Term Conversion Changes – Quick Summary

Subject to all the definitions, rules and clarifications contained in the Lincoln Product Term Conversion Guidelines Revised 07/06/2016. For New Business, the Conversion Products Amendment and Lincoln LifeElements with Conversion Products Enhancement are subject to state availability.

Inforce BEFORE September 12, 2016, converted BEFORE January 1, 2017, and placed in force no later than March 1, 2017

- **Conversion period**: No change (please refer to the Term Conversion Guidelines - Term Conversion Matrix for specific product conversion period)
- **Conversion products available**: No change
- **Compensation**: No change

Inforce BEFORE September 12, 2016 and converted AFTER January 1, 2017

- **Conversion period**: No change (please refer to the Term Conversion Guidelines - Term Conversion Matrix for specific product conversion period)
- **Conversion products available**: No change
- **Compensation:**
  - Policy years 1-3: Reduced first year compensation to recover term commissions (100%/50%/25%)
  - Policy years 4-5: Full compensation
  - Policy years 6-7: Reduced first-year compensation (50%)
  - Policy years 8+: No first-year compensation

New Business AFTER September 12, 2016

- **Conversion period**: No change.
- **Conversion products**:
  - Full Product Portfolio: Policy years 1-7 (guaranteed with Conversion Products Amendment automatically included subject to state availability)
  - Limited Product Portfolio: Policy years 8+

  OR
  - Full Product Portfolio for entire conversion period (guaranteed with new product: Lincoln Life Elements with Conversion Products Enhancement at 20-50% higher cost)
- **Compensation**:
  - Policy years 1-3: Reduced compensation to recover term commissions (100%/50%/25%)
  - Policy years 4+: Full compensation

Products available for conversion: *Subject to the convertibility clauses in each term contract, Lincoln reserves the right to limit and change the products it makes available for conversion at any time.*

Full product portfolio: Includes any single universal life and variable universal life policies available for new sales at the time of conversion except policies:

- Without surrender charges or with riders and/or benefits that waive surrender charges or enhance surrender values (i.e. *Lincoln AssetEdge*® Exec VUL, *Lincoln LifeReserve*® UL & *Lincoln LifeReserve*® Indexed UL Accumulator with the Exec Rider, *Lincoln VUL ONE*, *Lincoln AssetEdge*® VUL with the Enhanced Surrender Value Rider, *Lincoln WealthAdvantage*® IUL with the Surrender Value Enhancement Endorsement).
- Sold within the *Guaranteed Issue or Simplified Issue* underwriting classification
- That include riders and/or benefits that provide optional long-term care coverage (i.e. *Lincoln MoneyGuard*® product suite)

Limited product portfolio: Includes at least one single life individual permanent life insurance policy made available for the purpose of conversion at the time of conversion.

Commission paid on permanent policy: *Lincoln reserves the right to change the commissions paid on term conversions at any time. Cannot choose the limited product portfolio in order to receive higher compensation.*

Insurance policies are issued by The Lincoln National Life Insurance Company, Fort Wayne, IN. Lincoln National Life Insurance Company is not authorized nor does it solicit business in the state of New York. Contractual obligations are subject to the claims-paying ability of The Lincoln National Life Insurance Company.

New York policies are issued by Lincoln Life & Annuity Company of New York, Syracuse, NY. Contractual obligations are subject to the claims-paying ability of Lincoln Life & Annuity Company of New York.

Product and features subject to state availability. Limitations and exclusions may apply.

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Term Conversion Changes – Summary Grid

In Force and Pipeline Business

Term Conversion Application Received*		Products Available for Conversion[1]	Commissions Paid on Permanent Policy[2]
Prior to 1/ 1/17#		Full Product Portfolio for entire conversion period	

Term policy year at conversion	
1	First year commission reduced by 100% of the commission paid on the term policy. Full renewal commission.
2+	Full first year and renewal commission.

Term Conversion Application Received*	Term Policy Effective Date	Products Available for Conversion[1]	Commissions Paid on Permanent Policy[2]
On or after 1/1/17	Prior to 9/12/16	Full Product Portfolio for entire conversion period	

Term policy year at conversion	
1	First year commission reduced by 100% of the commission paid on the term policy. Full renewal commission.
2	First year commission reduced by 50% of the commission paid on the term policy. Full renewal commission.
3	First year commission reduced by 25% of the commission paid on the term policy. Full renewal commission.
4-5	Full first year and renewal commission.
6-7	First year commission up to target reduced by 50%, including any rollover target paid in renewal years. Full excess and renewal commission.
8+	No first year commission up to target, including any rollover target paid in renewal years. Full excess and renewal commission.

*Applications must be signed, dated and received in good order in Lincoln's Home Office.
#Permanent policy must be placed no later than March 1, 2017, otherwise the rules for "On or after January 1, 2017" will apply.

New Business

Term Conversion Application Received	Term Policy Effective Date	Term Policy Form	Products Available for Conversion[1]	Commissions Paid on Permanent Policy[2]
On or after 1/1/17	On or after 9/12/16	***Lincoln LifeElements®*** **and** ***Lincoln TermAccel®*** **with** ***Conversion Products Amendment***	Full Product Portfolio for policy years 1 – 7 Limited Product Portfolio for policy year 8 – end of the conversion period	***Term policy year at conversion*** / **1**: First year commission reduced by 100% of the commission paid on the term policy. Full renewal commission. **2**: First year commission reduced by 50% of the commission paid on the term policy. Full renewal commission. **3**: First year commission reduced by 25% of the commission paid on the term policy. Full renewal commission. **4+**: Full first year and renewal commission.
		Lincoln LifeElements® **with** ***Conversion Products Enhancement*** (additional cost)	Full Product Portfolio for entire conversion period	***Term policy year at conversion*** / **1**: First year commission reduced by 100% of the commission paid on the term policy. Full renewal commission. **2**: First year commission reduced by 50% of the commission paid on the term policy. Full renewal commission. **3**: First year commission reduced by 25% of the commission paid on the term policy. Full renewal commission. **4+**: Full first year and renewal commission.

[1] ***Products available for conversion:*** *Subject to the convertibility clauses in each term contract, Lincoln reserves the right to limit and change the products it makes available for conversion at any time.*

Full Product Portfolio: Includes any single universal life and variable universal life policies available for new sales at the time of conversion except policies:

- Without surrender charges or with riders and/or benefits that waive surrender charges or enhance surrender values (i.e. *Lincoln AssetEdge®* Exec VUL, *Lincoln LifeReserve®* UL & *Lincoln LifeReserve®* Indexed UL Accumulator with the Exec Rider, *Lincoln VUL^{ONE}*, *Lincoln AssetEdge®* VUL with the Enhanced Surrender Value Rider, *Lincoln WealthAdvantage ®* IUL with the Surrender Value Enhancement Endorsement).
- Sold within the *Guaranteed Issue or Simplified Issue* underwriting classification
- That include riders and/or benefits that provide optional long-term care coverage (i.e. *Lincoln MoneyGuard®* product suite)

Limited Product Portfolio: Includes at least one single life individual permanent life insurance policy made available for the purpose of conversion at the time of conversion.

[2] ***Commission paid on permanent policy:*** *Lincoln reserves the right to change the commissions paid on term conversions at any time. Cannot choose the Limited Product Portfolio in order to receive higher compensation.*

Please note that this Term Conversion Changes - Summary Grid is subject to all the definitions, rules and clarifications contained in the Lincoln Product Term Conversion Guidelines.

Contractual Changes to Conversion Provision - Term Policy Effective Dates on or after 9/12/16

<table>
<tr><th colspan="5">New Business</th></tr>
<tr><th></th><th>Conversion Provision</th><th>Products</th><th>Cost</th><th>Issue Ages</th></tr>
<tr><td>Conversion Products Amendment</td><td>Guarantees full product portfolio access during the first 7 policy years</td><td>Subject to state availability, Amendment automatically included at issue with:
Lincoln LifeElements® Level Term
Lincoln TermAccel ®Level Term</td><td>No additional cost</td><td>Same as base policy</td></tr>
<tr><td>Lincoln LifeElements with Conversion Products Enhancement</td><td>Guarantees full product portfolio access during the entire conversion period</td><td>New Lincoln LifeElements Level Term product, subject to state availability.
Not available on Lincoln TermAccel .
Will not be made available in New York.
Same commission rates as standard LifeElements product.
Only Illustrate through DesignIt℠ and Winflex as a Conversion Products Enhancement option within the standard LifeElements product.</td><td>Approximately 20-50% higher cost than standard LifeElements product depending on issue age, risk class and term period.</td><td>Maximum issue ages will be limited to ensure the enhanced conversion period does not end prior to the level premium period. Therefore, there will be no years that “extra” premium is paid for an enhanced conversion right after the conversion period ends.

<table><tr><th>Term Period</th><th>Max Issue Age</th><th>Years of Enhanced Conversion</th></tr><tr><td>10 year</td><td>60</td><td>3 (10-7)</td></tr><tr><td>15 year</td><td>55</td><td>8 (15-7)</td></tr><tr><td>20 year</td><td>50</td><td>13 (20-7)</td></tr><tr><td>30 year</td><td>40</td><td>23 (30-7)</td></tr></table></td></tr>
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