup>                                                                      |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| Fixed maturity AFS securities:                                                                   |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| Corporate bonds                                                                                  | \$ 2,122                                                      | \$ 1                                                | \$ 12                                                                     | \$ 244                                                                           | \$ (27)                                                          | \$ 2,352                                                   |
| State and municipal bonds                                                                        | 35                                                            | (6)                                                 | 6                                                                         | (30)                                                                             | —                                                                | 5                                                          |
| RMBS                                                                                             | 1                                                             | —                                                   | —                                                                         | 5                                                                                | (5)                                                              | 1                                                          |
| CMBS                                                                                             | —                                                             | —                                                   | —                                                                         | (4)                                                                              | 12                                                               | 8                                                          |
| ABS                                                                                              | 1,117                                                         | —                                                   | 9                                                                         | 734                                                                              | (383)                                                            | 1,477                                                      |
| Hybrid and redeemable preferred securities                                                       | 34                                                            | —                                                   | —                                                                         | (2)                                                                              | 16                                                               | 48                                                         |
| Trading securities                                                                               | 568                                                           | 15                                                  | —                                                                         | (311)                                                                            | —                                                                | 272                                                        |
| Equity securities                                                                                | 153                                                           | (19)                                                | —                                                                         | (98)                                                                             | —                                                                | 36                                                         |
| Mortgage loans on real estate                                                                    | 487                                                           | (7)                                                 | 5                                                                         | (197)                                                                            | —                                                                | 288                                                        |
| Derivative investments, net                                                                      | 2                                                             | (13)                                                | —                                                                         | 16                                                                               | 31                                                               | 36                                                         |
| Other assets:                                                                                    |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| Ceded MRBs <sup>(3)</sup>                                                                        | 12                                                            | (10)                                                | —                                                                         | —                                                                                | —                                                                | 2                                                          |
| Indexed annuity ceded embedded derivatives <sup>(4)</sup>                                        | 525                                                           | 6                                                   | —                                                                         | 409                                                                              | —                                                                | 940                                                        |
| <b>Liabilities</b>                                                                               |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| Policyholder account balances –                                                                  |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| RILA, fixed annuity and                                                                          |                                                               |                                                     |                                                                           |                                                                                  |                                                                  |                                                            |
| IUL contracts <sup>(4)</sup>                                                                     | (4,783)                                                       | (3,193)                                             | —                                                                         | (1,101)                                                                          | —                                                                | (9,077)                                                    |
| Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives <sup>(4)</sup> | —                                                             | (789)                                               | —                                                                         | —                                                                                | —                                                                | (789)                                                      |
| Other liabilities – ceded MRBs <sup>(3)</sup>                                                    | (205)                                                         | (34)                                                | —                                                                         | —                                                                                | —                                                                | (239)                                                      |

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

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

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

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

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

| For the Year Ended December 31, 2025                                  |           |          |            |             |         |        |
|-----------------------------------------------------------------------|-----------|----------|------------|-------------|---------|--------|
|                                                                       | Issuances | Sales    | Maturities | Settlements | Calls   | Total  |
| <b>Assets</b>                                                         |           |          |            |             |         |        |
| Investments:                                                          |           |          |            |             |         |        |
| Fixed maturity AFS securities:                                        |           |          |            |             |         |        |
| Corporate bonds                                                       | \$ 1,399  | \$ (298) | \$ (6)     | \$ (519)    | \$ (30) | \$ 546 |
| RMBS                                                                  | 74        | —        | —          | —           | —       | 74     |
| CMBS                                                                  | 99        | (15)     | —          | —           | —       | 84     |
| ABS                                                                   | 2,289     | (128)    | (10)       | (386)       | (115)   | 1,650  |
| Hybrid and redeemable preferred securities                            | 21        | (2)      | —          | —           | —       | 19     |
| Trading securities                                                    | 167       | (75)     | (5)        | (57)        | (2)     | 28     |
| Equity securities                                                     | 20        | (13)     | —          | —           | —       | 7      |
| Mortgage loans on real estate                                         | 2         | (1)      | (30)       | (5)         | —       | (34)   |
| Other investments – short-term investments                            | 11        | —        | (16)       | (17)        | —       | (22)   |
| Other assets – indexed annuity ceded embedded derivatives             | 130       | —        | —          | (42)        | —       | 88     |
| <b>Liabilities</b>                                                    |           |          |            |             |         |        |
| Policyholder account balances – RILA, fixed annuity and IUL contracts |           |          |            |             |         |        |
|                                                                       | (1,541)   | —        | —          | 1,112       | —       | (429)  |
| Derivative liabilities, net                                           | 4         | —        | —          | —           | —       | 4      |

| For the Year Ended December 31, 2024                                  |           |          |            |             |        |        |
|-----------------------------------------------------------------------|-----------|----------|------------|-------------|--------|--------|
|                                                                       | Issuances | Sales    | Maturities | Settlements | Calls  | Total  |
| <b>Assets</b>                                                         |           |          |            |             |        |        |
| Investments:                                                          |           |          |            |             |        |        |
| Fixed maturity AFS securities:                                        |           |          |            |             |        |        |
| Corporate bonds                                                       | \$ 1,350  | \$ (299) | \$ (2)     | \$ (530)    | \$ (1) | \$ 518 |
| CMBS                                                                  | 19        | —        | —          | —           | —      | 19     |
| ABS                                                                   | 1,425     | (81)     | —          | (285)       | (57)   | 1,002  |
| Hybrid and redeemable preferred securities                            | 16        | —        | —          | —           | (4)    | 12     |
| Trading securities                                                    | 6         | —        | —          | (20)        | —      | (14)   |
| Equity securities                                                     | 1         | (1)      | —          | —           | —      | —      |
| Mortgage loans on real estate                                         | 1         | (31)     | (29)       | (7)         | —      | (66)   |
| Other investments – short-term investments                            | 16        | —        | (3)        | —           | —      | 13     |
| Other assets – indexed annuity ceded embedded derivatives             | 135       | —        | —          | (121)       | —      | 14     |
| <b>Liabilities</b>                                                    |           |          |            |             |        |        |
| Policyholder account balances – RILA, fixed annuity and IUL contracts |           |          |            |             |        |        |
|                                                                       | (1,137)   | —        | —          | 824         | —      | (313)  |
| Other liabilities – derivative liabilities                            | 4         | —        | (1)        | —           | —      | 3      |

**For the Year Ended December 31, 2023**

|                                                           | Issuances | Sales    | Maturities | Settlements | Calls   | Total   |
|-----------------------------------------------------------|-----------|----------|------------|-------------|---------|---------|
| <b>Assets</b>                                             |           |          |            |             |         |         |
| Investments:                                              |           |          |            |             |         |         |
| Fixed maturity AFS securities:                            |           |          |            |             |         |         |
| Corporate bonds                                           | \$ 791    | \$ (103) | \$ (33)    | \$ (400)    | \$ (11) | \$ 244  |
| State and municipal                                       | —         | (30)     | —          | —           | —       | (30)    |
| RMBS                                                      | 5         | —        | —          | —           | —       | 5       |
| CMBS                                                      | —         | —        | —          | (4)         | —       | (4)     |
| ABS                                                       | 971       | (2)      | —          | (229)       | (6)     | 734     |
| Hybrid and redeemable preferred securities                | —         | —        | —          | —           | (2)     | (2)     |
| Trading securities                                        | —         | (231)    | —          | (80)        | —       | (311)   |
| Equity securities                                         | 1         | (99)     | —          | —           | —       | (98)    |
| Mortgage loans on real estate                             | 5         | —        | —          | (202)       | —       | (197)   |
| Derivative investments, net                               | 19        | —        | (3)        | —           | —       | 16      |
| Other assets – indexed annuity ceded embedded derivatives | 404       | —        | —          | 5           | —       | 409     |
| <b>Liabilities</b>                                        |           |          |            |             |         |         |
| Policyholder account balances –                           |           |          |            |             |         |         |
| RILA, fixed annuity and                                   |           |          |            |             |         |         |
| IUL contracts                                             | (1,110)   | —        | —          | 9           | —       | (1,101) |

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

|                                                                                                  | For the Years Ended December 31, |       |       |
|--------------------------------------------------------------------------------------------------|----------------------------------|-------|-------|
|                                                                                                  | 2025                             | 2024  | 2023  |
| Investments:                                                                                     |                                  |       |       |
| Trading securities <sup>(1)</sup>                                                                | \$ 3                             | \$ —  | \$ 8  |
| Equity securities <sup>(1)</sup>                                                                 | (6)                              | (1)   | (16)  |
| Mortgage loans on real estate <sup>(1)</sup>                                                     | (3)                              | —     | (8)   |
| Derivative investments, net <sup>(1)</sup>                                                       | (35)                             | (121) | 1     |
| MRBs, net <sup>(2)</sup>                                                                         | 346                              | 2,643 | 2,200 |
| Funds withheld reinsurance liabilities – reinsurance-related embedded derivatives <sup>(1)</sup> | (200)                            | 555   | (789) |
| Embedded derivatives – indexed annuity and IUL contracts, net <sup>(1)</sup>                     | 860                              | 1,061 | (20)  |

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

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

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

|                                            | For the Years Ended December 31, |         |        |
|--------------------------------------------|----------------------------------|---------|--------|
|                                            | 2025                             | 2024    | 2023   |
| <b>Investments:</b>                        |                                  |         |        |
| Fixed maturity AFS securities:             |                                  |         |        |
| Corporate bonds                            | \$ (13)                          | \$ (26) | \$ (7) |
| State and municipal bonds                  | —                                | —       | 5      |
| ABS                                        | 60                               | (2)     | 3      |
| Hybrid and redeemable preferred securities | 1                                | 3       | 1      |
| Mortgage loans on real estate              | 3                                | 2       | 4      |

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, 2025 |                |        |
|--------------------------------|--------------------------------------|----------------|--------|
|                                | Transfers                            | Transfers      | Total  |
|                                | Into Level 3                         | Out of Level 3 |        |
| <b>Assets</b>                  |                                      |                |        |
| Investments:                   |                                      |                |        |
| Fixed maturity AFS securities: |                                      |                |        |
| Corporate bonds                | \$ 859                               | \$ (152)       | \$ 707 |
| RMBS                           | —                                    | (76)           | (76)   |
| CMBS                           | —                                    | (7)            | (7)    |
| ABS                            | 80                                   | (264)          | (184)  |
| Trading securities             | 41                                   | (7)            | 34     |
| Equity securities              | 54                                   | (52)           | 2      |

|                                            | For the Year Ended December 31, 2024 |                |          |
|--------------------------------------------|--------------------------------------|----------------|----------|
|                                            | Transfers                            | Transfers      | Total    |
|                                            | Into Level 3                         | Out of Level 3 |          |
| <b>Assets</b>                              |                                      |                |          |
| Investments:                               |                                      |                |          |
| Fixed maturity AFS securities:             |                                      |                |          |
| Corporate bonds                            | \$ 22                                | \$ (182)       | \$ (160) |
| State and municipal bonds                  | —                                    | (5)            | (5)      |
| CMBS                                       | —                                    | (18)           | (18)     |
| ABS                                        | 49                                   | (459)          | (410)    |
| Equity securities                          | 5                                    | (4)            | 1        |
| Other investments – short-term investments | 10                                   | —              | 10       |
| <b>Liabilities</b>                         |                                      |                |          |
| Other liabilities – derivative liabilities | —                                    | (51)           | (51)     |

|                                            | For the Year Ended December 31, 2023 |                   |         |
|--------------------------------------------|--------------------------------------|-------------------|---------|
|                                            | Transfers                            | Transfers         | Total   |
|                                            | Into<br>Level 3                      | Out of<br>Level 3 |         |
| <b>Assets</b>                              |                                      |                   |         |
| Investments:                               |                                      |                   |         |
| Fixed maturity AFS securities:             |                                      |                   |         |
| Corporate bonds                            | \$ 177                               | \$ (204)          | \$ (27) |
| RMBS                                       | –                                    | (5)               | (5)     |
| CMBS                                       | 12                                   | –                 | 12      |
| ABS                                        | 8                                    | (391)             | (383)   |
| Hybrid and redeemable preferred securities | 16                                   | –                 | 16      |
| Derivative investments                     | 31                                   | –                 | 31      |

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, 2025, 2024 and 2023, transfers in and out of Level 3 were attributable primarily to the financial instruments' observable market information no longer being available or becoming available.

The following summarizes the fair value (in millions), valuation techniques and significant unobservable inputs of the Level 3 fair value measurements as of December 31, 2025:

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

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 <sup>(1)</sup> |
|--------------------------------------------------------------------------------|------------|----------------------|-----------------------------------------------|----------------------------|---------------------------------------------|
| <b>Assets</b>                                                                  |            |                      |                                               |                            |                                             |
| Investments:                                                                   |            |                      |                                               |                            |                                             |
| Fixed maturity AFS securities:                                                 |            |                      |                                               |                            |                                             |
| Corporate bonds                                                                | \$ 187     | Discounted cash flow | Liquidity/duration adjustment <sup>(2)</sup>  | 0.0 % – 3.1 %              | 1.7 %                                       |
| CMBS                                                                           | 8          | Discounted cash flow | Liquidity/duration adjustment <sup>(2)</sup>  | 1.9 % – 1.9 %              | 1.9 %                                       |
| ABS                                                                            | 10         | Discounted cash flow | Liquidity/duration adjustment <sup>(2)</sup>  | 1.3 % – 1.3 %              | 1.3 %                                       |
| Hybrid and redeemable preferred securities                                     | 19         | Discounted cash flow | Liquidity/duration adjustment <sup>(2)</sup>  | 1.4 % – 1.9 %              | 1.8 %                                       |
| Equity securities                                                              | 5          | Discounted cash flow | Liquidity/duration adjustment <sup>(2)</sup>  | 4.5 % – 4.5 %              | 4.5 %                                       |
| MRB assets                                                                     | 4,860      | Discounted cash flow | Lapse <sup>(3)</sup>                          | 1.0 % – 30.0 %             | <sup>(10)</sup>                             |
|                                                                                |            |                      | Utilization of GLB withdrawals <sup>(4)</sup> | 85.0 % – 100.0 %           | 92.0 %                                      |
|                                                                                |            |                      | Claims utilization factor <sup>(5)</sup>      | 60.0 % – 100.0 %           | <sup>(10)</sup>                             |
|                                                                                |            |                      | Premiums utilization factor <sup>(5)</sup>    | 80.0 % – 115.0 %           | <sup>(10)</sup>                             |
|                                                                                |            |                      | Non-performance risk <sup>(6)</sup>           | 0.3 % – 2.0 %              | 1.6 %                                       |
|                                                                                |            |                      | Mortality <sup>(7)</sup>                      | <sup>(9)</sup>             | <sup>(10)</sup>                             |
|                                                                                |            |                      | Volatility <sup>(8)</sup>                     | 1.0 % – 29.0 %             | 14.5 %                                      |
| Other assets:                                                                  |            |                      |                                               |                            |                                             |
| Ceded MRBs <sup>(11)</sup>                                                     | 2          |                      |                                               |                            |                                             |
| Indexed annuity ceded embedded derivatives                                     |            |                      |                                               |                            |                                             |
|                                                                                | 1,115      | Discounted cash flow | Lapse <sup>(3)</sup>                          | 0.0 % – 9.0 %              | <sup>(10)</sup>                             |
|                                                                                |            |                      | Mortality <sup>(7)</sup>                      | <sup>(9)</sup>             | <sup>(10)</sup>                             |
| <b>Liabilities</b>                                                             |            |                      |                                               |                            |                                             |
| Policyholder account balances – indexed annuity contracts embedded derivatives |            |                      |                                               |                            |                                             |
|                                                                                | \$(12,402) | Discounted cash flow | Lapse <sup>(3)</sup>                          | 0.0 % – 9.0 %              | <sup>(10)</sup>                             |
|                                                                                |            |                      | Mortality <sup>(7)</sup>                      | <sup>(9)</sup>             | <sup>(10)</sup>                             |
| MRB liabilities                                                                | (1,046)    | Discounted cash flow | Lapse <sup>(3)</sup>                          | 1.0 % – 30.0 %             | <sup>(10)</sup>                             |
|                                                                                |            |                      | Utilization of GLB withdrawals <sup>(4)</sup> | 85.0 % – 100.0 %           | 92.0 %                                      |
|                                                                                |            |                      | Claims utilization factor <sup>(5)</sup>      | 60.0 % – 100.0 %           | <sup>(10)</sup>                             |
|                                                                                |            |                      | Premiums utilization factor <sup>(5)</sup>    | 80.0 % – 115.0 %           | <sup>(10)</sup>                             |
|                                                                                |            |                      | Non-performance risk <sup>(6)</sup>           | 0.3 % – 2.0 %              | 1.6 %                                       |
|                                                                                |            |                      | Mortality <sup>(7)</sup>                      | <sup>(9)</sup>             | <sup>(10)</sup>                             |
|                                                                                |            |                      | Volatility <sup>(8)</sup>                     | 1.0 % – 29.0 %             | 14.5 %                                      |
| Other liabilities – ceded MRBs <sup>(11)</sup>                                 |            |                      |                                               |                            |                                             |
|                                                                                | (381)      |                      |                                               |                            |                                             |

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

<sup>(2)</sup> 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.

<sup>(3)</sup> The lapse input represents the estimated probability of a contract surrendering during a year, and thereby forgoing any future benefits. The range for indexed annuity contracts represents the lapses during the surrender charge period.



- (4) The utilization of GLB withdrawals input represents the estimated percentage of policyholders that utilize the GLB withdrawal riders.
- (5) The utilization factors are applied to the present value of claims or premiums, as appropriate, in the MRB calculation to estimate the impact of inefficient GLB withdrawal behavior, including taking less than or more than the maximum GLB withdrawal.
- (6) The non-performance risk input represents the estimated additional credit spread that market participants would apply to the market observable discount rate when pricing a contract. The non-performance risk input was weighted by the absolute value of the sensitivity of the reserve to the non-performance risk assumption.
- (7) The mortality input represents the estimated probability of when an individual belonging to a particular group, categorized according to age or some other factor such as gender, will die.
- (8) The volatility input represents overall volatilities assumed for the underlying variable annuity funds, which include a mixture of equity and fixed-income assets. Volatility assumptions vary by fund due to the benchmarking of different indices. The volatility input was weighted by the relative account balance assigned to each index.
- (9) The mortality is based on a combination of company and industry experience, adjusted for improvement factors.
- (10) A weighted average input range is not a meaningful measurement for lapse, utilization factors or mortality.
- (11) The fair value inputs for ceded MRBs are consistent with those used to value MRB assets and liabilities.

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

The embedded derivative liability associated with Fortitude Re was excluded from the above table. As discussed in Note 7, this embedded derivative liability was created through a coinsurance with funds withheld reinsurance agreement where the investments supporting the reinsurance agreement were withheld by 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.

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

|                                 | As of December 31, |        |
|---------------------------------|--------------------|--------|
|                                 | 2025               | 2024   |
| Fair value                      | \$ 199             | \$ 232 |
| Aggregate contractual principal | 231                | 263    |

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, 2025              |           |           |       |       |        |          |        |    |        |
|-------------------------------|--------------------------------------|-----------|-----------|-------|-------|--------|----------|--------|----|--------|
|                               | Asset (Liability) Measurement in the |           |           |       |       | Total  |          |        |    |        |
|                               | Fair Value Hierarchy                 |           |           |       |       | Fair   | Carrying |        |    |        |
|                               | (Level 1)                            | (Level 2) | (Level 3) |       | Value | Amount |          |        |    |        |
| Assets                        |                                      |           |           |       |       |        |          |        |    |        |
| Investments:                  |                                      |           |           |       |       |        |          |        |    |        |
| Mortgage loans on real estate | \$                                   | —         | \$        | —     | \$    | 21,756 | \$       | 21,756 | \$ | 22,273 |
| Other investments             |                                      | —         |           | 962   |       | 5,759  |          | 6,721  |    | 6,721  |
| Policy loans                  |                                      | —         |           | 2,626 |       | —      |          | 2,626  |    | 2,626  |

|                                                                                 |      |         |             |             |             |
|---------------------------------------------------------------------------------|------|---------|-------------|-------------|-------------|
| <b>Liabilities</b>                                                              |      |         |             |             |             |
| Policyholder account balances – certain investment contracts                    |      |         |             |             |             |
|                                                                                 | \$ — | \$ —    | \$ (36,710) | \$ (36,710) | \$ (43,793) |
| Policyholder account balances – funding agreements                              | —    | (3,778) | —           | (3,778)     | (3,749)     |
| Short-term debt                                                                 | —    | (399)   | —           | (399)       | (400)       |
| Long-term debt                                                                  | —    | (5,605) | —           | (5,605)     | (5,866)     |
| Funds withheld reinsurance-related liabilities – excluding embedded derivatives | —    | —       | (17,633)    | (17,633)    | (17,633)    |

|                               | As of December 31, 2024              |           |           |       |       |        |          |        |    |        |
|-------------------------------|--------------------------------------|-----------|-----------|-------|-------|--------|----------|--------|----|--------|
|                               | Asset (Liability) Measurement in the |           |           |       |       | Total  |          |        |    |        |
|                               | Fair Value Hierarchy                 |           |           |       |       | Fair   | Carrying |        |    |        |
|                               | (Level 1)                            | (Level 2) | (Level 3) |       | Value | Amount |          |        |    |        |
| Assets                        |                                      |           |           |       |       |        |          |        |    |        |
| Investments:                  |                                      |           |           |       |       |        |          |        |    |        |
| Mortgage loans on real estate | \$                                   | –         | \$        | –     | \$    | 19,647 | \$       | 19,647 | \$ | 21,083 |
| Other investments             |                                      | –         |           | 1,119 |       | 5,469  |          | 6,588  |    | 6,588  |
| Policy loans                  |                                      | –         |           | 2,476 |       | –      |          | 2,476  |    | 2,476  |

|                                                                                 |      |         |             |             |             |
|---------------------------------------------------------------------------------|------|---------|-------------|-------------|-------------|
| <b>Liabilities</b>                                                              |      |         |             |             |             |
| Policyholder account balances – certain investment contracts                    |      |         |             |             |             |
|                                                                                 | \$ — | \$ —    | \$ (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)    |

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

#### *Mortgage Loans on Real Estate*

The fair value of mortgage loans on real estate, excluding mortgage loans accounted for using the fair value option, is established using a discounted cash flow method based on internal quality rating, maturity and future income. The ratings for mortgages in good standing are based on occupancy, debt-service coverage, LTV, and forecasted tenancy. The fair value for impaired mortgage loans is based on the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's market price or the fair value of the collateral if the loan is collateral dependent. The inputs used to measure the fair value of our mortgage loans on real estate, excluding mortgage loans accounted for using the fair value option, are classified as Level 3 within the fair value hierarchy.

#### *Other Investments*

The carrying value of our assets classified as other investments, excluding short-term investments, approximates fair value. Other investments 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 include FHLB stock, which is carried at cost and periodically evaluated for impairment based on ultimate recovery of par value, and the investments in COLI, which are recorded at cash surrender value and not required to be included in the table above. The inputs used to measure the fair value of our LPs, other privately held investments and FHLB stock are classified as Level 3 within the fair value hierarchy. The remaining assets in other investments include cash collateral receivables and securities that are not LPs or other privately held investments. The inputs used to measure the fair value of these assets are classified as Level 2 within the fair value hierarchy.

#### *Policy Loans*

The carrying value for policy loans 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. The inputs used to measure the fair value of these assets are classified as Level 2 within the fair value hierarchy.

#### *Policyholder Account Balances – Certain Investment Contracts 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.

#### *Policyholder Account Balances – Funding Agreements*

The fair value of funding agreements issued under the FABN program is based on quoted market prices. The fair value of secured funding agreements issued under FABRs and funding agreements issued to FHLB is based on a discounted cash flow model as of the balance sheet date. The inputs used to measure the fair value of funding agreements are classified as Level 2 within the fair value hierarchy. For more information on funding agreements, see Note 11.

#### *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, 2025.

### *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, 2025, 2024 and 2023, expenses for these plans were \$107 million, \$111 million and \$116 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, 2025, 2024 and 2023, expenses for these plans were \$65 million, \$48 million and \$24 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, |        |
|----------------------------------------------------------|--------------------|--------|
|                                                          | 2025               | 2024   |
| Total liabilities <sup>(1)</sup>                         | \$ 889             | \$ 809 |
| Investments dedicated to fund liabilities <sup>(2)</sup> | 287                | 258    |

<sup>(1)</sup> Reported in other liabilities on the Consolidated Balance Sheets.

<sup>(2)</sup> Reported in other assets on the Consolidated Balance Sheets.

## 16. Stock-Based Incentive Compensation Plans

Total compensation expense (in millions) by award type for our stock-based incentive compensation plans was as follows:

|                        | For the Years Ended December 31, |       |       |
|------------------------|----------------------------------|-------|-------|
|                        | 2025                             | 2024  | 2023  |
| Stock options          | \$ 2                             | \$ 5  | \$ 8  |
| Performance shares     | 23                               | 8     | 12    |
| RSUs                   | 53                               | 51    | 41    |
| Total                  | \$ 78                            | \$ 64 | \$ 61 |
| Recognized tax benefit | \$ 13                            | \$ 11 | \$ 9  |

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, |                         |              |                         |              |                         |
|---------------------------------------------------------------|----------------------------------|-------------------------|--------------|-------------------------|--------------|-------------------------|
|                                                               | 2025                             |                         | 2024         |                         | 2023         |                         |
|                                                               | Expense                          | Weighted-Average Period | Expense      | Weighted-Average Period | Expense      | Weighted-Average Period |
| Stock options                                                 | \$ —                             | 0.0                     | \$ 3         | 0.8                     | \$ 9         | 0.8                     |
| Performance shares                                            | 25                               | 1.7                     | 20           | 1.5                     | 21           | 1.3                     |
| RSUs                                                          | 41                               | 1.1                     | 40           | 1.4                     | 54           | 1.6                     |
| Total unrecognized stock-based incentive compensation expense | <u>\$ 66</u>                     |                         | <u>\$ 63</u> |                         | <u>\$ 84</u> |                         |

## Stock Options

The option price assumptions used for our stock option awards were as follows:

|                                                | For the Years Ended December 31, |         |          |
|------------------------------------------------|----------------------------------|---------|----------|
|                                                | 2025                             | 2024    | 2023     |
| Weighted-average fair value per option granted | \$ 9.60                          | \$ 9.53 | \$ 11.64 |
| Weighted-average assumptions:                  |                                  |         |          |
| Dividend yield                                 | 3.7 %                            | 4.4 %   | 4.1 %    |
| Expected volatility                            | 40.9 %                           | 54.5 %  | 48.1 %   |
| Risk-free interest rate <sup>(1)</sup>         | 4.0 %                            | 4.3 %   | 3.8-4.1% |
| Expected life (in years)                       | 4.1                              | 4.1     | 5.8      |

<sup>(1)</sup> 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, 2024                               | 3,414,454 | \$ 54.90                        |                                             |                           |
| Granted                                                           | —         | —                               |                                             |                           |
| Exercised                                                         | (430,947) | 35.16                           |                                             |                           |
| Forfeited or expired                                              | (304,873) | 57.24                           |                                             |                           |
| Outstanding as of December 31, 2025                               | 2,678,634 | \$ 57.82                        | 4.5                                         | \$ 6                      |
| Vested or expected to vest as of December 31, 2025 <sup>(1)</sup> | 2,641,061 | \$ 58.14                        | 4.4                                         | \$ 5                      |
| Exercisable as of December 31, 2025                               | 2,446,292 | \$ 59.79                        | 4.2                                         | \$ 3                      |

<sup>(1)</sup> Includes estimated forfeitures.

The total fair value of stock options with service conditions that vested during each of the years ended December 31, 2025, 2024 and 2023, was \$6 million. The total intrinsic value of such options exercised during the years ended December 31, 2025, 2024 and 2023, was \$2 million, less than \$1 million and less than \$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, 2024                               | 92,455   | \$ 41.12                        |                                             |                           |
| Granted                                                           | 12,453   | 34.46                           |                                             |                           |
| Exercised                                                         | (23,598) | 25.26                           |                                             |                           |
| Forfeited or expired                                              | (7,538)  | 25.07                           |                                             |                           |
| Outstanding as of December 31, 2025                               | 73,772   | \$ 46.71                        | 1.8                                         | \$ 1                      |
| Vested or expected to vest as of December 31, 2025 <sup>(1)</sup> | 73,026   | \$ 46.88                        | 1.8                                         | \$ 1                      |
| Exercisable as of December 31, 2025                               | 71,286   | \$ 47.28                        | 1.7                                         | \$ —                      |

<sup>(1)</sup> Includes estimated forfeitures.

The total fair value of stock options with performance conditions that vested during each of the years ended December 31, 2025, 2024 and 2023, was less than \$1 million. The total intrinsic value of such options exercised during each of the years ended December 31, 2025, 2024 and 2023, was less than \$1 million.

## Performance Shares

LNC performance shares provide participants with the opportunity to earn shares of our common stock based on the achievement of performance goals pre-determined by the Compensation Committee. The goals for the outstanding performance shares granted under our long-term incentive program include two equally weighted measures: rTSR and a goal measuring the Company's financial performance. Performance shares generally vest on the third anniversary of the grant date, if at all, after the conclusion of a three-year performance period and certification of performance results by the Compensation Committee. Depending on the outcome of the performance measures, payouts could range from 0% to 240% of the target award for performance shares granted in 2021, 0% to 232% of the target award for performance shares granted in 2022, 0% to 200% of the target award for performance shares granted in 2023 and 2024 and 0% to 212.5% of the target award for performance shares granted under the long-term incentive program in 2025. Dividend equivalents accrue with respect to unvested performance shares when and as cash dividends are paid on our 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<br>Grant Date<br>Fair Value |
|----------------------------------------------------|-----------|----------------------------------------------|
| Outstanding as of December 31, 2024 <sup>(1)</sup> | 1,594,032 | \$ 40.74                                     |
| Granted                                            | 758,608   | 43.73                                        |
| Vested                                             | —         | —                                            |
| Forfeited                                          | (65,699)  | 37.26                                        |
| Performance adjustment <sup>(2)</sup>              | (317,984) | 70.77                                        |
| Outstanding as of December 31, 2025 <sup>(1)</sup> | 1,968,957 | \$ 37.16                                     |

<sup>(1)</sup> Represents target award amounts.

<sup>(2)</sup> 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<br>Grant Date<br>Fair Value |
|-------------------------------------|-----------|----------------------------------------------|
| Outstanding as of December 31, 2024 | 3,776,233 | \$ 34.24                                     |
| Granted                             | 1,830,408 | 38.30                                        |
| Vested                              | (819,272) | 53.10                                        |
| Forfeited                           | (263,694) | 31.99                                        |
| Outstanding as of December 31, 2025 | 4,523,675 | \$ 32.53                                     |



## 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 and registered investment advisers and unclaimed property laws. Tax-related matters can include disputes with taxing authorities, ongoing audits, evaluation of filing positions and any potential assessments related thereto.

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

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

We establish liabilities for litigation and regulatory loss contingencies when information related to the loss contingencies shows both that it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. It is possible that some matters could require us to pay damages or make other expenditures or establish accruals in amounts that could not be estimated as of December 31, 2025.

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, 2025, 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 LNL on June 8, 2016. Plaintiff is the owner of a universal life insurance policy who alleges that LNL charged more for non-guaranteed cost of insurance than permitted by the policy. Plaintiff seeks to represent all universal life and variable universal life policyholders who owned policies containing non-guaranteed cost of insurance provisions that are similar to those of plaintiff's policy and seeks damages on behalf of all such policyholders. On January 11, 2019, the court dismissed plaintiff's complaint in its entirety. In response, plaintiff filed a motion for leave to amend the complaint, which, on September 25, 2023, the court granted in part and denied in part. Plaintiff filed an amended complaint on October 10, 2023. On March 7, 2024, the parties entered into a provisional settlement agreement that encompasses policies that are at issue in this case, which also includes all policies at issue in the lawsuits captioned *Iwanski v. First Penn-Pacific Life Insurance Company, TVPX ARS INC., as Securities Intermediary for Consolidated Wealth Management, LTD. v. The Lincoln National Life Insurance Company* and *Vida Longevity Fund, LP v. Lincoln Life & Annuity Company of New York*, each of which are described below. The *Glover* plaintiffs' motion for preliminary approval of the provisional settlement was filed on March 8, 2024, and on September 4, 2024, the court granted preliminary approval of the provisional settlement. On December 16, 2024, the court heard oral argument on the issue of whether to grant final approval of the provisional settlement. On June 16, 2025, the court granted final approval of the provisional settlement and on June 18, 2025, entered final judgment and dismissed the case. On July 16, 2025, plaintiffs in the *Iwanski*, *TVPX ARS INC.* and *Vida* cases appealed the final approval of the provisional settlement to the U.S. Court of Appeals for the Second Circuit. The provisional settlement, which is subject to the outcome of the appeal, consists of a \$147.5 million pre-tax cash payment for *Glover* class members (inclusive of all policyholders in *Iwanski*, *TVPX ARS INC.* and *Vida*). As of December 31, 2025, the total provisional settlement amount of \$147.5 million, pre-tax, remains accrued.

*Iwanski v. First Penn-Pacific Life Insurance Company* ("FPP"), No. 2:18-cv-01573, filed in the U.S. District Court for the Eastern District of Pennsylvania is a putative class action that was filed on April 13, 2018. Plaintiff alleges that defendant FPP breached the terms of his life insurance policy by deducting non-guaranteed cost of insurance charges in excess of what is permitted by the policies. Plaintiff seeks to represent all owners of universal life insurance policies issued by FPP containing non-guaranteed cost of insurance provisions that are similar to those of plaintiff's policy and seeks damages on their behalf. Breach of contract is the only cause of action asserted. On March 7, 2024, the parties in *Glover v. Connecticut General Life Insurance Company and The Lincoln National Life Insurance Company* (discussed above) entered into a provisional settlement agreement that encompasses all policies at issue in this case, as the *Glover* case is inclusive of all policies in this case, as well as in the lawsuits captioned *TVPX ARS INC., as Securities Intermediary for Consolidated Wealth Management, LTD. v. The Lincoln National Life Insurance Company* and *Vida Longevity Fund, LP v. Lincoln Life & Annuity Company of New York* (both discussed below). The *Glover* plaintiffs' motion for preliminary approval of the provisional settlement was filed on March 8, 2024, and on September 4, 2024, the court granted preliminary approval of the provisional settlement. On December 16, 2024, the court heard oral argument on the issue of whether to grant final approval of the provisional settlement. On June 16, 2025, the court granted final approval of the *Glover* provisional settlement and on June 18, 2025, entered final judgment and dismissed the case. On July 16, 2025, plaintiffs in the *Iwanski*, *TVPX ARS INC.* and *Vida* cases appealed the final approval of the provisional settlement to the U.S. Court of Appeals for the Second Circuit. The provisional settlement, which is subject to the outcome of the appeal, consists of a \$147.5 million pre-tax cash payment for *Glover* class members (inclusive of all policyholders in *Iwanski*, *TVPX ARS INC.* and *Vida*). A motion has been filed to stay the proceedings in this matter pending the completion of the settlement approval process in *Glover*.

*TVPX ARS INC., as Securities Intermediary for Consolidated Wealth Management, LTD. v. The Lincoln National Life Insurance Company*, filed in the U.S. District Court for the Eastern District of Pennsylvania, No. 2:18-cv-02989, is a putative class action that was filed on July 17, 2018. Plaintiff alleges that LNL charged more for non-guaranteed cost of insurance than permitted by the policy. Plaintiff seeks to represent all universal life and variable universal life policyholders who own policies issued by LNL or its predecessors containing non-guaranteed cost of insurance provisions that are similar to those of plaintiff's policy and seeks damages on behalf of all such policyholders. On March 7, 2024, the parties in *Glover v. Connecticut General Life Insurance Company and The Lincoln National Life Insurance Company* (discussed above) entered into a provisional settlement agreement that encompasses all policies at issue in this case, as the *Glover* case is inclusive of all policies in this case, as well as in the lawsuits captioned *Iwanski v. First Penn-Pacific Life Insurance Company* (discussed above) and *Vida Longevity Fund, LP v. Lincoln Life & Annuity Company of New York* (discussed below). The *Glover* plaintiffs' motion for preliminary approval of the provisional settlement was filed on March 8, 2024, and on September 4, 2024, the court granted preliminary approval of the provisional settlement. On December 16, 2024, the court heard oral argument on the issue of whether to grant final approval of the provisional settlement. On June 16, 2025, the court granted final approval of the *Glover* provisional settlement and on June 18, 2025, entered final judgment and dismissed the case. On July 16, 2025, plaintiffs in the *Iwanski*, *TVPX ARS INC.* and *Vida* cases appealed the final approval of the provisional settlement to the U.S. Court of Appeals for the Second Circuit. The provisional settlement, which is subject to the outcome of the appeal, consists of a \$147.5 million pre-tax cash payment for *Glover* class members (inclusive of all policyholders in *Iwanski*, *TVPX ARS INC.* and *Vida*). A motion has been filed to stay the proceedings in this matter pending the completion of the settlement approval process in *Glover*.

*Vida Longevity Fund, LP v. Lincoln Life & Annuity Company of New York*, pending in the U.S. District Court for the Southern District of New York, No. 1:19-cv-06004, is a putative class action that was filed on June 27, 2019. Plaintiff alleges that Lincoln Life & Annuity

Company of New York (“LLANY”) charged more for non-guaranteed cost of insurance than was permitted by the policies. On March 31, 2022, the court issued an order granting plaintiff’s motion for class certification and certified a class of all current or former owners of six universal life insurance products issued by LLANY that were assessed a cost of insurance charge any time on or after June 27, 2013. Plaintiff seeks damages on behalf of the class. On April 19, 2023, LLANY filed a motion for summary judgment. On March 7, 2024, the parties in *Glover v. Connecticut General Life Insurance Company and The Lincoln National Life Insurance Company* (discussed above) entered into a provisional settlement agreement that encompasses all policies at issue in this case, as the *Glover* case is inclusive of all policies in this case, as well as in the lawsuits captioned *Iwanski v. First Penn-Pacific Life Insurance Company* and *TVPX ARS INC., as Securities Intermediary for Consolidated Wealth Management, LTD. v. The Lincoln National Life Insurance Company* (both discussed above). The *Glover* plaintiffs’ motion for preliminary approval of the provisional settlement was filed on March 8, 2024, and on September 4, 2024, the court granted preliminary approval of the provisional settlement. On March 29, 2024, the court issued its summary judgment decision, granting LLANY’s motion in part and denying it in part, and entering summary judgment against twenty-two policyholders that the court determined were not economically harmed. On June 25, 2024, the court granted LLANY’s April 12, 2024, motion to stay proceedings in this matter pending the completion of the approval process in *Glover*. On December 16, 2024, the court heard oral argument on the issue of whether to grant final approval of the *Glover* provisional settlement. On June 16, 2025, the court granted final approval of the *Glover* provisional settlement and on June 18, 2025, entered final judgment and dismissed the case. On July 16, 2025, plaintiffs in the *Iwanski*, *TVPX ARS INC.* and *Vida* cases appealed the final approval of the provisional settlement to the U.S. Court of Appeals for the Second Circuit. The provisional settlement, which is subject to the outcome of the appeal, consists of a \$147.5 million pre-tax cash payment for *Glover* class members (inclusive of all policyholders in *Iwanski*, *TVPX ARS INC.* and *Vida*).

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

*EFG Bank AG, Cayman Branch, et al. v. The Lincoln National Life Insurance Company*, No. 17-cv-02592-GJP (E.D. Pa.), filed on February 1, 2017; *Brighton Trustees, LLC, et al. v. The Lincoln National Life Insurance Company*, No. 2:23-cv-2251-GJP (E.D. Pa.), filed on April 20, 2023 (and transferred to the U.S. District Court for the Eastern District of Pennsylvania on June 12, 2023); and *Ryan K. Crayne, on behalf of and as trustee for Carlton Peak Trust v. The Lincoln National Life Insurance Company*, No. 2:24-cv-00053-GJP, filed on November 17, 2023 (and transferred to the U.S. District Court for the Eastern District of Pennsylvania on January 4, 2024) are consolidated civil actions pending in the Eastern District of Pennsylvania. In each case other than *Crayne*, plaintiffs purport to own universal life insurance policies or interests in universal life insurance policies originally issued by Jefferson-Pilot (now LNL). In *Crayne*, plaintiffs purport to own litigation claims concerning universal life policies originally issued by Jefferson-Pilot (now LNL). Among other things, plaintiffs in each case allege that LNL breached the terms of policyholders’ contracts when it increased non-guaranteed cost of insurance rates beginning in 2016 (or, in *Brighton Trustees*, in 2016 and 2017). We are vigorously defending these consolidated matters.

#### Other Litigation

*Henry Morgan et al. v. Lincoln National Corporation d/b/a Lincoln Financial Group, et al.*, filed in the District Court of the 14<sup>th</sup> Judicial District of Dallas County, Texas, No. DC-23-02492, is a putative class action that was filed on February 22, 2023. Plaintiffs Henry Morgan, Susan Smith, Charles Smith, Laura Seale, Terri Cogburn, Laura Baesel, Kathleen Walton, Terry Warner, and Toni Hale (“Plaintiffs”) allege on behalf of a putative class that Lincoln National Corporation d/b/a Lincoln Financial Group, LNL and LLANY (together, “Lincoln”), FMR, LLC, and Fidelity Product Services, LLC (“Fidelity”) created and marketed misleading and deceptive insurance products with attributes of investment products. The putative class comprises all individuals and entities who purchased Lincoln OptiBlend products that allocated account monies to the 1-Year Fidelity AIM Dividend Participation Account, between January 1, 2020, to December 31, 2022. Plaintiffs assert the following claims individually and on behalf of the class, (1) violations of the Texas Deceptive Trade Practices Act against Lincoln; (2) common-law fraud against Lincoln; (3) negligent misrepresentation against Lincoln and Fidelity; and (4) aiding and abetting fraud against Fidelity. Plaintiffs allege they suffered damages from “a missed investment return of approximately 5-6%” and mitigation damages. They seek actual, consequential and punitive damages, as well as pre-judgment and post-judgment interest, attorney’s fees and litigation costs. On March 31, 2023, the Lincoln defendants filed a notice of removal removing the action from the 14<sup>th</sup> Judicial District of Dallas County, Texas, to the United States District Court for the Northern District of Texas, Dallas Division. On May 8, 2023, the Lincoln defendants and the Fidelity defendants filed motions to dismiss, which remain pending. We are vigorously defending this matter.

*Donald C. Meade v. Lincoln National Corporation, Ellen Cooper, Dennis Glass, and Randal Freitag* (“Defendants”), No. 2:24-cv-01704, pending in the U.S. District Court for the Eastern District of Pennsylvania, is a putative class action that was filed on April 23, 2024. On June 24, 2024, Local 295 IBT Employer Group Pension Trust Fund (“Local 295”) filed a motion for appointment as lead plaintiff. On October 23, 2024, the court granted this motion. Local 295 seeks to represent persons and entities that purchased or otherwise acquired Lincoln National Corporation common stock between December 8, 2021, and November 2, 2022, inclusive (the “Class Period”). On December 23, 2024, plaintiff filed an amended complaint. Plaintiff alleges claims under Section 10(b) and Section 20(a) of the Securities Exchange

Act of 1934, and under SEC Rule 10b-5. Plaintiff alleges that, throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts that plaintiff alleges Defendants knew, or recklessly disregarded, at the time the statements were made, about the Company's business, operations, and prospects with respect to its Guaranteed Universal Life policies and their lapse rates. The action seeks unspecified compensatory damages and reasonable costs and expenses incurred in this action, including counsel fees and expert fees, together with equitable/injunctive relief or such other relief as the court may deem just and proper. On February 21, 2025, Defendants filed a motion to dismiss. On July 24, 2025, the court granted Defendants' motion to dismiss and dismissed the amended complaint without prejudice. Plaintiff was given 14 days from the date of the court's order to file a second amended complaint. On August 7, 2025, plaintiff informed the court that it would pursue its appellate rights and would not file a second amended complaint. On August 28, 2025, the court entered an Order of Judgment granting Defendants' motion to dismiss and directing that the amended complaint be dismissed with prejudice. On September 25, 2025, plaintiff filed a Notice to Appeal to the United States Court of Appeals for the Third Circuit in respect of the court's order of July 24, 2025, and Order of Judgment of August 28, 2025 (including as to all prior opinions and orders that have merged into that order). We are vigorously defending this matter.

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

*In Re Lincoln National Corporation Shareholder Derivative Litigation*, No. CV-2024-0011319, is the matter name for the following two civil actions that were consolidated for all purposes on February 28, 2025, by the Court of Common Pleas of Delaware County, Pennsylvania: *Anthony Morgan, derivatively on behalf of Nominal Defendant Lincoln National Corporation v. Ellen G. Cooper, Deirdre P. Connelly, William H. Cunningham, Reginald Davis, Eric C. [G.] Johnson, Gary C. Kelly, M. Leanne Lachman, Dale LeFebvre, Janet Liang, Lynn M. Utter, Dennis Glass and Randal Freitag* ("Individual Defendants") and *Lincoln National Corporation* ("Nominal Defendant"), No. CV-2024-011319 (Court of Common Pleas of Delaware County, Pennsylvania) filed on December 31, 2024; and *Harry Rosenthal, derivatively on behalf of Nominal Defendant Lincoln National Corporation v. Ellen G. Cooper, Deirdre P Connelly, William H. Cunningham, Reginald Davis, Eric C. [G.] Johnson, Gary C. Kelly, M. Leanne Lachman, Dale LeFebvre, Janet Liang, Lynn M. Utter, Dennis Glass and Randal Freitag* ("Individual Defendants") and *Lincoln National Corporation* ("Nominal Defendant"), No. CV-2025-00146 (Court of Common Pleas of Delaware County, Pennsylvania) filed on January 3, 2025. By the same February 28, 2025, order, the court directed, among other things, that all proceedings and deadlines in this consolidated case be stayed until 30 days after resolution of all motions to dismiss (including the exhaustion of all related appeals) in the *Meade* matter discussed above. Plaintiffs bring this verified stockholder derivative complaint purportedly on behalf of Nominal Defendant Lincoln National Corporation against the Individual Defendants, *inter alia*, for alleged breaches of fiduciary duties for allegedly failing to comply with federal securities laws, by the issuance of allegedly materially false and misleading statements in the Company's SEC filings and other public statements. Plaintiffs allege claims against the Individual Defendants for breach of fiduciary duties and for unjust enrichment. Plaintiffs allege, *inter alia*, that the Individual Defendants failed to disclose to investors: (i) that the Company was experiencing a decline in its VUL business; (ii) that, as a result, the goodwill associated with the life insurance business was overstated; (iii) that, as a result, the Company's policy lapse assumptions were outdated; (iv) that, as a result, the Company's reserves were overstated; (v) that, as a result, the Company's reported financial results and financial statements were misstated; and (vi) that, as a result, the Individual Defendants' positive statements about the Company's business, operations and prospects were materially misleading and/or lacked a reasonable basis. Plaintiffs allege that the Company thereby suffered loss, injury and damage. Among other relief, the action seeks specifically, in favor of the Company: damages sustained by the Company; a direction by the court for the Company to take all necessary actions to reform and improve its corporate governance and internal procedures to comply with all applicable laws and to protect the Company and its shareholders; restitution from the Individual Defendants, and each of them, and an order for the disgorgement of all profits, benefits and other compensation obtained by the Individual Defendants; the costs and disbursements of the action, including reasonable attorneys' fees, accountants' and experts' fees, costs and expenses; and such other and further relief as the court deems just and proper. The Individual Defendants are vigorously defending this matter.

*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. On March 7, 2025, plaintiffs filed an amended complaint which, *inter alia*, added an



additional named plaintiff (Steven Molnar) and additional named defendants, including Lincoln Retirement Services Company, LLC, and [The] Lincoln National Life Insurance Company. Plaintiffs Kelly Grink, Diane Trump and Steven Molnar 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 (together, the "Plans") who invested in the Plans' 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 the Lincoln defendants were at all relevant times fiduciaries to the Plans and were parties in interest to a prohibited transaction under ERISA. The action seeks relief against the Lincoln defendants including the disgorgement of any profits they received as a result of the alleged breaches of fiduciary duty, together with plaintiffs' attorney's fees and costs, prejudgment and post-judgment interest and such other equitable or remedial relief as the court deems appropriate. On April 4, 2025, the Lincoln defendants filed a motion to dismiss. On December 3, 2025, the court granted the Lincoln defendants' motion, dismissing the Lincoln defendants from the case without prejudice. On January 22, 2026, plaintiffs filed a consent motion to file a second amended complaint and did not include any Lincoln entities as defendants in this matter. Therefore, this matter is no longer pending against Lincoln.

*Maria Laurino and Ricardo Miller v. The Valley Hospital and Lincoln National Corporation and The Lincoln National Life Insurance Company, et. al.*, No. 2:25-cv-15263, is a putative class action lawsuit filed on September 4, 2025 in the U.S. District Court for the District of New Jersey. Plaintiffs are participants in Valley Hospital Health System Partnership Plan (the "Plan"), which is the 401(k) defined contribution plan for The Valley Hospital and affiliated entities. Plaintiffs seek to represent all current and former participants and beneficiaries in the Plan since September 4, 2019. Lincoln offers a fixed annuity investment option to Plan participants through its group annuity contract with the Plan. Lincoln also provides recordkeeping and administration services to the Plan. Plaintiffs allege that The Valley Hospital defendants acted in breach of their fiduciary duty, including by maintaining the Plan's investment in the Lincoln stable value fund when other investment providers are alleged to have provided superior investment alternatives, and by participating in an alleged fiduciary breach by Lincoln. Plaintiffs allege that the Lincoln defendants were fiduciaries to the Plan and were parties in interest to a prohibited transaction under ERISA. The action seeks relief against the Lincoln defendants, including the disgorgement of profits, attorney's fees and costs, prejudgment and post-judgment interest and such other equitable or remedial relief as the court deems appropriate. On December 18, 2025, plaintiffs filed an amended complaint and did not include any Lincoln entities as defendants in this matter. Therefore, this matter is no longer pending against Lincoln.

#### *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 (the "Township") to LNL for additional business privilege tax for the years 2014-2019/2020 estimate. The assessment was based on an audit undertaken by a third-party auditor and consultant to the Township, following a periodic business review of LNL undertaken by the same individual in 2018. The assessment is comprised of taxes, interest and penalties for the period in question. LNL filed a motion for summary judgment that was denied by the court. The trial of this matter was held in the fourth quarter of 2024. On July 16, 2025, the trial court entered judgment in favor of LNL. On August 15, 2025, the Township filed a notice of appeal in the Commonwealth Court of Pennsylvania.

#### *Reinsurance Disputes*

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

#### *State Guaranty Fund Assessments*

State guaranty associations levy assessments on insurance companies doing business within their jurisdictions to cover policyholder losses from insolvent or impaired insurance companies. Mandatory assessments may be partially recovered through a reduction in future premium taxes in some states. We accrue the cost of future guaranty fund assessments based on estimates of insurance company insolvencies provided by the National Organization of Life & Health Insurance Guaranty Associations and the amount of premiums written in each state. We reported the undiscounted expected state guaranty fund assessment liability within other liabilities on the Consolidated Balance Sheets of \$45 million and \$63 million as of December 31, 2025 and 2024, 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 \$86 million and \$99 million as of December 31, 2025 and 2024, 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, 2025 and 2024, nets to recoveries of \$41 million and \$36 million, respectively.

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

## Commitments

### *Operating Leases*

As of December 31, 2025 and 2024, we had operating lease ROU assets of \$58 million and \$85 million, respectively, and associated lease liabilities of \$63 million and \$89 million, respectively. The weighted-average discount rate was 4.1% and 4.0%, respectively, and the weighted-average remaining lease term was three years and four years, respectively, as of December 31, 2025 and 2024. Operating lease expense for the years ended December 31, 2025, 2024 and 2023, was \$32 million, \$36 million and \$42 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, |       |       |
|------------------------------------------------------------------------|----------------------------------|-------|-------|
|                                                                        | 2025                             | 2024  | 2023  |
| <b>Supplemental Cash Flow Information</b>                              |                                  |       |       |
| Cash paid for amounts included in the measurement of lease liabilities | \$ 33                            | \$ 32 | \$ 42 |
| <b>Supplemental Non-Cash Information</b>                               |                                  |       |       |
| ROU assets obtained in exchange for new lease obligations              | \$ 1                             | \$ 4  | \$ —  |

Our future minimum lease payments (in millions) for operating leases as of December 31, 2025, were as follows:

|                                         |              |
|-----------------------------------------|--------------|
| 2026                                    | \$ 26        |
| 2027                                    | 21           |
| 2028                                    | 19           |
| 2029                                    | 9            |
| 2030                                    | 1            |
| Thereafter                              | —            |
| Total future minimum lease payments     | 76           |
| Less: Amount representing interest      | 13           |
| Present value of minimum lease payments | <u>\$ 63</u> |

As of December 31, 2025, we had no leases 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, 2025 and 2024, we had \$396 million and \$511 million, respectively, of financing arrangements reported within other liabilities on the Consolidated Balance Sheets. Future payments due on certain financing arrangements (in millions) as of December 31, 2025, were as follows:

|                                         |    |     |
|-----------------------------------------|----|-----|
| 2026                                    | \$ | 229 |
| 2027                                    |    | 135 |
| 2028                                    |    | 26  |
| 2029                                    |    | 17  |
| 2030                                    |    | 12  |
| Thereafter                              |    | 10  |
| Total future minimum lease payments     |    | 429 |
| Less: Amount representing interest      |    | 33  |
| Present value of minimum lease payments | \$ | 396 |

### *Vulnerability from Concentrations*

As of December 31, 2025, 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,   |                  |                       |                      |                  |                       |
|------------------------------------------------------------------|----------------------|------------------|-----------------------|----------------------|------------------|-----------------------|
|                                                                  | 2025                 |                  |                       | 2024                 |                  |                       |
|                                                                  | Shares<br>Authorized | Shares<br>Issued | Shares<br>Outstanding | Shares<br>Authorized | Shares<br>Issued | Shares<br>Outstanding |
| 9.250% Fixed Rate Reset Non-Cumulative Preferred Stock, Series C | 20,000               | 20,000           | 20,000                | 20,000               | 20,000           | 20,000                |
| 9.000% Non-Cumulative Preferred Stock, Series D                  | 20,000               | 20,000           | 20,000                | 20,000               | 20,000           | 20,000                |
| Not designated                                                   | 9,960,000            | —                | —                     | 9,960,000            | —                | —                     |
| Total preferred shares                                           | 10,000,000           | 40,000           | 40,000                | 10,000,000           | 40,000           | 40,000                |

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

| Series   | For the Years Ended December 31, |                       |                       |                       |
|----------|----------------------------------|-----------------------|-----------------------|-----------------------|
|          | 2025                             |                       | 2024                  |                       |
|          | Dividend<br>Per Share            | Aggregate<br>Dividend | Dividend<br>Per Share | Aggregate<br>Dividend |
| Series C | \$ 2,312.50                      | \$ 46                 | \$ 2,312.50           | 46                    |
| Series D | 2,250.00                         | 45                    | 2,250.00              | 45                    |
| Total    | \$ 4,562.50                      | \$ 91                 | \$ 4,562.50           | 91                    |

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<sup>th</sup> 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, |                    |                    |
|---------------------------------------------|----------------------------------|--------------------|--------------------|
|                                             | 2025                             | 2024               | 2023               |
| <b>Common Stock</b>                         |                                  |                    |                    |
| Balance as of beginning-of-year             | 170,380,646                      | 169,666,137        | 169,220,511        |
| Issuance of common stock                    | 18,759,497                       | –                  | –                  |
| Stock compensation/issued for benefit plans | 911,334                          | 714,509            | 445,626            |
| Balance as of end-of-year                   | <u>190,051,477</u>               | <u>170,380,646</u> | <u>169,666,137</u> |

Our common stock is without par value.

### Issuance of Common Stock

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

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

### EPS

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

|                                                                                                          | For the Years Ended December 31, |                    |                    |
|----------------------------------------------------------------------------------------------------------|----------------------------------|--------------------|--------------------|
|                                                                                                          | 2025                             | 2024               | 2023               |
| Net income (loss) available to common stockholders – basic                                               | \$ 1,086                         | \$ 3,184           | \$ (834)           |
| Deferred units of LNC stock in our deferred compensation plans <sup>(1)</sup>                            | –                                | 3                  | (1)                |
| Net income (loss) available to common stockholders – diluted                                             | <u>\$ 1,086</u>                  | <u>\$ 3,187</u>    | <u>\$ (835)</u>    |
| Weighted-average shares, as used in basic calculation                                                    | 182,674,725                      | 170,597,104        | 169,562,903        |
| Incremental common shares from assumed exercise or issuance of stock-based incentive compensation awards | 3,387,362                        | 1,789,530          | 570,943            |
| Average deferred compensation shares <sup>(1)</sup>                                                      | –                                | 693,791            | 604,809            |
| Weighted-average shares, as used in diluted calculation <sup>(2)</sup>                                   | <u>186,062,087</u>               | <u>173,080,425</u> | <u>170,738,655</u> |
| Net income (loss) per share:                                                                             |                                  |                    |                    |
| Basic                                                                                                    | \$ 5.94                          | \$ 18.66           | \$ (4.92)          |
| Diluted                                                                                                  | 5.83                             | 18.41              | (4.92)             |

<sup>(1)</sup> 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.

<sup>(2)</sup> 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, |                   |                   |
|----------------------------------------------------------------------------------------------|----------------------------------|-------------------|-------------------|
|                                                                                              | 2025                             | 2024              | 2023              |
| <b>Unrealized Gain (Loss) on Fixed Maturity AFS Securities and Certain Other Investments</b> |                                  |                   |                   |
| Balance as of beginning-of-year                                                              | \$ (6,239)                       | \$ (5,188)        | \$ (8,916)        |
| Unrealized holding gains (losses)                                                            | 2,155                            | (1,787)           | 2,413             |
| Change in foreign currency exchange rate adjustment                                          | 418                              | (220)             | 179               |
| Change in future contract benefits and policyholder account balances, net of reinsurance     | (458)                            | 477               | 1,306             |
| Income tax benefit (expense)                                                                 | (446)                            | 317               | (849)             |
| Less:                                                                                        |                                  |                   |                   |
| Reclassification adjustment for gains (losses) included in net income (loss)                 | (199)                            | (205)             | (860)             |
| Income tax benefit (expense)                                                                 | 42                               | 43                | 181               |
| Balance as of end-of-year                                                                    | <u>\$ (4,413)</u>                | <u>\$ (6,239)</u> | <u>\$ (5,188)</u> |
| <b>Unrealized Gain (Loss) on Derivative Instruments</b>                                      |                                  |                   |                   |
| Balance as of beginning-of-year                                                              | \$ 638                           | \$ 375            | \$ 388            |
| Unrealized holding gains (losses)                                                            | 237                              | 201               | 243               |
| Change in foreign currency exchange rate adjustment                                          | (411)                            | 220               | (169)             |
| Income tax benefit (expense)                                                                 | 37                               | (88)              | (15)              |
| Less:                                                                                        |                                  |                   |                   |
| Reclassification adjustment for gains (losses) included in net income (loss)                 | 65                               | 89                | 91                |
| Income tax benefit (expense)                                                                 | (14)                             | (19)              | (19)              |
| Balance as of end-of-year                                                                    | <u>\$ 450</u>                    | <u>\$ 638</u>     | <u>\$ 375</u>     |
| <b>Market Risk Benefit Non-Performance Risk Gain (Loss)</b>                                  |                                  |                   |                   |
| Balance as of beginning-of-year                                                              | \$ 146                           | \$ 1,070          | \$ 1,741          |
| OCI before reclassification                                                                  | (518)                            | (1,175)           | (854)             |
| Income tax benefit (expense)                                                                 | 110                              | 251               | 183               |
| Balance as of end-of-year                                                                    | <u>\$ (262)</u>                  | <u>\$ 146</u>     | <u>\$ 1,070</u>   |
| <b>Policyholder Liability Discount Rate Remeasurement Gain (Loss)</b>                        |                                  |                   |                   |
| Balance as of beginning-of-year                                                              | \$ 744                           | \$ 587            | \$ 747            |
| OCI before reclassification                                                                  | (335)                            | 198               | (206)             |
| Income tax benefit (expense)                                                                 | 71                               | (41)              | 46                |
| Balance as of end-of-year                                                                    | <u>\$ 480</u>                    | <u>\$ 744</u>     | <u>\$ 587</u>     |
| <b>Foreign Currency Translation Adjustment</b>                                               |                                  |                   |                   |
| Balance as of beginning-of-year                                                              | \$ (29)                          | \$ (26)           | \$ (34)           |
| OCI before reclassification                                                                  | 11                               | (3)               | 8                 |
| Balance as of end-of-year                                                                    | <u>\$ (18)</u>                   | <u>\$ (29)</u>    | <u>\$ (26)</u>    |
| <b>Funded Status of Employee Benefit Plans</b>                                               |                                  |                   |                   |
| Balance as of beginning-of-year                                                              | \$ (296)                         | \$ (294)          | \$ (278)          |
| OCI before reclassification                                                                  | 2                                | (5)               | (13)              |
| Income tax benefit (expense)                                                                 | (1)                              | 3                 | (3)               |
| Balance as of end-of-year                                                                    | <u>\$ (295)</u>                  | <u>\$ (296)</u>   | <u>\$ (294)</u>   |

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

|                                                                                       | For the Years Ended December 31, |                 |                 |                                      |
|---------------------------------------------------------------------------------------|----------------------------------|-----------------|-----------------|--------------------------------------|
|                                                                                       | 2025                             | 2024            | 2023            |                                      |
| Unrealized Gain (Loss) on Fixed Maturity AFS Securities and Certain Other Investments |                                  |                 |                 |                                      |
| Reclassification                                                                      | \$ (250)                         | \$ (244)        | \$ (869)        | Realized gain (loss)                 |
| Associated change in future contract benefits                                         | 51                               | 39              | 9               | Benefits                             |
| Reclassification before income tax benefit (expense)                                  | (199)                            | (205)           | (860)           | Income (loss) before taxes           |
| Income tax benefit (expense)                                                          | 42                               | 43              | 181             | Federal income tax expense (benefit) |
| Reclassification, net of income tax                                                   | <u>\$ (157)</u>                  | <u>\$ (162)</u> | <u>\$ (679)</u> | Net income (loss)                    |
|                                                                                       |                                  |                 |                 |                                      |
| Unrealized Gain (Loss) on Derivative Instruments                                      |                                  |                 |                 |                                      |
| Interest rate contracts                                                               | \$ –                             | \$ (3)          | \$ (1)          | Net investment income                |
| Interest rate contracts                                                               | 11                               | 25              | 31              | Interest and debt expense            |
| Foreign currency contracts                                                            | 57                               | 59              | 54              | Net investment income                |
| Foreign currency contracts                                                            | <u>(3)</u>                       | <u>8</u>        | <u>7</u>        | Realized gain (loss)                 |
| Reclassification before income tax benefit (expense)                                  | 65                               | 89              | 91              | Income (loss) before taxes           |
| Income tax benefit (expense)                                                          | <u>(14)</u>                      | <u>(19)</u>     | <u>(19)</u>     | Federal income tax expense (benefit) |
| Reclassification, net of income tax                                                   | <u>\$ 51</u>                     | <u>\$ 70</u>    | <u>\$ 72</u>    | 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 results 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 not necessarily indicative of current operating

fundamentals or future performance, and, in most instances, decisions regarding these adjustments do not necessarily relate to the operations of the individual business segments. Income (loss) from operations is used by our CODM to evaluate financial performance, to assess the budgeting and forecasting process and to determine future resource allocation.

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

- Items related to annuity product features, which include changes in MRBs, changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits, and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products (collectively, “net annuity product features”);
- Items related to life insurance product features, which include changes in the fair value of derivatives we hold as part of VUL hedging, changes in reserves resulting from benefit ratio unlocking associated with the impact of capital markets, and changes in the fair value of the embedded derivative liabilities of our IUL contracts and the associated index options we hold to hedge them (collectively, “net life insurance product features”);
- Credit loss-related adjustments on fixed maturity AFS securities, mortgage loans on real estate and reinsurance-related assets (“credit loss-related adjustments”);
- Changes in the fair value of equity securities and certain other investments, the impact of certain derivatives, and realized gains (losses) on sales, disposals and impairments of financial assets (collectively, “investment gains (losses)”);
- Changes in the fair value of reinsurance-related embedded derivatives, trading securities and mortgage loans on real estate electing the fair value option (“changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans”);
- Income (loss) from the initial adoption of new accounting standards, accounting policy changes and new regulations, including changes in tax law;
- Income (loss) from reserve changes, net of related amortization, on business sold through reinsurance;
- Losses from the impairment of intangible assets and gains (losses) on other non-financial assets;
- Income (loss) from discontinued operations;
- Other items, which include the following: certain legal and regulatory accruals; severance expense related to initiatives that realign the workforce; transaction, integration and other costs related to mergers and acquisitions including the acquisition or divestiture, through reinsurance or other means, of businesses or blocks of business, and certain other corporate initiatives; mark-to-market adjustment related to the LNC stock component of our deferred compensation plans (“deferred compensation mark-to-market adjustment”); gains (losses) on modification or early extinguishment of debt; and impacts from settlement or curtailment of defined benefit obligations; and
- Income tax benefit (expense) related to the above pre-tax items, including the effect of tax adjustments such as changes to deferred tax valuation allowances.

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

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

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

|                                                                                                                                              | For the Year Ended December 31, 2025 |                |                  |                          |                  |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------|------------------|--------------------------|------------------|-----------------|
|                                                                                                                                              | Annuities                            | Life Insurance | Group Protection | Retirement Plan Services | Other Operations | Total           |
| <b>Operating Revenues <sup>(1)</sup></b>                                                                                                     | \$ 4,990                             | \$ 6,442       | \$ 6,102         | \$ 1,353                 | \$ 198           | \$ 19,085       |
| <b>Operating Expenses <sup>(2)</sup></b>                                                                                                     |                                      |                |                  |                          |                  |                 |
| Benefits and policyholder liability remeasurement                                                                                            | 108                                  | 3,846          | 3,814            | —                        | 19               | 7,787           |
| Interest credited                                                                                                                            | 1,799                                | 1,170          | 2                | 692                      | 80               | 3,743           |
| Commissions                                                                                                                                  | 1,291                                | 474            | 541              | 115                      | 5                | 2,426           |
| General and administrative expenses                                                                                                          | 532                                  | 541            | 915              | 342                      | 254              | 2,584           |
| Interest and debt expense                                                                                                                    | —                                    | —              | —                | —                        | 321              | 321             |
| Other <sup>(3)</sup>                                                                                                                         | (155)                                | 297            | 157              | 16                       | —                | 315             |
| Total operating expenses                                                                                                                     | 3,575                                | 6,328          | 5,429            | 1,165                    | 679              | 17,176          |
| Total federal income tax expense (benefit)                                                                                                   | 217                                  | (3)            | 141              | 25                       | (99)             | 281             |
| Total income (loss) from operations                                                                                                          | 1,198                                | 117            | 532              | 163                      | (382)            | 1,628           |
| Reconciliation of total income (loss) from operations to net income (loss):                                                                  |                                      |                |                  |                          |                  |                 |
| Net annuity product features, pre-tax <sup>(4)</sup>                                                                                         |                                      |                |                  |                          |                  | 238             |
| Net life insurance product features, pre-tax                                                                                                 |                                      |                |                  |                          |                  | (42)            |
| Credit loss-related adjustments, pre-tax                                                                                                     |                                      |                |                  |                          |                  | (134)           |
| Investment gains (losses), pre-tax                                                                                                           |                                      |                |                  |                          |                  | (319)           |
| Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans, pre-tax <sup>(5)</sup> |                                      |                |                  |                          |                  | (201)           |
| Gains (losses) on other non-financial assets, pre-tax <sup>(6)</sup>                                                                         |                                      |                |                  |                          |                  | (14)            |
| Other items, pre-tax <sup>(7)(8)(9)(10)(11)</sup>                                                                                            |                                      |                |                  |                          |                  | (92)            |
| Income tax benefit (expense) related to the above pre-tax items                                                                              |                                      |                |                  |                          |                  | 113             |
| Total net income (loss)                                                                                                                      |                                      |                |                  |                          |                  | <u>\$ 1,177</u> |

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

<sup>(2)</sup> 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.

<sup>(3)</sup> Other operating expenses include: Annuities: DAC and VOBA capitalization and amortization; taxes, licenses and fees; expenses associated with reserve financing and LOCs and amortization of deferred loss on business sold through reinsurance. Life Insurance: DAC and VOBA capitalization and amortization; taxes, licenses and fees; amortization of deferred loss on business sold through reinsurance; expenses associated with reserve financing and LOCs and other intangible amortization. Group Protection: DAC capitalization and amortization; taxes, licenses and fees; other intangible amortization and expenses associated with LOCs. Retirement Plan Services: DAC capitalization and amortization; taxes, licenses and fees and expenses associated with LOCs. Other Operations: DAC capitalization and amortization; taxes, licenses and fees and reimbursements to Other Operations from the Life Insurance segment for the use of proceeds from certain issuances of senior notes that were used as long-term structured solutions, net of expenses incurred by Other Operations for its access to a financing facility and issuance of LOCs.

<sup>(4)</sup> Includes changes in MRBs of \$341 million; changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits of \$(263) million; and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products of \$160 million.

<sup>(5)</sup> Includes primarily changes in the fair value of the embedded derivative related to the fourth quarter 2023 reinsurance transaction. For more information, see Note 7.

<sup>(6)</sup> Represents impairment of long-lived assets.



- (7) Includes certain legal accruals of \$(9) million and regulatory accruals of \$2 million.
- (8) Includes severance expense related to initiatives to realign the workforce of \$(24) million.
- (9) Includes transaction, integration and other costs related to mergers, acquisitions, divestitures and certain other corporate initiatives consisting of \$(55) million of transaction costs related to restructuring certain captive reinsurance subsidiaries, \$(25) million related to the sale of our wealth management business, \$(22) million related to Life Insurance segment persistency optimization and \$(21) million primarily related to the Bain Capital transaction.
- (10) Includes deferred compensation mark-to-market adjustment of \$(32) million.
- (11) Includes gains on early extinguishment of debt of \$94 million.

| For the Year Ended December 31, 2024                                                                                                         |              |                |                  |                          |                  |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------|------------------|--------------------------|------------------|-----------------|
|                                                                                                                                              | Annuities    | Life Insurance | Group Protection | Retirement Plan Services | Other Operations | Total           |
| <b>Operating Revenues <sup>(1)</sup></b>                                                                                                     | \$ 4,896     | \$ 6,248       | \$ 5,717         | \$ 1,321                 | \$ 160           | \$ 18,342       |
| <b>Operating Expenses <sup>(2)</sup></b>                                                                                                     |              |                |                  |                          |                  |                 |
| Benefits and policyholder liability remeasurement                                                                                            | 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 <sup>(3)</sup>                                                                                                                         | 217          | 242            | 149              | 17                       | (10)             | 615             |
| <b>Total operating expenses</b>                                                                                                              | <b>3,508</b> | <b>6,353</b>   | <b>5,179</b>     | <b>1,135</b>             | <b>626</b>       | <b>16,801</b>   |
| Total federal income tax expense (benefit)                                                                                                   | 228          | (42)           | 113              | 23                       | (96)             | 226             |
| <b>Total income (loss) from operations</b>                                                                                                   | <b>1,160</b> | <b>(63)</b>    | <b>425</b>       | <b>163</b>               | <b>(370)</b>     | <b>1,315</b>    |
| Reconciliation of total income (loss) from operations to net income (loss):                                                                  |              |                |                  |                          |                  |                 |
| Net annuity product features, pre-tax <sup>(4)</sup>                                                                                         |              |                |                  |                          |                  | 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 <sup>(5)</sup> |              |                |                  |                          |                  | 535             |
| Gains (losses) on other non-financial assets, pre-tax <sup>(6)</sup>                                                                         |              |                |                  |                          |                  | 582             |
| Other items, pre-tax <sup>(7)(8)(9)(10)</sup>                                                                                                |              |                |                  |                          |                  | (270)           |
| Income tax benefit (expense) related to the above pre-tax items                                                                              |              |                |                  |                          |                  | (553)           |
| <b>Total net income (loss)</b>                                                                                                               |              |                |                  |                          |                  | <b>\$ 3,275</b> |

- (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: Taxes, licenses and fees and reimbursements to Other Operations from the Life Insurance segment for the use of proceeds from certain issuances of



senior notes that were used as long-term structured solutions, net of expenses incurred by Other Operations for its access to a financing facility and issuance of LOCs.

- (4) Includes changes in MRBs of \$2,637 million; changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits of \$(561) million; and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products of \$432 million.
- (5) Includes primarily changes in the fair value of the embedded derivative related to the fourth quarter 2023 reinsurance transaction. For more information, see Note 7.
- (6) Relates to the sale of our wealth management business.
- (7) 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).
- (8) Includes severance expense related to initiatives to realign the workforce of \$(74) million.
- (9) Includes transaction, integration and other costs related to mergers, acquisitions, divestitures and certain other corporate initiatives of \$(40) million primarily related to the sale of our wealth management business.
- (10) Includes deferred compensation mark-to-market adjustment of \$(15) million.

#### For the Year Ended December 31, 2023

|                                                                                                                                              | Retirement   |                |                  |               |                  |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------|------------------|---------------|------------------|-----------------|
|                                                                                                                                              | Annuities    | Life Insurance | Group Protection | Plan Services | Other Operations | Total           |
| <b>Operating Revenues <sup>(1)</sup></b>                                                                                                     | \$ 3,002     | \$ 6,907       | \$ 5,563         | \$ 1,310      | \$ (755)         | \$ 16,027       |
| <b>Operating Expenses <sup>(2)</sup></b>                                                                                                     |              |                |                  |               |                  |                 |
| Benefits and policyholder liability remeasurement <sup>(3)</sup>                                                                             | (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 <sup>(4)</sup>                                                                                                                         | 599          | 77             | 155              | 16            | (8)              | 839             |
| <b>Total operating expenses</b>                                                                                                              | <b>1,789</b> | <b>7,138</b>   | <b>5,184</b>     | <b>1,109</b>  | <b>(249)</b>     | <b>14,971</b>   |
| Total federal income tax expense (benefit)                                                                                                   | 140          | (72)           | 80               | 30            | (112)            | 66              |
| <b>Total income (loss) from operations</b>                                                                                                   | <b>1,073</b> | <b>(159)</b>   | <b>299</b>       | <b>171</b>    | <b>(394)</b>     | <b>990</b>      |
| Reconciliation of total income (loss) from operations to net income (loss):                                                                  |              |                |                  |               |                  |                 |
| Net annuity product features, pre-tax <sup>(5)</sup>                                                                                         |              |                |                  |               |                  | 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 <sup>(6)</sup> |              |                |                  |               |                  | (802)           |
| Other items, pre-tax <sup>(7)(8)(9)(10)</sup>                                                                                                |              |                |                  |               |                  | (55)            |
| Income tax benefit (expense) related to the above pre-tax items                                                                              |              |                |                  |               |                  | 479             |
| <b>Total net income (loss)</b>                                                                                                               |              |                |                  |               |                  | <b>\$ (752)</b> |

- (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: Taxes, licenses and fees and reimbursements to Other Operations from the Life Insurance segment for the use of proceeds from certain issuances of senior notes that were used as long-term structured solutions, net of expenses incurred by Other Operations for its access to a financing facility and issuance of LOCs.
- (5) Includes changes in MRBs of \$2,197 million; changes in the fair value of the related hedge instruments inclusive of income allocated to support the cost of hedging or future benefits of \$(1,894) million; and changes in the fair value of the embedded derivative liabilities and the associated index options for our indexed annuity products of \$(235) million.
- (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, integration and other costs related to mergers, acquisitions, divestitures and certain other corporate initiatives consisting of \$(30) million related to the fourth quarter 2023 reinsurance transaction and \$(4) million related to the sale of our wealth management business.
- (10) Includes deferred compensation mark-to-market adjustment of \$(2) 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, 2025                                                                                 |           |                |                  |                          |                  |           |
|----------------------------------------------------------------------------------------------------------------------|-----------|----------------|------------------|--------------------------|------------------|-----------|
|                                                                                                                      | Annuities | Life Insurance | Group Protection | Retirement Plan Services | Other Operations | Total     |
| Operating revenues                                                                                                   | \$ 4,990  | \$ 6,442       | \$ 6,102         | \$ 1,353                 | \$ 198           | \$ 19,085 |
| Revenue adjustments from annuity and life insurance product features                                                 | (104)     | (101)          | —                | —                        | —                | (205)     |
| Credit loss-related adjustments                                                                                      | (26)      | (18)           | (3)              | (18)                     | (69)             | (134)     |
| Investment gains (losses)                                                                                            | (10)      | (223)          | —                | (4)                      | (82)             | (319)     |
| Changes in the fair value of reinsurance-related embedded derivatives, trading securities and certain mortgage loans | 9         | (201)          | —                | —                        | (9)              | (201)     |
| Gains (losses) on other non-financial assets                                                                         | —         | —              | —                | —                        | (14)             | (14)      |
| Total revenues                                                                                                       | \$ 4,859  | \$ 5,899       | \$ 6,099         | \$ 1,331                 | \$ 24            | \$ 18,212 |

| 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                                                                         | —         | —              | —                | —                        | 582              | 582       |
| Total revenues                                                                                                       | \$ 4,702  | \$ 6,288       | \$ 5,711         | \$ 1,278                 | \$ 463           | \$ 18,442 |

**For the Year Ended December 31, 2023**

|                                                                                                                      | <b>Annuities <sup>(1)</sup></b> | <b>Life Insurance</b> | <b>Group Protection</b> | <b>Retirement Plan Services</b> | <b>Other Operations <sup>(1)</sup></b> | <b>Total</b>     |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------|-----------------------|-------------------------|---------------------------------|----------------------------------------|------------------|
| 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 <sup>(1)</sup>                                                                                        | <u>\$ 732</u>                   | <u>\$ 4,929</u>       | <u>\$ 5,553</u>         | <u>\$ 1,274</u>                 | <u>\$ (843)</u>                        | <u>\$ 11,645</u> |

<sup>(1)</sup> Includes ceded insurance premiums primarily related to the fourth quarter 2023 reinsurance transaction. For more information, see Note 7.

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

|                              | <b>For the Years Ended December 31,</b> |                 |                 |
|------------------------------|-----------------------------------------|-----------------|-----------------|
|                              | <b>2025</b>                             | <b>2024</b>     | <b>2023</b>     |
| <b>Net Investment Income</b> |                                         |                 |                 |
| Annuities                    | \$ 1,894                                | \$ 1,636        | \$ 1,668        |
| Life Insurance               | 2,636                                   | 2,452           | 2,730           |
| Group Protection             | 376                                     | 348             | 339             |
| Retirement Plan Services     | 1,022                                   | 997             | 1,012           |
| Other Operations             | 147                                     | 111             | 151             |
| Total net investment income  | <u>\$ 6,075</u>                         | <u>\$ 5,544</u> | <u>\$ 5,900</u> |

## 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, |               |                   |
|-------------------------------------------------------------------------------------|----------------------------------|---------------|-------------------|
|                                                                                     | 2025                             | 2024          | 2023              |
| Fixed maturity AFS securities: <sup>(1)</sup>                                       |                                  |               |                   |
| Gross gains                                                                         | \$ 28                            | \$ 13         | \$ 630            |
| Gross losses                                                                        | (278)                            | (257)         | (408)             |
| Credit loss benefit (expense) <sup>(2)</sup>                                        | (89)                             | (42)          | (22)              |
| Intent to sell impairments                                                          | —                                | —             | (1,091)           |
| Realized gain (loss) on equity securities <sup>(3)</sup>                            | (1)                              | 18            | (6)               |
| Credit loss benefit (expense) on mortgage loans on real estate <sup>(2)</sup>       | (37)                             | (88)          | (16)              |
| Credit loss benefit (expense) on reinsurance-related assets <sup>(4)(5)</sup>       | (6)                              | (20)          | (41)              |
| Realized gain (loss) on the mark-to-market on certain instruments <sup>(6)(7)</sup> | (375)                            | 102           | (1,298)           |
| Indexed product derivative results <sup>(8)</sup>                                   | 100                              | 458           | (232)             |
| Derivative results <sup>(9)</sup>                                                   | (149)                            | (438)         | (1,830)           |
| Realized gain (loss) on other non-financial assets <sup>(10)</sup>                  | (14)                             | 582           | —                 |
| Other realized gain (loss)                                                          | 22                               | (59)          | 3                 |
| Total realized gain (loss)                                                          | <u>\$ (799)</u>                  | <u>\$ 269</u> | <u>\$ (4,311)</u> |

<sup>(1)</sup> 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.

<sup>(2)</sup> Includes changes in the allowance for credit losses as well as direct write-downs to amortized cost as a result of negative credit events.

<sup>(3)</sup> Includes mark-to-market adjustments on equity securities still held of \$11 million, \$21 million and \$3 million for the years ended December 31, 2025, 2024 and 2023, respectively.

<sup>(4)</sup> Includes changes in the allowance for credit losses pertaining to reinsurance recoverables and deposit assets.

<sup>(5)</sup> 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.

<sup>(6)</sup> 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.

<sup>(7)</sup> Includes gains and losses from fair value changes on mortgage loans on real estate accounted for under the fair value option of \$(2) million, \$7 million and \$(11) million for the years ended December 31, 2025, 2024 and 2023, respectively.

<sup>(8)</sup> Represents the change in fair value of the index options that we hold and the change in the fair value of the embedded derivative liabilities of our indexed annuity and IUL contracts, and the associated index options to hedge policyholder index allocations applicable to future reset periods for our indexed annuity products.

<sup>(9)</sup> Includes the change in the fair value of the derivative instruments we own to support capital needs associated with our GLB and GDB riders net of fee income allocated to support the cost of purchasing the hedging instruments.

<sup>(10)</sup> For the year ended December 31, 2025, represents impairment of long-lived assets. For the year ended December 31, 2024, relates to the sale of our wealth management business (see Note 1 for additional information).

## 21. Commissions and Other Expenses

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

|                                                                                     | For the Years Ended December 31, |                 |                 |
|-------------------------------------------------------------------------------------|----------------------------------|-----------------|-----------------|
|                                                                                     | 2025                             | 2024            | 2023            |
| Commissions                                                                         | \$ 2,426                         | \$ 2,141        | \$ 2,075        |
| General and administrative expenses                                                 | 2,647                            | 2,738           | 2,543           |
| DAC and VOBA deferrals, net of amortization                                         | (285)                            | (138)           | (174)           |
| Broker-dealer expenses                                                              | —                                | 219             | 526             |
| Taxes, licenses and fees                                                            | 344                              | 369             | 330             |
| Expenses associated with reserve financing and LOCs                                 | 181                              | 125             | 114             |
| Specifically identifiable intangible asset and other amortization                   | 148                              | 96              | 44              |
| Transaction and integration costs related to mergers, acquisitions and divestitures | 46                               | 40              | 34              |
| Total                                                                               | <u>\$ 5,507</u>                  | <u>\$ 5,590</u> | <u>\$ 5,492</u> |

## 22. Federal Income Taxes

The federal income tax expense (benefit) on continuing operations (in millions) was as follows:

|                                      | For the Years Ended December 31, |               |                 |
|--------------------------------------|----------------------------------|---------------|-----------------|
|                                      | 2025                             | 2024          | 2023            |
| Current                              | \$ 76                            | \$ 6          | \$ (3)          |
| Deferred                             | 85                               | 741           | (393)           |
| Federal income tax expense (benefit) | <u>\$ 161</u>                    | <u>\$ 747</u> | <u>\$ (396)</u> |

A reconciliation of the effective tax rate differences (in millions) was as follows:

|                                                                | For the Years Ended December 31, |            |               |            |                 |            |
|----------------------------------------------------------------|----------------------------------|------------|---------------|------------|-----------------|------------|
|                                                                | 2025                             | Percent    | 2024          | Percent    | 2023            | Percent    |
| Income (loss) before taxes                                     | \$ 1,338                         |            | \$ 4,022      |            | \$ (1,148)      |            |
| Federal income tax expense (benefit) at federal statutory rate | 281                              | 21%        | 845           | 21%        | (241)           | 21%        |
| Effect of:                                                     |                                  |            |               |            |                 |            |
| Tax credits:                                                   |                                  |            |               |            |                 |            |
| Foreign tax credits                                            | (48)                             | (4%)       | (36)          | (1%)       | (36)            | 3%         |
| Other tax credits                                              | (5)                              | 0%         | (3)           | 0%         | (4)             | 0%         |
| Nontaxable or nondeductible items:                             |                                  |            |               |            |                 |            |
| Tax-preferred investment income <sup>(1)</sup>                 | (82)                             | (6%)       | (32)          | 0%         | (126)           | 11%        |
| Share-based compensation expense                               | 1                                | 0%         | 3             | 0%         | 4               | 0%         |
| Other nontaxable or nondeductible items                        | 14                               | 1%         | 11            | 0%         | 7               | (1%)       |
| Changes in unrecognized tax benefits                           | —                                | 0%         | (41)          | (1%)       | —               | 0%         |
| Federal income tax expense (benefit)                           | <u>\$ 161</u>                    | <u>12%</u> | <u>\$ 747</u> | <u>19%</u> | <u>\$ (396)</u> | <u>34%</u> |

<sup>(1)</sup> 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, |        |
|--------------------------------------------|--------------------|--------|
|                                            | 2025               | 2024   |
| Current                                    | \$ 115             | \$ 107 |
| Deferred                                   | 261                | 604    |
| Total federal income tax asset (liability) | \$ 376             | \$ 711 |

Significant components of our deferred tax assets and liabilities (in millions) were as follows:

|                                                        | As of December 31, |          |
|--------------------------------------------------------|--------------------|----------|
|                                                        | 2025               | 2024     |
| <b>Deferred Tax Assets</b>                             |                    |          |
| Insurance liabilities and reinsurance-related balances | \$ 2,268           | \$ 1,856 |
| Net unrealized loss on fixed maturity AFS securities   | 1,683              | 2,164    |
| Reinsurance-related embedded derivative liabilities    | 61                 | 6        |
| Compensation and benefit plans                         | 219                | 206      |
| Intangibles                                            | 14                 | 17       |
| Net unrealized loss on trading securities              | 17                 | 30       |
| Tax credits                                            | 234                | 169      |
| Net operating losses                                   | 505                | 478      |
| Capital losses                                         | 86                 | 56       |
| Other                                                  | 64                 | —        |
| Total deferred tax assets                              | \$ 5,151           | \$ 4,982 |
| <b>Deferred Tax Liabilities</b>                        |                    |          |
| DAC and VOBA                                           | \$ 1,615           | \$ 1,638 |
| Investment activity                                    | 2,104              | 1,486    |
| Deferred loss on reinsurance                           | 461                | 474      |
| MRB-related activity                                   | 710                | 743      |
| Other                                                  | —                  | 37       |
| Total deferred tax liabilities                         | \$ 4,890           | \$ 4,378 |
| Net deferred tax asset (liability)                     | \$ 261             | \$ 604   |

As of December 31, 2025, we had \$234 million of federal income tax credits, primarily related to foreign tax credits, that can be carried forward to 2030 through 2035. As of December 31, 2025, we had \$2.4 billion of net operating losses to carry forward to future years. As of December 31, 2025, we had \$411 million of capital losses to carry forward to future years. The net operating losses arose in tax years 2018, 2021, 2024 and 2025 and under the Tax Cuts and Jobs Act changes have an unlimited carryforward period. The capital losses arose in tax years 2023 and 2025 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 2021. 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<br>December 31, |              |
|----------------------------------------|-------------------------------------|--------------|
|                                        | 2025                                | 2024         |
| Balance as of beginning-of-year        | \$ 39                               | \$ 87        |
| Decreases for prior year tax positions | (5)                                 | (48)         |
| Increases for prior year tax positions | —                                   | —            |
| Balance as of end-of-year              | <u>\$ 34</u>                        | <u>\$ 39</u> |

As of December 31, 2025 and 2024, \$34 million and \$33 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 2026.

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, 2025, 2024 and 2023, 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, 2025 and 2024.

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 2025.

### 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 Lincoln National Corporation (in millions) below consist of all or a combination of the following entities: LNL, LLANY, FPP, Lincoln Reinsurance Company of Vermont I, Lincoln Reinsurance Company of Vermont IV, Lincoln Reinsurance Company of Vermont VI and Lincoln Reinsurance Company of Vermont VII. Effective October 1, 2025, Lincoln Reinsurance Company of South Carolina, Lincoln Reinsurance Company of Vermont III and Lincoln Reinsurance Company of Vermont V merged with and into Lincoln Reinsurance Company of Vermont IV.

|                          | As of December 31, |          |
|--------------------------|--------------------|----------|
|                          | 2025               | 2024     |
| U.S. capital and surplus | \$ 8,013           | \$ 7,407 |

|                                                     | For the Years Ended December 31, |            |            |
|-----------------------------------------------------|----------------------------------|------------|------------|
|                                                     | 2025                             | 2024       | 2023       |
| U.S. net gain (loss) from operations, after-tax     | \$ (1,827)                       | \$ (3,177) | \$ (2,484) |
| U.S. net income (loss)                              | (185)                            | (2,268)    | (2,916)    |
| U.S. cash dividends to Lincoln National Corporation | 695                              | 491        | 510        |



During 2024, LNL made a \$929 million extraordinary dividend in the form of investments to Lincoln National Corporation 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 permitted practices allow accounting for fixed income assets that support certain variable annuities at book value. 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. 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, 2025 and 2024. 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, 2025 and 2024. 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, |          |
|---------------------------------------------------------------------------------|--------------------|----------|
|                                                                                 | 2025               | 2024     |
| <b>State Prescribed Practices</b>                                               |                    |          |
| Calculation of reserves using the Indiana universal life method                 | \$ (9)             | \$ (3)   |
| 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 | 18                 | 20       |
| <b>State Permitted Practices</b>                                                |                    |          |
| Derivative instruments and equity indexed reserves                              | \$ (260)           | \$ (232) |
| Fixed income assets at book value                                               | 259                | –        |
| Assets in group fixed annuity contracts held at general account balances        | 170                | 304      |
| <b>Vermont Subsidiaries Permitted Practices</b>                                 |                    |          |
| Lesser of LOC and XXX additional reserve as surplus                             | \$ –               | \$ 1,722 |
| LLC notes and variable value surplus notes                                      | 1,192              | 1,320    |
| Excess of loss reinsurance agreements                                           | 2,601              | 541      |

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, 2025, 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 Lincoln National Corporation 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 Lincoln National Corporation of approximately \$805 million in 2026 without prior approval from the respective Commissioners of Insurance.

All payments of principal and interest on surplus notes between Lincoln National Corporation 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, including a guarantee from Lincoln National Corporation, 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 Information**

The following summarizes our supplemental cash flow information (in millions):

|                                                                                                                                              | For the Years Ended December 31, |        |          |
|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------|----------|
|                                                                                                                                              | 2025                             | 2024   | 2023     |
| Net cash paid (received) for:                                                                                                                |                                  |        |          |
| Interest                                                                                                                                     | \$ 336                           | \$ 372 | \$ 344   |
| Income taxes                                                                                                                                 | 84                               | —      | —        |
| 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)  |
| Transition of FHLB lending program to FHLB funding agreements                                                                                | 1,465                            | —      | —        |
| Fixed maturity AFS securities received in exchange for the 2.330% Senior Notes <sup>(1)</sup>                                                | 418                              | —      | —        |

<sup>(1)</sup> See “Trust I Facility Agreement” in Note 13 for additional information.

**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 111 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, 2025, that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

**Item 9B. Other Information**

**Amendment to Executives’ Severance Benefit Plan**

On February 19, 2026, the Compensation Committee (“Committee”) of the Company’s Board of Directors adopted an amendment, effective the same date, (the “Amendment”) to the LNC Executives’ Severance Benefit Plan (the “Plan”). The Plan provides potential benefits to certain Company executives in the event of a change of control of the Company. The Amendment revised the provisions related to the payment of in-progress annual and long-term performance cycle incentive plans to provide that, in the event that benefits are payable to eligible executives under the Plan, the award amounts due for any such plans will be based on the greater of (A) actual plan performance results through the date of the change of control as determined by the Committee or (B) the target award amount, and will be pro-rated based on the date of the executive’s separation from service in the case of an in-progress annual plan and paid in full in the case of each in-progress long-term plan. In addition, the Amendment updated the Plan provision related to termination for “Good Reason” to (A) remove the definition’s exclusion of a change in the executive’s reporting relationship, (B) include in the definition (i) material diminution in the status, position or responsibilities of the person to whom the executive is required to report and (ii) a reduction in the executive’s target long-term incentive program opportunity and (C) enhance procedural requirements for “Good Reason” termination.

The foregoing description of the Amendment is qualified in its entirety by reference to the Amendment, a copy of which is filed as Exhibit 10.67 to this Annual Report on Form 10-K and is incorporated herein by reference.

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

During the three months ended December 31, 2025, 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 2025,” “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 2027 Annual Meeting” of LNC’s Proxy Statement for the Annual Meeting scheduled for May 28, 2026.

## 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 28, 2026.

## 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 section captioned “Security Ownership” of LNC’s Proxy Statement for the Annual Meeting scheduled for May 28, 2026.

## Securities Authorized for Issuance Under Equity Compensation Plans

The table below provides information as of December 31, 2025, regarding securities authorized for issuance under LNC’s equity compensation plans. See Note 16 to the consolidated financial statements included in “Part II – Item 8. Financial Statements and Supplementary Data” of this Form 10-K for a brief description of our equity compensation plans.

| Plan Category                                          | Number of<br>Securities To Be<br>Issued Upon<br>Exercise of<br>Outstanding<br>Options,<br>Warrants and<br>Rights<br>(a) | Weighted-<br>Average<br>Exercise<br>Price of<br>Outstanding<br>Options,<br>Warrants and<br>Rights<br>(b) | Number of<br>Securities Remaining<br>Available For Future<br>Issuance Under<br>Equity Compensation<br>Plans (Excluding<br>Securities Reflected<br>in Column (a))<br>(c) |
|--------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Equity compensation plans approved by shareholders     | 11,844,528 <sup>(1)</sup>                                                                                               | \$ 57.52 <sup>(2)</sup>                                                                                  | 7,616,139 <sup>(3)</sup>                                                                                                                                                |
| Equity compensation plans not approved by shareholders | –                                                                                                                       | –                                                                                                        | –                                                                                                                                                                       |
| Total                                                  | <u>11,844,528</u>                                                                                                       | <u>\$ 57.52</u>                                                                                          | <u>7,616,139</u>                                                                                                                                                        |

<sup>(1)</sup> This amount includes the following:

- 3,860,604 representing the number of performance shares based on the maximum number of shares potentially payable under the awards as of December 31, 2025. 1,968,957 represents the target number of performance shares, including dividend equivalents, that were outstanding as of December 31, 2025, as set forth in Note 16 of the Notes to the Consolidated Financial Statements, included in “Part II – Item 8. Financial Statements and Supplementary Data” of this Form 10-K. The performance share awards have not been

earned as of December 31, 2025. The number of shares, if any, to be issued pursuant to such awards will be determined based upon performance over the applicable period. The outstanding performance shares were all granted under the LNC 2020 Incentive Compensation Plan (the “2020 ICP”);

- 4,523,675 outstanding restricted stock units, which were granted under the LNC 2014 Incentive Compensation Plan (the “2014 ICP”) or the 2020 ICP;
- 2,678,634 outstanding stock options with service conditions granted under the 2014 ICP or the 2020 ICP;
- 73,772 outstanding stock options with performance conditions granted under the LNC 2009 Amended and Restated Incentive Compensation Plan (the “2009 ICP”); and
- 707,843 outstanding deferred stock units, which have been granted under the LNC Deferred Compensation Plan for Non-Employee Directors (the “Directors’ DCP”) or the 2020 ICP. These outstanding deferred stock units are vested and are not included in Note 16 of the Notes to the Consolidated Financial Statements, included in “Part II – Item 8. Financial Statements and Supplementary Data” of this Form 10-K.

<sup>(2)</sup> The price in column (b) reflects the weighted average price of all outstanding options under any plan that, as of December 31, 2025, had been granted but not forfeited, expired or exercised. Performance shares, restricted stock units and deferred stock units are not included in determining the weighted average in column (b) because they have no exercise price.

<sup>(3)</sup> Includes up to:

- 6,444,115 securities available for issuance in connection with awards under the 2020 ICP;
- 1,158,861 securities available for issuance in connection with awards under the 2009 ICP; and
- 13,163 securities available for issuance in connection with deferred stock units under the Directors’ DCP, which are vested upon grant.

Effective May 22, 2024, the 2014 ICP expired and no new grants are permitted under this plan. Shares that may be issued in payment of awards, other than stock options and stock appreciation rights, reduce the number of securities remaining available for future issuance under the 2009 ICP at a ratio of 1.63 to 1. Shares that may be issued in payment of awards granted under the 2014 ICP and 2020 ICP reduce the number of securities remaining available for future issuance at a ratio of 1 to 1.

### **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 28, 2026.

### **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 28, 2026.

## **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, 2025 and 2024

Consolidated Statements of Comprehensive Income (Loss) – Years ended December 31, 2025, 2024 and 2023

Consolidated Statements of Stockholders’ Equity – Years ended December 31, 2025, 2024 and 2023

Consolidated Statements of Cash Flows – Years ended December 31, 2025, 2024 and 2023

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 229, 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 May 22, 2025) are incorporated by reference to Exhibit 3.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on May 23, 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 Second Supplemental Indenture, dated as of May 20, 2025, to Senior Indenture dated as of March 10, 2009 between LNC and the Bank of New York Mellon, is incorporated by reference to Exhibit 4.2 to LNC's Form 10-Q (File No. 333-249058) for the quarter ended June 30, 2025.
- 4.12 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.
- 4.13 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.
- 4.14 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.
- 4.15 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.
- 4.16 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.
- 4.17 Form of 6.15% Senior Notes due 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.
- 4.18 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.
- 4.19 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.
- 4.20 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.
- 4.21 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 Form of 2.330% Senior Notes due 2030 is incorporated by reference to Exhibit 4.1 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended June 30, 2025.
- 4.38 Form of 5.350% Senior Notes due 2035 is incorporated by reference to Exhibit 4.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on November 10, 2025.
- 4.39 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 Non-Employee Annual Director Fees (effective January 1, 2026) is filed herewith.\*
- 10.5 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.\*

- 10.6 The Severance Plan for Officers of LNC (Amended and Restated effective as of May 21, 2025) is incorporated by reference to Exhibit 10.2 to LNC’s Form 10-Q (File No. 1-6028) for the quarter ended June 30, 2025.\*
- 10.7 The Severance Plan for Officers of LNC (Amended and Restated effective as of January 1, 2026) is filed herewith.\*
- 10.8 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.\*
- 10.9 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.\*
- 10.10 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.\*
- 10.11 LNC Deferred Compensation and Supplemental/Excess Retirement Plan, as amended and restated effective January 1, 2026, is filed herewith.\*
- 10.12 Omnibus Plan Amendment including 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.\*
- 10.13 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.\*
- 10.14 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.\*
- 10.15 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.\*
- 10.16 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.\*
- 10.17 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.\*
- 10.18 LNC Excess Retirement Plan, amendment and restatement effective December 31, 2024, is incorporated by reference to Exhibit 10.20 to LNC’s Form 10-K (File No. 1-6028) for the year ended December 31, 2024.\*
- 10.19 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.\*
- 10.20 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.\*
- 10.21 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.\*
- 10.22 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.\*

- 10.23 Form of Long-Term Incentive Award Program Performance Cycle (“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.\*
- 10.24 Form of Restricted Stock Unit (“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.\*
- 10.25 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.\*
- 10.26 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.\*
- 10.27 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.\*
- 10.28 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.\*
- 10.29 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.\*
- 10.30 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.\*
- 10.31 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.\*
- 10.32 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.\*
- 10.33 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.\*
- 10.34 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.\*
- 10.35 Form of Option Award Agreement for SMC (executives other than CEO and former Chief Information Officer (“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.\*
- 10.36 Form of PSA Agreement for SMC (executives other than CEO and former 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.\*
- 10.37 Form of RSU Award Agreement for SMC (executives other than CEO and former 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.\*
- 10.38 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.\*
- 10.39 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.\*

- 10.40 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.\*
- 10.41 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.\*
- 10.42 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.\*
- 10.43 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.\*
- 10.44 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.\*
- 10.45 Form of RSU Award 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.\*
- 10.46 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.\*
- 10.47 Form of RSU Award 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.\*
- 10.48 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.\*
- 10.49 Form of RSU Award 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.\*
- 10.50 Form of PSA Agreement for CEO (effective February 2025) is incorporated by reference to Exhibit 10.1 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2025.\*
- 10.51 Form of RSU Award Agreement for CEO (effective February 2025) is incorporated by reference to Exhibit 10.2 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2025.\*
- 10.52 Form of PSA Agreement for CEO (February 2025; alternate vesting) is incorporated by reference to Exhibit 10.3 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2025.\* ^
- 10.53 Form of RSU Award Agreement for CEO (February 2025; alternate vesting) is incorporated by reference to Exhibit 10.4 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2025.\* ^
- 10.54 Form of PSA Agreement for SMC (other than CEO) (effective February 2025) is incorporated by reference to Exhibit 10.5 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2025.\*
- 10.55 Form of RSU Award Agreement for SMC (other than CEO) (effective February 2025) is incorporated by reference to Exhibit 10.6 to LNC's Form 10-Q (File No. 1-6028) for the quarter ended March 31, 2025.\*
- 10.56 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.\*^

|       |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10.57 | 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.*                                                                                                                                                                                                                               |
| 10.58 | 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.*                                                                                                                                                                                |
| 10.59 | 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.*                                                                                                                                                                                                             |
| 10.60 | 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.*                                                                                                                                                                                                             |
| 10.61 | Amendment No. 4 to the Lincoln National Corporation 2020 Incentive Compensation Plan (effective May 22, 2025) is incorporated by reference to Exhibit 10.1 to LNC's Form 8-K (File No. 1-6028) filed with the SEC on May 23, 2025.*                                                                                                                                                                                                             |
| 10.62 | 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.*                                                                                                                                                                                                                          |
| 10.63 | 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. |
| 10.64 | 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.^                                                                                                                                                       |
| 10.65 | 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.^                                                                                                                                                                           |
| 10.66 | 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.                                         |
| 10.67 | Amendment No. 3 to the LNC Executives' Severance Benefit Plan (effective February 19, 2026) is filed herewith.*                                                                                                                                                                                                                                                                                                                                 |
| 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 19, 2026

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 19, 2026.

| <u>Signature</u>                                                 | <u>Title</u>                                                                                    |
|------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| <u>/s/ Ellen G. Cooper</u><br><b>Ellen G. Cooper</b>             | President, Chief Executive Officer and Director<br>(Principal Executive Officer)                |
| <u>/s/ Christopher Neczypor</u><br><b>Christopher Neczypor</b>   | Executive Vice President and Chief Financial Officer<br>(Principal Financial Officer)           |
| <u>/s/ Adam Cohen</u><br><b>Adam Cohen</b>                       | Senior Vice President, Chief Accounting Officer and Treasurer<br>(Principal Accounting Officer) |
| <u>/s/ Deirdre P. Connelly</u><br><b>Deirdre P. Connelly</b>     | Director                                                                                        |
| <u>/s/ William H. Cunningham</u><br><b>William H. Cunningham</b> | Director                                                                                        |
| <u>/s/ Reginald E. Davis</u><br><b>Reginald E. Davis</b>         | Director                                                                                        |
| <u>/s/ Eric G. Johnson</u><br><b>Eric G. Johnson</b>             | Director                                                                                        |
| <u>/s/ Gary C. Kelly</u><br><b>Gary C. Kelly</b>                 | Director                                                                                        |
| <u>/s/ M. Leanne Lachman</u><br><b>M. Leanne Lachman</b>         | Director                                                                                        |
| <u>/s/ Dale LeFebvre</u><br><b>Dale LeFebvre</b>                 | Director                                                                                        |
| <u>/s/ James Morris</u><br><b>James Morris</b>                   | Director                                                                                        |
| <u>/s/ Owen Ryan</u><br><b>Owen Ryan</b>                         | Director                                                                                        |

## Index to Financial Statement Schedules

|     |                                                                                                   |      |
|-----|---------------------------------------------------------------------------------------------------|------|
| I   | <a href="#">– Consolidated Summary of Investments – Other than Investments in Related Parties</a> | FS-2 |
| II  | <a href="#">– Condensed Financial Information of Registrant</a>                                   | FS-3 |
| III | <a href="#">– Condensed Supplementary Insurance Information</a>                                   | FS-6 |
| IV  | <a href="#">– Consolidated Reinsurance</a>                                                        | FS-8 |

The financial information of Lincoln National Corporation should be read in conjunction with the consolidated financial statements of LNC and its subsidiaries and the notes to the consolidated financial statements. 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 45 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, 2025 |            |                |
| Type of Investment                                                 | Cost or Amortized Cost  | Fair Value | Carrying Value |
| <b>Fixed Maturity Available-For-Sale Securities <sup>(1)</sup></b> |                         |            |                |
| Bonds:                                                             |                         |            |                |
| U.S. government bonds                                              | \$ 892                  | \$ 869     | \$ 869         |
| Foreign government bonds                                           | 261                     | 226        | 226            |
| State and municipal bonds                                          | 2,514                   | 2,147      | 2,147          |
| Public utilities                                                   | 12,729                  | 11,361     | 11,361         |
| All other corporate bonds                                          | 63,589                  | 57,684     | 57,684         |
| Mortgage-backed and asset-backed securities                        | 21,235                  | 20,906     | 20,906         |
| Hybrid and redeemable preferred securities                         | 242                     | 255        | 255            |
| Total fixed maturity available-for-sale securities                 | 101,462                 | 93,448     | 93,448         |
| <b>Equity Securities</b>                                           |                         |            |                |
| Common stocks:                                                     |                         |            |                |
| Banks, trusts and insurance companies                              | 154                     | 163        | 163            |
| Industrial, miscellaneous and all other                            | 228                     | 227        | 227            |
| Non-redeemable preferred securities                                | 250                     | 246        | 246            |
| Total equity securities                                            | 632                     | 636        | 636            |
| Trading securities                                                 | 1,756                   | 1,676      | 1,676          |
| Mortgage loans on real estate <sup>(2)</sup>                       | 22,687                  | 21,955     | 22,472         |
| Policy loans                                                       | 2,626                   | N/A        | 2,626          |
| Derivative investments <sup>(3)</sup>                              | 1,418                   | 9,945      | 9,945          |
| Other investments                                                  | 8,105                   | 8,105      | 8,105          |
| Total investments                                                  | \$ 138,686              |            | \$ 138,908     |

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> Derivative investment assets cost was offset by \$380 million and fair value was offset by \$60 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)

|                                                                                                                                                           | <b>As of December 31,</b> |                  |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------|
|                                                                                                                                                           | <b>2025</b>               | <b>2024</b>      |
| <b>ASSETS</b>                                                                                                                                             |                           |                  |
| Investments in subsidiaries                                                                                                                               | \$ 16,650                 | \$ 14,240        |
| Derivative investments                                                                                                                                    | 1                         | 165              |
| Other investments                                                                                                                                         | 20                        | 49               |
| Cash and invested cash                                                                                                                                    | 1,130                     | 786              |
| Loans to and accrued interest due from subsidiaries                                                                                                       | 2,152                     | 2,234            |
| Other assets                                                                                                                                              | 206                       | 122              |
| Total assets                                                                                                                                              | <u>\$ 20,159</u>          | <u>\$ 17,596</u> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                                                               |                           |                  |
| <b>Liabilities</b>                                                                                                                                        |                           |                  |
| Common stock dividends payable                                                                                                                            | \$ 86                     | \$ 77            |
| Short-term debt                                                                                                                                           | 400                       | 300              |
| Long-term debt                                                                                                                                            | 7,366                     | 7,356            |
| Loans from and accrued interest due to subsidiaries                                                                                                       | 1,129                     | 1,072            |
| Other liabilities                                                                                                                                         | 272                       | 522              |
| Total liabilities                                                                                                                                         | <u>9,253</u>              | <u>9,327</u>     |
| <b>Contingencies and Commitments (See Note 17)</b>                                                                                                        |                           |                  |
| <b>Stockholders' Equity</b>                                                                                                                               |                           |                  |
| Preferred stock – 10,000,000 shares authorized:                                                                                                           |                           |                  |
| Series C preferred stock – 20,000 shares authorized, issued and outstanding<br>as of December 31, 2025 and 2024                                           | 493                       | 493              |
| Series D preferred stock – 20,000 shares authorized, issued and outstanding<br>as of December 31, 2025 and 2024                                           | 493                       | 493              |
| Common stock – 800,000,000 shares authorized; 188,425,634 and 170,380,646 shares<br>issued and outstanding as of December 31, 2025 and 2024, respectively | 5,592                     | 4,674            |
| Retained earnings                                                                                                                                         | 8,386                     | 7,645            |
| Accumulated other comprehensive income (loss)                                                                                                             | (4,058)                   | (5,036)          |
| Total stockholders' equity                                                                                                                                | <u>10,906</u>             | <u>8,269</u>     |
| Total liabilities and stockholders' equity                                                                                                                | <u>\$ 20,159</u>          | <u>\$ 17,596</u> |

**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, |          |          |
|------------------------------------------------------------------------------------|----------------------------------|----------|----------|
|                                                                                    | 2025                             | 2024     | 2023     |
| <b>Revenues</b>                                                                    |                                  |          |          |
| Interest from subsidiaries                                                         | \$ 200                           | \$ 276   | \$ 233   |
| Net investment income                                                              | 27                               | 24       | 25       |
| Realized gain (loss)                                                               | (1)                              | 101      | –        |
| Other revenues                                                                     | –                                | 2        | –        |
| Total revenues                                                                     | 226                              | 403      | 258      |
| <b>Expenses</b>                                                                    |                                  |          |          |
| Operating and administrative expenses                                              | 127                              | 100      | 78       |
| Interest – subsidiaries                                                            | 251                              | 268      | 175      |
| Interest – other                                                                   | 200                              | 297      | 289      |
| Total expenses                                                                     | 578                              | 665      | 542      |
| Income (loss) before federal income taxes, equity in income (loss) of subsidiaries | (352)                            | (262)    | (284)    |
| Federal income tax expense (benefit)                                               | (76)                             | (60)     | (61)     |
| Income (loss) before equity in income (loss) of subsidiaries                       | (276)                            | (202)    | (223)    |
| Equity in income (loss) of subsidiaries                                            | 1,453                            | 3,477    | (529)    |
| Net income (loss)                                                                  | 1,177                            | 3,275    | (752)    |
| Other comprehensive income (loss), net of tax:                                     |                                  |          |          |
| Unrealized investment gain (loss)                                                  | 1,638                            | (788)    | 3,715    |
| Market risk benefit non-performance risk gain (loss)                               | (408)                            | (924)    | (671)    |
| Policyholder liability discount rate remeasurement gain (loss)                     | (264)                            | 157      | (160)    |
| Foreign currency translation adjustment                                            | 11                               | (3)      | 8        |
| Funded status of employee benefit plans                                            | 1                                | (2)      | (16)     |
| Total other comprehensive income (loss), net of tax                                | 978                              | (1,560)  | 2,876    |
| Comprehensive income (loss)                                                        | \$ 2,155                         | \$ 1,715 | \$ 2,124 |

**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, |               |               |
|------------------------------------------------------------------------------|----------------------------------|---------------|---------------|
|                                                                              | 2025                             | 2024          | 2023          |
| <b>Net Cash Provided by (Used in) Operating Activities <sup>(1)</sup></b>    | <b>\$ 491</b>                    | <b>\$ 176</b> | <b>\$ 398</b> |
| <b>Cash Flows from Investing Activities</b>                                  |                                  |               |               |
| Capital contribution to subsidiaries                                         | (967)                            | (27)          | (7)           |
| Cash received from disposition                                               | –                                | 125           | –             |
| Sales of available-for-sale securities                                       | 418                              | –             | –             |
| Net change in collateral on investments, derivatives and related settlements | 68                               | 132           | 69            |
| Other                                                                        | –                                | –             | 45            |
| Net cash provided by (used in) investing activities                          | (481)                            | 230           | 107           |
| <b>Cash Flows from Financing Activities</b>                                  |                                  |               |               |
| Payment of long-term debt, including current maturities                      | (300)                            | (100)         | (500)         |
| Issuance of long-term debt, net of issuance costs                            | 495                              | 346           | –             |
| Payment related to modification or early extinguishment of debt              | (421)                            | –             | –             |
| Increase (decrease) in loans from subsidiaries, net                          | 74                               | 28            | (84)          |
| (Increase) decrease in loans to subsidiaries, net                            | 73                               | 379           | (113)         |
| Common stock issued for benefit plans                                        | 4                                | (5)           | (7)           |
| Issuance of common stock                                                     | 825                              | –             | –             |
| Dividends paid to preferred stockholders                                     | (91)                             | (91)          | (82)          |
| Dividends paid to common stockholders                                        | (325)                            | (306)         | (305)         |
| Net cash provided by (used in) financing activities                          | 334                              | 251           | (1,091)       |
| Net increase (decrease) in cash and invested cash                            | 344                              | 657           | (586)         |
| Cash and invested cash as of beginning-of-year                               | 786                              | 129           | 715           |
| Cash and invested cash as of end-of-year                                     | <u>\$ 1,130</u>                  | <u>\$ 786</u> | <u>\$ 129</u> |
| <b>Supplemental Disclosures of Cash Flow Information</b>                     |                                  |               |               |
| Net cash paid (received) for:                                                |                                  |               |               |
| Interest                                                                     | \$ 560                           | \$ 577        | \$ 484        |
| Income taxes                                                                 | (34)                             | 17            | (7)           |

<sup>(1)</sup> Includes dividends from subsidiaries of \$845 million, \$595 million and \$685 million for the years ended December 31, 2025, 2024 and 2023, respectively.

**LINCOLN NATIONAL CORPORATION**  
**SCHEDULE III – CONDENSED SUPPLEMENTARY INSURANCE INFORMATION**  
(in millions)

| Column A                                             | Column B           | Column C                       | Column D                            | Column E                            | Column F                                   |
|------------------------------------------------------|--------------------|--------------------------------|-------------------------------------|-------------------------------------|--------------------------------------------|
|                                                      | DAC<br>and<br>VOBA | Future<br>Contract<br>Benefits | Unearned<br>Premiums <sup>(1)</sup> | Policyholder<br>Account<br>Balances | Insurance<br>Premiums<br>and<br>Fee Income |
| Business Segments and Other Operations               |                    |                                |                                     |                                     |                                            |
| <b>As of or For the Year Ended December 31, 2025</b> |                    |                                |                                     |                                     |                                            |
| Annuities                                            | \$ 4,472           | \$ 2,053                       | \$ –                                | \$ 68,788                           | \$ 2,509                                   |
| Life Insurance                                       | 7,704              | 24,402                         | –                                   | 36,215                              | 3,837                                      |
| Group Protection                                     | 198                | 6,443                          | –                                   | –                                   | 5,490                                      |
| Retirement Plan Services                             | 242                | –                              | –                                   | 23,843                              | 301                                        |
| Other Operations                                     | 6                  | 9,179                          | –                                   | 7,399                               | 25                                         |
| Total                                                | <u>\$ 12,622</u>   | <u>\$ 42,077</u>               | <u>\$ –</u>                         | <u>\$ 136,245</u>                   | <u>\$ 12,162</u>                           |
| <b>As of or For the Year Ended December 31, 2024</b> |                    |                                |                                     |                                     |                                            |
| Annuities                                            | \$ 4,258           | \$ 2,019                       | \$ –                                | \$ 61,230                           | \$ 2,508                                   |
| Life Insurance                                       | 7,661              | 22,509                         | –                                   | 36,842                              | 3,864                                      |
| Group Protection                                     | 178                | 6,209                          | –                                   | –                                   | 5,145                                      |
| Retirement Plan Services                             | 242                | –                              | –                                   | 23,619                              | 292                                        |
| Other Operations                                     | –                  | 9,070                          | –                                   | 4,506                               | 18                                         |
| Total                                                | <u>\$ 12,339</u>   | <u>\$ 39,807</u>               | <u>\$ –</u>                         | <u>\$ 126,197</u>                   | <u>\$ 11,827</u>                           |
| <b>As of or For the Year Ended December 31, 2023</b> |                    |                                |                                     |                                     |                                            |
| Annuities                                            | \$ 4,187           | \$ 2,090                       | \$ –                                | \$ 54,496                           | \$ 612                                     |
| Life Insurance                                       | 7,621              | 21,613                         | –                                   | 37,432                              | 4,172                                      |
| Group Protection                                     | 154                | 6,282                          | –                                   | –                                   | 5,014                                      |
| Retirement Plan Services                             | 239                | –                              | –                                   | 23,784                              | 262                                        |
| Other Operations                                     | –                  | 9,879                          | –                                   | 5,025                               | (921)                                      |
| Total                                                | <u>\$ 12,201</u>   | <u>\$ 39,864</u>               | <u>\$ –</u>                         | <u>\$ 120,737</u>                   | <u>\$ 9,139</u>                            |

<sup>(1)</sup> 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    |
|------------------------------------------------------|-----------------|------------------|-----------------|-----------------|-------------|
|                                                      | Net             | Benefits         | Amortization    | Other           |             |
| Business Segments and Other Operations               | Investment      | and              | of DAC          | Operating       | Premiums    |
|                                                      | Income          | Interest         | and             | Expenses        | Written     |
|                                                      |                 | Credited         | VOBA            |                 |             |
| <b>As of or For the Year Ended December 31, 2025</b> |                 |                  |                 |                 |             |
| Annuities                                            | \$ 1,894        | \$ 1,944         | \$ 479          | \$ 1,205        | \$ –        |
| Life Insurance                                       | 2,636           | 4,851            | 511             | 856             | –           |
| Group Protection                                     | 376             | 4,118            | 122             | 1,490           | –           |
| Retirement Plan Services                             | 1,022           | 692              | 19              | 455             | –           |
| Other Operations                                     | 147             | 98               | –               | 597             | –           |
| Total                                                | <u>\$ 6,075</u> | <u>\$ 11,703</u> | <u>\$ 1,131</u> | <u>\$ 4,603</u> | <u>\$ –</u> |
| <b>As of or For the Year Ended December 31, 2024</b> |                 |                  |                 |                 |             |
| Annuities                                            | \$ 1,636        | \$ 1,711         | \$ 427          | \$ 1,411        | \$ –        |
| Life Insurance                                       | 2,452           | 4,886            | 503             | 763             | –           |
| Group Protection                                     | 348             | 4,045            | 111             | 1,370           | –           |
| Retirement Plan Services                             | 997             | 675              | 18              | 441             | –           |
| Other Operations                                     | 111             | 44               | –               | 882             | –           |
| Total                                                | <u>\$ 5,544</u> | <u>\$ 11,361</u> | <u>\$ 1,059</u> | <u>\$ 4,867</u> | <u>\$ –</u> |
| <b>As of or For the Year Ended December 31, 2023</b> |                 |                  |                 |                 |             |
| Annuities                                            | \$ 1,668        | \$ (193)         | \$ 430          | \$ 1,618        | \$ –        |
| Life Insurance                                       | 2,730           | 5,717            | 492             | 755             | –           |
| Group Protection                                     | 339             | 4,025            | 100             | 1,347           | –           |
| Retirement Plan Services                             | 1,012           | 664              | 18              | 427             | –           |
| Other Operations                                     | 151             | (827)            | –               | 636             | –           |
| Total                                                | <u>\$ 5,900</u> | <u>\$ 9,386</u>  | <u>\$ 1,040</u> | <u>\$ 4,783</u> | <u>\$ –</u> |

**LINCOLN NATIONAL CORPORATION**  
**SCHEDULE IV – CONSOLIDATED REINSURANCE**  
(in millions)

| Column A                                             | Column B         | Column C                          | Column D                              | Column E         | Column F                                     |
|------------------------------------------------------|------------------|-----------------------------------|---------------------------------------|------------------|----------------------------------------------|
|                                                      |                  | Ceded<br>to<br>Other<br>Companies | Assumed<br>from<br>Other<br>Companies |                  | Percentage<br>of Amount<br>Assumed<br>to Net |
| Description                                          | Gross<br>Amount  |                                   |                                       | Net<br>Amount    |                                              |
| <b>As of or For the Year Ended December 31, 2025</b> |                  |                                   |                                       |                  |                                              |
| Individual life insurance in-force <sup>(1)</sup>    | \$ 2,075,369     | \$ 1,221,552                      | \$ 1,426                              | \$ 855,243       | 0.2 %                                        |
| Premiums:                                            |                  |                                   |                                       |                  |                                              |
| Annuities and life insurance <sup>(2)</sup>          | 10,647           | 2,319                             | 27                                    | 8,355            | 0.3 %                                        |
| Accident and health insurance                        | 3,838            | 33                                | 2                                     | 3,807            | 0.1 %                                        |
| Total premiums                                       | <u>\$ 14,485</u> | <u>\$ 2,352</u>                   | <u>\$ 29</u>                          | <u>\$ 12,162</u> |                                              |
| <b>As of or For the Year Ended December 31, 2024</b> |                  |                                   |                                       |                  |                                              |
| Individual life insurance in-force <sup>(1)</sup>    | \$ 2,068,962     | \$ 1,049,185                      | \$ 5,742                              | \$ 1,025,519     | 0.6 %                                        |
| Premiums:                                            |                  |                                   |                                       |                  |                                              |
| Annuities and life insurance <sup>(2)</sup>          | 10,610           | 2,387                             | 83                                    | 8,306            | 1.0 %                                        |
| Accident and health insurance                        | 3,550            | 32                                | 3                                     | 3,521            | 0.1 %                                        |
| Total premiums                                       | <u>\$ 14,160</u> | <u>\$ 2,419</u>                   | <u>\$ 86</u>                          | <u>\$ 11,827</u> |                                              |
| <b>As of or For the Year Ended December 31, 2023</b> |                  |                                   |                                       |                  |                                              |
| Individual life insurance in-force <sup>(1)</sup>    | \$ 2,094,011     | \$ 1,072,577                      | \$ 6,024                              | \$ 1,027,458     | 0.6 %                                        |
| Premiums:                                            |                  |                                   |                                       |                  |                                              |
| Annuities and life insurance <sup>(2)</sup>          | 10,369           | 4,700                             | 86                                    | 5,755            | 1.5 %                                        |
| Accident and health insurance                        | 3,413            | 33                                | 4                                     | 3,384            | 0.1 %                                        |
| Total premiums                                       | <u>\$ 13,782</u> | <u>\$ 4,733</u>                   | <u>\$ 90</u>                          | <u>\$ 9,139</u>  |                                              |

<sup>(1)</sup> Includes Group Protection segment and Other Operations in-force amounts.

<sup>(2)</sup> Includes insurance fees on universal life and other interest-sensitive products.