Fee-based annuities just got easier

Good for you, good for your clients

With Lincoln's full suite of commission-free and cost-effective annuity solutions, it's easy to integrate annuities into your practice. And with the recent changes in how advisory fees are managed, this is the perfect time to add annuities to your toolkit.

Offering annuities as part of your solution set should be easy. That's why Lincoln enhanced the way we treat advisory fees, giving you more flexibility and adding more value for your clients by helping them preserve their protected income or legacy benefits.

The following graphs show the positive impact resulting from the changes Lincoln is implementing in the way your advisory fees are managed.

Example #1: Variable annuity with income benefit

Initial investment of $500,000 and a 1% annual advisory fee for a 60-year-old client.

Prior to these enhancements, if the advisory fee was deducted from the account value then the Protected Income Base (PIB) would not receive the 5% guaranteed growth and their Protected Annual Income (PAI) would have been reduced. With the new fee structure, the PIB is able to grow at a higher rate, resulting in a larger amount of PAI.

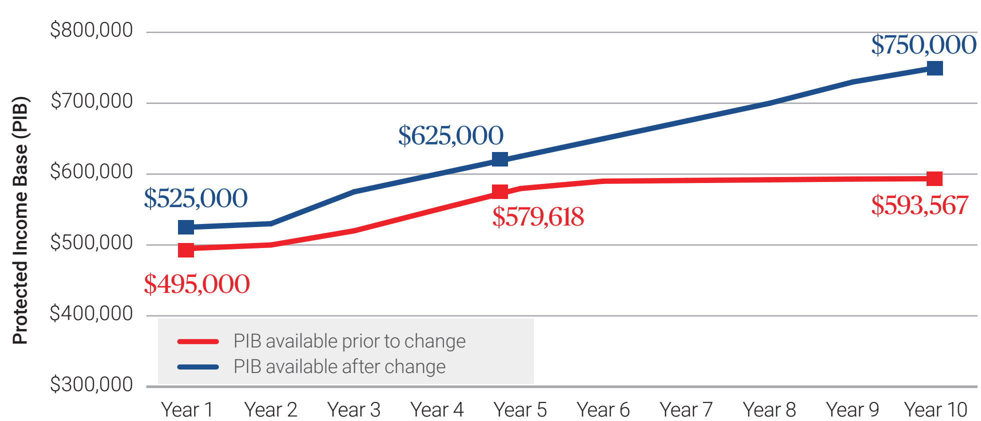
In this example, the account value is reduced by the advisory fee, but the Protected Income Base (PIB) increases each year. Using the new structure, the potential PIB would be 26% higher ($750,000 vs. $593,567) after 10 years.

The benefit of the advisory fee change

In this scenario, the PIB increases each year by 5% simple growth until the client starts to receive their PAI. Over a 10-year period, the PAI is

$7,822 higher

($29,678 vs. $37,500).



Age	PAI (prior)	PAI (now)
60	$18,563	$19,688
65	$28,981	$31,250
70	$29,678	$37,500

Chart shows a variable annuity with 5% simple growth on the Protected Income Base and the potential PAI before and after the new process of deducting advisory fees.

Insurance products issued by:
The Lincoln National Life Insurance Company

Example #2: Guarantee of Principal Death Benefit

Initial investment of $100,000 with a 1% annual advisory fee

In this example, the account value is reduced by the advisory fee, but by using the new fee deduction structure, the Guarantee of Principal Death Benefit will not go down. The death benefit amount will be almost **$10,000 higher ($100,000 vs. $90,438)** over the 10 years.

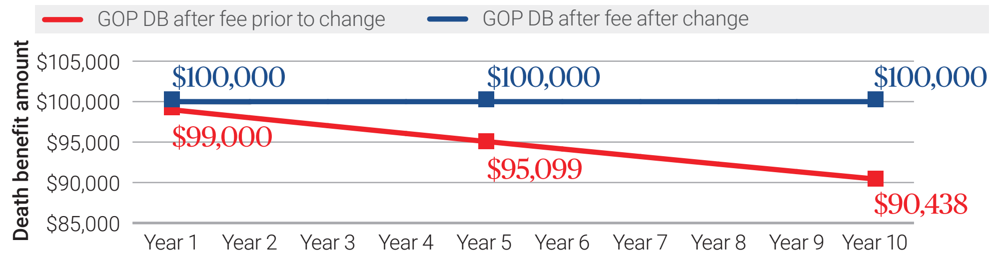


Chart shows a variable annuity with Guarantee of Principal Death Benefit before and after the new process of deducting advisory fees.

The benefit of the advisory fee change

Even though the fee amount decreases the account value like the previous fee deduction structure, the death benefit will not be reduced with the new fee structure. Your clients will be happy to hear that the advisory fees they pay will not impact the amount of their death benefit.

To learn more about Lincoln's suite of commission-free annuity solutions, contact your Lincoln regional consultant at 877-533-5630 or visit LincolnRIA.com.

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Variable products are sold by prospectuses, which contain the investment objectives, risks, and charges and expenses of the variable product and its underlying investment options. Read carefully before investing.

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