

# AG49-A Benchmark Index Account Change

## Frequently Asked Questions

Effective with the illustration update on 05/10/21, the Benchmark Index Account (BIA) will be changing, which will reduce the lookback rate and therefore impact illustrations for AG49-A compliant products. This BIA change impacts the maximum illustrated rates allowed under AG49-A, but the size of the impact will vary based on the Indexed Account. This change does not impact policies sold prior to 11/12/20 that fall under the original AG49 guidelines.

General Questions	Answers
<p><b>What is a Benchmark Index Account (BIA)*?</b></p> <p>*referred to as the Industry Standard Indexed Account within Lincoln Illustrations</p>	<p>The Benchmark Indexed Account is an original AG49 term that has been updated in both definition and use for AG49-A to describe a 1-year Point-to-Point S&amp;P 500 Indexed Account with a 0% Floor, 100% participation rate, an Annual Cap, and no account specific charges or bonuses/multipliers.</p> <p>The BIA is designed to provide a level playing field across all IUL products particularly when determining maximum illustrated rates for each product. AG49-A requires that the earned rate on the assets backing the product is used in setting the BIA cap.</p> <p>Every AG49-A product must have a BIA, but the carrier does not have to offer a BIA for sale within the product. It can simply be used as a hypothetical account to calculate the maximum illustrated rate for the product. Lincoln’s BIA is not offered for sale within the IUL product suite.</p>
<p><b>How often does Lincoln review the need for changing the BIA?</b></p>	<p>A carrier is required to be continuously in compliance with supporting the BIA cap being used to determine maximum illustrated rates, so Lincoln is regularly monitoring the BIA cap.</p>
<p><b>Is this a cap reduction?</b></p>	<p>There are no changes to caps and participation rates on the accounts offered within the IUL products as part of this BIA change. The BIA is a hypothetical Indexed Account that is not offered for sale in Lincoln’s IUL suite. The change to the BIA maximum illustrated rate is an <b>illustrative change only</b>.</p>
<p><b>Does this change impact Point in Time Illustrations?</b></p>	<p>All new business and inforce illustrations for AG49-A compliant products run on 05/10/21 or after will be limited by the new BIA maximum illustrated rate.</p>
<p><b>If I run a case today and place it after May 10<sup>th</sup>, what happens to my case?</b></p>	<p>If cases do not place by 5/10 and need a revised illustration, the revised illustration will not exceed the Max BIA rate of 5.70%.</p> <p>We recommend running designs now using the maximum illustrated rate of 5.70% to align with the upcoming illustration change; and evaluating any pipeline cases that you believe may need a revised illustration and will place after 5/10.</p>
<p><b>Does this change impact Indexed Accounts on VUL products?</b></p>	<p>AG49-A does not apply to variable products so there is no impact to the maximum illustrated rates on the Asset Edge VUL product.</p>

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