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## Another Major Carrier Raising Cost of Insurance Charges

May 10, 2016

Lincoln Financial Group announced that Lincoln Life & Annuity Company of New York, acting as administrative agent and reinsurer, will be raising the COI rates on a specific block of universal life and variable universal life policies issued by Aetna Life Insurance and Annuity Company (now Voya Retirement Insurance and Annuity Company.)

While it appears the cost increases will begin in June of 2016, it appears the exact dates are policy specific. In sample letters to policy owners, Lincoln notes that “the expected cost of providing insurance coverage has risen, due to a variety of factors including lower investment income and higher expenses.”

Like other carriers who have raised rates, Lincoln is providing the policy owner with suggested options, including; continuing to pay current premium, though “at some point you may need to increase the amount of premium paid in order to keep your policy in force,” lowering the death benefit amount to “the level supported by your current premium,” or surrendering the policy.

It appears there are approximately 18 products affected with issue dates from 1983 to 2000, with many policies issued in the 1990’s. In the letters to policy holders, Lincoln Financial is providing customer service email and phone numbers.

We at ITM TwentyFirst have not reviewed any of the policies yet to determine the extent of the COI increase. Lincoln National has not announced the percentage increase, saying only that the “amount of the COI rate increases depends upon the product.”

As always, we will be monitoring the situation.