

State: Arkansas **Filing Company:** The Lincoln National Life Insurance Company
TOI/Sub-TOI: L09I Individual Life - Flexible Premium Adjustable Life/L09I.101 External Indexed - Single Life
Product Name: Fixed Loan Endorsement
Project Name/Number: Fixed Loan Endorsement/END-2924

Filing at a Glance

Company: The Lincoln National Life Insurance Company
Product Name: Fixed Loan Endorsement
State: Arkansas
TOI: L09I Individual Life - Flexible Premium Adjustable Life
Sub-TOI: L09I.101 External Indexed - Single Life
Filing Type: Form
Date Submitted: 09/25/2012
SERFF Tr Num: LCNC-128650923
SERFF Status: Closed-Approved-Closed
State Tr Num:
State Status: Approved-Closed
Co Tr Num: END-2924

Implementation: On Approval
Date Requested:
Author(s): Beth Scekeres, Raymond Fortier, Randi Johnson
Reviewer(s): Linda Bird (primary)
Disposition Date: 10/02/2012
Disposition Status: Approved-Closed
Implementation Date:

State Filing Description:

State: Arkansas **Filing Company:** The Lincoln National Life Insurance Company
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General Information

Project Name: Fixed Loan Endorsement Status of Filing in Domicile: Pending
Project Number: END-2924 Date Approved in Domicile:
Requested Filing Mode: Review & Approval Domicile Status Comments:
Explanation for Combination/Other: Market Type: Individual
Submission Type: New Submission Individual Market Type:
Overall Rate Impact: Filing Status Changed: 10/02/2012
State Status Changed: 10/02/2012
Deemer Date: Created By: Randi Johnson
Submitted By: Beth Scekeres Corresponding Filing Tracking Number:

Filing Description:

Re: Individual Life Form Filing
END-2924 Policy Endorsement – Fixed Loan Endorsement
The Lincoln National Life Insurance Company
Group & NAIC #: 020-65676

Enclosed for your review and approval is the above noted Policy Endorsement. This Policy Endorsement is new and will not replace any form filed previously with your Department. This endorsement provides for an alternate loan type (“Fixed Loan”) in addition to the existing loan type (“Participating Loan”) under your policy. We intend to provide this endorsement to new and existing policyholders that currently have policy form UL 5062 which was previously approved on 07/07/2011 under SERFF tracking # LCNC-127178965 and, in the future, to other products which may be approved.

The issue ages for this endorsement will be the same as the previously approved base policy to which this endorsement will be attached. The policy is marketed through duly licensed agents who represent the Company, in the general insurance market.

We have bracketed certain items in the form as variable information because they may change for new issues in the future (but not in-force policies). These items include: officer name/signature and the service office address. It is our understanding that changes to the bracketed items for new issues will not require a new filing of this form. We confirm that the brackets will not actually appear on the form at issue.

The endorsement achieves a Flesch score of 64. This filing is being submitted concurrently to our Home State of Indiana and is pending approval. The appropriate certification(s), transmittal and filing fee are included, as applicable. This submission contains no unusual or possibly controversial items from the standpoint of normal company or industry standards. To the best of our knowledge and belief, the filing complies with all the laws and regulations of your state.

This form appears in final printed format as issued from a laser printer. We do, however, use different computer publishing systems. It is therefore possible that an actual issued form may have a different font style than the submitted form. As a result, page breaks may occur at different lines, line wording may not match up exactly, and the format may change.

We trust that the information provided is satisfactory and look forward to your response. Should you require any additional information, please feel free to contact me directly.

Sincerely,

Beth A. Scekeres

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Sr. Contract Analyst, State Filing
 The Lincoln National Life Insurance Company
 (800) 258-3648 ext 1962
 Email: beth.scekeres@lfg.com

Company and Contact

Filing Contact Information

Beth Scekeres, Sr. Contract Analyst Beth.Scekeres@lfg.com
 350 Church Street 860-466-1962 [Phone]
 MPM-10 860-466-1348 [FAX]
 Hartford, CT 06103-1106

Filing Company Information

The Lincoln National Life Insurance Company	CoCode: 65676	State of Domicile: Indiana
350 Church Street - MPM1	Group Code: 20	Company Type: Life
Hartford, CT 06103-1106	Group Name:	State ID Number:
(860) 466-2899 ext. [Phone]	FEIN Number: 35-0472300	

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation: One form at \$50.00 per form
 Per Company: No

Company	Amount	Date Processed	Transaction #
The Lincoln National Life Insurance Company	\$50.00	09/25/2012	63051284

SERFF Tracking #:

LCNC-128650923

State Tracking #:

Company Tracking #:

END-2924

State:

Arkansas

Filing Company:

The Lincoln National Life Insurance Company

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L09I Individual Life - Flexible Premium Adjustable Life/L09I.101 External Indexed - Single Life

Product Name:

Fixed Loan Endorsement

Project Name/Number:

Fixed Loan Endorsement/END-2924

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	10/02/2012	10/02/2012

State: Arkansas **Filing Company:** The Lincoln National Life Insurance Company
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Disposition

Disposition Date: 10/02/2012

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		No
Supporting Document	Health - Actuarial Justification		No
Supporting Document	Outline of Coverage		No
Supporting Document	Compliance Certification		Yes
Form	Fixed Loan Endorsement		Yes

State: Arkansas

Filing Company:

The Lincoln National Life Insurance Company

TOI/Sub-TOI: L09I Individual Life - Flexible Premium Adjustable Life/L09I.101 External Indexed - Single Life

Product Name: Fixed Loan Endorsement

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Form Schedule

Lead Form Number: END-2924

Item No.	Schedule Item Status	Form Number	Form Type	Form Name	Action/ Action Specific Data	Readability Score	Attachments
1		END-2924	POLA	Fixed Loan Endorsement	Initial:	64.000	Fixed Loan Endorsement final.pdf

Form Type Legend:

ADV	Advertising	AEF	Application/Enrollment Form
CER	Certificate	CERA	Certificate Amendment, Insert Page, Endorsement or Rider
DDP	Data/Declaration Pages	FND	Funding Agreement (Annuity, Individual and Group)
MTX	Matrix	NOC	Notice of Coverage
OTH	Other	OUT	Outline of Coverage
PJK	Policy Jacket	POL	Policy/Contract/Fraternal Certificate
POLA	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	SCH	Schedule Pages

The Lincoln National Life Insurance Company

Service Office: [One Granite Place, PO Box 515 Concord, NH 03302-0515]

Fixed Loan Endorsement

This Endorsement is made a part of the Policy to which it is attached and it takes effect on the Effective Date shown in the Policy Specifications page for this Endorsement. In this Endorsement, “We”, “Us”, or “Our” means The Lincoln National Life Insurance Company; “You” and “Your” means the Owner of the Policy; and “Insured” means the person named on Page 3 of the policy as insured under the policy.

This Endorsement uses terms found in the policy. Those terms have the same meaning as in the policy unless We have indicated a change. This Endorsement also contains terms that are not used in the policy. Such terms may be defined within the sentences where they appear or they may be found in the “Definitions” section of this Endorsement.

This Endorsement provides for an alternate loan option (“Fixed Loan”) in addition to the existing loan option (“Participating Loan”) under Your policy, subject to the terms of this Endorsement.

Definitions

Collateral Account The portion of the Policy Value that secures the principal of any Fixed Loan taken from Your policy.

Debt The principal of the Participating Loan or the Fixed Loan with interest due. On any day, Debt is equal to the principal of the policy loan plus accrued interest on the policy loan.

Fixed Loan A policy loan as described in this Endorsement where an amount equal to the policy loan will be transferred from the Fixed Account and, if necessary, from the Indexed Account(s) to the Collateral Account, as described in the Fixed Loan provision below. Interest will be charged on Fixed Loans at the Effective Annual Fixed Loan Interest Rate (Charged in Arrears), shown on the Policy Specifications page for this Endorsement.

Participating Loan A policy loan as described in the Policy Loan provisions of Your policy where the Debt remains in the Fixed Account and Indexed Account(s) as allocated at the time the loan is taken, and not transferred to a Collateral Account. Interest is charged on Participating Loans at the Effective Annual Policy Loan Interest Rate shown on the Policy Specifications page of Your policy.

Policy Value Equals the total of the Fixed Account Value, Indexed Account Value and the Collateral Account Value as defined in the Policy Value provision below.

What This Endorsement Provides

This Endorsement provides for the availability of a Fixed Loan option in addition to the Participating Loan option already available under Your policy, subject to the terms of this Endorsement. When requesting a policy loan, You must select either a Participating Loan or Fixed Loan option. If there is an existing loan on Your policy and You request an additional loan, the new loan will be the same option as the existing loan unless You request to switch options, in which case the existing and new loans will be the new option selected subject to the provisions of this Endorsement.

When Available A Fixed Loan may be obtained by request when this policy has a loan value. This policy will be the sole security for the loan.

Amount Available The loan value at any time is the then current Policy Value less any Surrender Charge on the date of determination; less;

- (1) any existing loan; plus
- (2) accrued interest on any existing loan; plus
- (3) interest on the total outstanding loan to the end of the policy year.

The Loan Repayments and the Overloan provisions within Your policy apply to Fixed Loans.

Fixed Loan When a Fixed Loan is taken, an amount equal to the loan will be transferred from the Fixed Account and, if necessary, from the Indexed Account(s), to the Collateral Account. Any amount transferred from the Indexed Account(s) will be from the most recently opened Segment(s) and will continue in successive order on a last in – first out basis. If multiple Segments were opened on the same Allocation Date, a prorated portion will be taken from each Segment. No Index Bonus is credited on funds transferred from the Indexed Account(s).

Fixed Loan Interest Interest is charged on a Fixed Loan at the Effective Annual Fixed Loan Interest Rate (Charged in Arrears) shown on the Policy Specifications page for this Endorsement. Interest is due and payable on each policy anniversary but will accrue daily for the purpose of calculating Debt. If You do not pay the interest when it is due, We will add the amount of interest to the Fixed Loan principal ("Loan Capitalization"). If available, up to an equal amount will be transferred from the Fixed Account; and, if necessary, from the Indexed Account(s), to the Collateral Account, as described above in the Fixed Loan provision. You must assign this policy to Us to the extent of the outstanding Debt. Upon the death of the Insured, We will deduct the outstanding Debt from the death benefit before We pay the death benefit to the beneficiary.

Impact Of Premium Payments And Loan Repayments On The Collateral Account Value And Fixed Loan Principal

If the Collateral Account Value is less than the Fixed Loan principal, the Net Premium paid will be credited to the Collateral Account, until the Collateral Account Value is equal to the Fixed Loan principal and any excess will be credited to the Fixed Account. If the Collateral Account Value is greater than or equal to the Fixed Loan principal, the Net Premium will be credited to the Fixed Account.

Loan repayments are subject to the Loan Repayment provision of the Policy Loans provision in Your policy. Loan repayments will first be credited to the Fixed Loan principal, then loan interest. If the Collateral Account Value is greater than the Fixed Loan principal immediately following repayment, an amount equal to the Collateral Account Value less the Fixed Loan principal immediately following repayment will be transferred from the Collateral Account to the Fixed Account.

Collateral Account Value When a Fixed Loan is taken, an amount equal to the loan will be transferred from the Fixed Account and, if necessary, from the Indexed Account(s), to the Collateral Account, as described above in the Fixed Loan provision. The value of the Collateral Account when the initial Fixed Loan is taken is equal to the Fixed Loan principal. The value of the Collateral Account on any subsequent day is equal to:

- (a) the value of the Collateral Account as of the previous day; plus
- (b) any Net Premium credited to the Collateral Account since the previous day; minus
- (c) any amount transferred from the Collateral Account to the Fixed Account due to a loan repayment; plus
- (d) Collateral Account interest earned since the previous day; plus
- (e) any new Fixed Loan taken since the previous day; minus
- (f) any portion of the Monthly Deduction deducted on a Monthly Anniversary Date; minus
- (g) any amount transferred from the Collateral Account to the Fixed Account, pursuant to the Collateral Account Interest Rate Credited Provision; plus
- (h) Any amount transferred from the Fixed Account and Indexed Account(s) to the Collateral Account due to Loan Capitalization.

Policy Value With a Fixed Loan, the Policy Value on the Policy Date will be equal to all Net Premiums paid for this policy and allocated to the Fixed Account. The Policy Value of this policy is then determined on each Monthly Anniversary Day as the total of (A) plus (B) plus (C) where:

- **(A) Equals the Fixed Account Value**— which is determined on each Monthly Anniversary Day by accumulating with interest the Fixed Account Value for the prior month increased by Net Premiums credited, the amount of any Maturing Segment if You have elected to reallocate to the Fixed Account and the amount of any transfer from the Collateral Account to the Fixed Account decreased by: 1) monthly deductions; 2) the reduction for any partial surrenders; and 3) any transfers to the Indexed Account(s) or Collateral Account since the preceding Monthly Anniversary Day.

On any day other than a Monthly Anniversary Day, the Fixed Account Value will be calculated in a consistent manner, excluding any monthly deductions for the current month.

- **(B) Equals the Indexed Account Value** – which is the sum of the value of all Segments. The value of a Segment on any day after the Segment Date is equal to:
 - (1) the value of the Segment as of the prior day; minus
 - (2) the amount of any withdrawals from the Segment since the prior day; minus
 - (3) the amount of any transfer to the Collateral Account; plus
 - (4) the amount of any Index Bonus credited to any Index Segment since the prior day.
- **(C) Equals the Collateral Account Value**— which is determined as shown in the Collateral Account Value provision.

Collateral Account Interest Rate Credited The interest rate used in the calculation of the Collateral Account will never be less than the Collateral Account Interest Rate Credited as shown on the Policy Specifications page for this Endorsement. The interest will be credited to the Collateral Account on each applicable Monthly Anniversary Day. The Collateral Account interest will be credited to the Collateral Account until the Collateral Account Value is equal to the Fixed Loan principal and any excess will be credited to the Fixed Account.

Monthly Deduction Monthly deductions will be withdrawn from the Fixed Account first. If insufficient value exists in the Fixed Account to cover the cost of the monthly deduction, funds will be taken from the most recently opened Segment in the Indexed Account(s) and will continue in successive order on a last in – first out basis. If multiple Segments were opened on the same Allocation Date, a prorated portion will be taken from each Segment. If insufficient value exists in the Indexed Account(s), funds will then be taken from the Collateral Account.

Converting From One Loan Option to the Other

A conversion from one loan option to the other can be done only once in a twelve-month period and the entire loan must be converted. When a loan is converted, interest will be charged at the interest rate in effect for the current loan option until the date of the conversion. From date of conversion, interest is charged at the interest rate in effect under the new loan option.

Participating Loan to Fixed Loan On the day the Participating Loan is converted to a Fixed Loan, an amount equal to the loan principal will be transferred from the Fixed Account, and if necessary from the Indexed Account(s), to the Collateral Account. Any amount transferred from the Indexed Account(s) will be from the most recently opened Segment and will continue in successive order on a last in – first out basis. If multiple Segments were opened on the same Allocation Date, a prorated portion will be taken from each Segment. No Index Bonus is credited on funds transferred from the Indexed Account(s).

Fixed Loan to Participating Loan Unless otherwise requested by You and agreed to by Us, when a Fixed Loan is converted to a Participating Loan, the Collateral Account Value, including any Collateral Account Interest accrued until the day of the conversion, will be transferred to the Fixed Account.

General Provisions

Endorsement Termination This Endorsement will cease if the policy to which it is attached is surrendered or otherwise terminated.

A handwritten signature in cursive script, enclosed in large square brackets. The signature appears to read "Chas A. Brantley".

[Secretary]

SERFF Tracking #:

LCNC-128650923

State Tracking #:

Company Tracking #:

END-2924

State:

Arkansas

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TOI/Sub-TOI:

L09I Individual Life - Flexible Premium Adjustable Life/L09I.101 External Indexed - Single Life

Product Name:

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Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification		
Comments:			
Attachment(s):			
AR Readability_UL_Term.pdf			

		Item Status:	Status Date:
Satisfied - Item:	Compliance Certification		
Comments:			
Attachment(s):			
AR Cert. of Compliance_UL_VUL_Term ..pdf			

Arkansas

READABILITY CERTIFICATION

The Lincoln National Life Insurance Company

Re: END-2924 Fixed Loan Endorsement

We hereby certify that the attached Form(s) is (are) in compliance with the Rules and Regulation requirements regarding Life, Annuities, and Accident and Sickness Insurance Language Simplification Standards and has (have) achieved a Flesch Reading Ease score of:

Form Number:

END-2924

Flesch:

64



Raymond Fortier, Assistant Vice President
Product Compliance & State Filing

Date: September 25, 2012

ARKANSAS

CERTIFICATE OF COMPLIANCE

The Lincoln National Life Insurance Company

Re: END-2924 Fixed Loan Endorsement

To the best of my knowledge and belief, the policy form listed above complies with the provisions of Rule and Regulation 19 as well as all applicable requirements of the Arkansas Insurance department.

To the best of my knowledge and belief we are in compliance with the requirements of Arkansas Code Ann. 23-79-138. We provide a document entitled which contains the required information.

To the best of my knowledge and belief we are in compliance with the requirements of Regulation 49 and we provide the required Guaranty Association notice.



Raymond Fortier, Assistant Vice President
Product Compliance & State Filing

Date: September 25, 2012