

# Start a conversation about portfolio diversification

## Talk with your clients about life insurance in their overall financial plan

Clients want financial security in retirement. So they need growth opportunities as well as asset protection from rising taxes, market volatility and health-related risks that may arise in their future.

A smart way to accomplish this is to diversify their retirement portfolio with variable universal life insurance. These policies offer financial protection and tax-deferred growth linked to market performance. Your clients can also access their VUL policy's cash value, tax-free with no restriction or penalty, should they need income for an unexpected circumstance or planned event.

### Conversation starters

Use these **simple questions** to start a conversation with your clients about the value of diversifying a retirement portfolio.



Now that we know you need life insurance, would you be interested in a policy that provides more — allowing you to invest in the market with tax advantages?



What are some of your biggest retirement concerns?  
How about taxes? Sequence-of-returns risk?  
Outliving your savings? Unexpected health risks?



Would you be interested in a tax-advantaged solution with increased growth potential, market-driven investment options and added protection from market losses once you retire?

Then explain to your client how VUL can enhance their financial plan and create a tax-free source of funds<sup>1</sup> to:

- Diversify their assets with growth potential in a tax-advantaged location
- Protect their portfolio against market downturns<sup>2</sup>
- Cover them from unexpected expenses with added protection options<sup>3</sup>
- Provide a tax-free income solution

<sup>1</sup> Distributions are through loans and withdrawals, which will reduce a policy's cash value and death benefit. Loans are not considered income and are not taxable while withdrawals are tax-free up to the policy's cost basis, provided the policy is not a MEC. <sup>2</sup> Policy charges remain in effect and could reduce your policy value. <sup>3</sup> Additional living benefits are offered through riders, are subject to availability, and may have additional costs. Limitations and exclusions apply.

Insurance products issued by:  
The Lincoln National Life Insurance Company

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## Financial professionals FAQs

### Is there a demand in the marketplace for VUL products?

Yes. According to LIMRA, VUL sales grew nearly 70% in Q2 2021 compared to prior year, the 15th consecutive quarterly increase. Year-to-date, VUL sales increased 62%. While protection-focused VUL sales continued to increase (up 27% in Q2), accumulation-focused VUL sales jumped 144%.

### Considering recent market volatility, is now a good time to buy an accumulation VUL product?

The best time to invest is when the market is down and prices are low, but it's impossible to predict when markets are at their lowest point. One smart option for your clients could be dollar cost averaging (DCA) to systematically invest into the funds.<sup>2</sup> **Lincoln currently offers an enhanced 8% interest crediting rate<sup>3</sup> with a 4.04% program yield<sup>4</sup> when choosing DCA for newly purchased *Lincoln AssetEdge*<sup>®</sup> VUL contracts.**

### Which clients would be interested in *Lincoln AssetEdge* VUL?

*Lincoln AssetEdge* VUL could be a good option for customers who:

- Are comfortable with the risks of equity investing
- Like the control of choosing from among 75+ funds with unlimited upside growth potential
- Want the flexibility to balance return potential with downside protection with four indexed account options<sup>5</sup>

### How can I help clients add more growth potential with *Lincoln AssetEdge* VUL?

In addition to the 75+ investment options, clients can improve their policy growth potential with the Enhanced Allocation Rider, which can be added to the policy at issue for no additional premium. With the Enhanced Allocation Rider, a portion of your client's cash value is used to purchase options on the S&P 500, creating a potential increase in cash value and death benefit protection.

<sup>1</sup> LIMRA, <https://www.limra.com/en/newsroom/news-releases/2021/limra-first-half-of-2021-had-highest-u.s.-life-insurance-policy-sales-growth-since-1983/>. <sup>2</sup> Dollar cost averaging (DCA) does not assure a profit or protect against loss in declining markets. Because dollar cost averaging involves continuous investment regardless of changing price levels, clients should consider their ability to continue purchasing through periods of all price levels. Diversification does not assure a profit or protect against market loss. Applies to individual life products; excludes Executive Benefits and Group Protection products. <sup>3</sup> Enhanced interest rate is paid on the declining balance in the Fixed Account, so the amount earned each month will be less. <sup>4</sup> The program yield is based on the initial premium after the completion of the DCA program. The DCA rate does not reflect performance of the variable investment options selected by the client. Depending upon the product, results may be lower due to product charges; refer to prospectus for details. <sup>5</sup> Excluding dividends.

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value



Learn more about the advantages of planning with *Lincoln AssetEdge* VUL. Contact your Lincoln representative today.

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