



Lincoln's VUL^{ONE} & SVUL^{ONE} products have been strong performers in both the guaranteed universal life and variable universal life markets. That success has been based on the ability to offer competitive lifetime guarantees **and** the potential for significant cash accumulation. As a result of the pressures associated with the ongoing interest rate crunch, carriers have continued to reevaluate lifetime guaranteed premiums and issuing guidelines for their GUL/SGUL products. Over the past few months, several of the carriers who led the GUL market in pricing, particularly in the single-pay/1035 niche, made significant changes. These changes have presented a great opportunity for Lincoln to promote the strengths of our VUL^{ONE} and SVUL^{ONE} products as well as our competitive advantage.

Here are some of the changes that have significantly altered the competitive landscape in 2016 and early 2017.

Guaranteed Universal Life Market

- ✓ *Nationwide*: Increased level pay premiums 0-10%, ten pays 5-10% and single pays 8-10%
- ✓ *North American*: Increased level-pay premiums 8% and single-pay premiums 19% in 3Q16; increased level-pay premiums 5% and single pay premiums 4.5% in 1Q17
- ✓ *Prudential*: increased level-pay premiums 1% and single-pay premiums up to 5% in 3Q16; increased level-pay premiums 4-10% and single pay premiums 9-19% in 1Q17
- ✓ *Symetra*: Symetra introduced an annual premium limit on its UL-G of 5 times the target premium, including lump sums and 1035 exchanges
- ✓ *Voya*: discontinued their Guaranteed Death Benefit Indexed Universal Life product

Survivorship Guaranteed Universal Life Market

- ✓ *Prudential*: Increased premiums 3% across the board
- ✓ *Prudential*: Capped SGUL coverage amount at \$10,000,000
- ✓ *Symetra*: Increased SUL-G level-pay premiums by 5-7% and up to 15% for single pays; \$7.5M SUL-G death benefit cap

What This Means for Lincoln...

In the single-pay space, both VUL^{ONE} and SVUL^{ONE} are now market leaders; the single-pay premiums are top-tier in every cell, and among our core competitors, VUL^{ONE} is #1 in virtually every cell. For level pays, our positioning has improved due to the changes noted above as well as Nationwide's (0%-10%), Mutual of Omaha's (8%-10%) and AIG's (1%-5%) recent premium increases. For the most part, our VUL^{ONE} and SVUL^{ONE} level-pay positioning remains in the middle to lower-tier, but because premium compression between carriers has shrunk considerably, we continue to have the opportunity to capitalize on our superior cash accumulation potential versus a number of our core competitors.

Single-pay Snapshot

A broader look at the single-pay market does show that Penn Mutual offers a slightly better premium than VUL^{ONE} in some cells. It's important to note, however, Penn Mutual's cash values zero-out by year 20, typically by year 15.

Universal Life - NLG – Lifetime

Male, 55, Preferred, Single Pay (Modified Endowment Contract), \$1,000,000 Death Benefit Solve to Guarantee the Death Benefit to Maturity

Data current as of
March 10, 2017

Product	Premium as of 03.10.17	Guaranteed Duration	CSV YR10	CSV YR20	Target
Lincoln VULOne (2014) NLG	234,276	Lifetime	208,984	314,293	22,800
Penn Mutual Guaranteed Protection UL	236,075	Lifetime	94,916	0	15,020
Symetra UL-G 3.0	244,839	Lifetime	267,890	299,166	13,343
North American Custom Guarantee (Gen 8)	265,329	Lifetime	113,616	0	11,810
Principal UL Protector IV (2013)	267,248	Lifetime	107,840	0	14,500
American General Secure Lifetime GUL 3	268,383	Lifetime	10,552	31,896	12,164
North American Guarantee Builder IUL (Gen 4)	272,852	Lifetime	306,333	481,166	14,930
Nationwide YourLife No Lapse Guarantee UL	274,061	Lifetime	0	0	14,808
NYL Custom UL Guarantee AD113	274,250	Lifetime	103,379	0	14,814
PruLife Universal Protector (2016)	276,659	Lifetime	111,659	0	13,320
Nationwide YourLife Indexed UL Protector	296,022	Lifetime	366,689	589,971	14,468
Lincoln LifeGuarantee UL 2013	307,890	Lifetime	157,410	0	14,100
John Hancock UL-G 13	321,288	Lifetime	321,167	424,502	16,064
Protective Advantage Choice UL 2-16	322,006	Lifetime	348,843	424,170	12,160
Banner Life Step UL	356,686	Lifetime	277,209	75,490	21,330
Protective Indexed Choice UL	467,855	Lifetime	623,631	1,048,386	15,960

Variable Universal Life and Guaranteed Universal Life policies offer a death benefit but differ greatly in their design, functionality and cost. These differences and others should be taken into consideration before recommending any one product over another to a client. This information is provided to help producers evaluate Lincoln's products in relation to competitors' products. This comparison is not intended for and cannot be used with the public. Information is from public sources deemed reliable from peer group companies. Although every attempt has been made to ensure accuracy, it cannot be guaranteed. This information does not include product details. Each product's features and benefits should be weighed against the cost.

Last Updated: 03/10/2017

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Lincoln VUL^{ONE} (2014) is issued on policy form LN696, with optional rider form LR630, and state variations by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc., a broker-dealer.

Lincoln SVUL^{ONE} (2016) is issued on policy form LN667 and state variations by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc., a broker-dealer.

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