

Lincoln MoneyGuard® Reserve Plus

Product Update

Return of premium feature to include 5-year vesting schedule

We are making updates to Lincoln MoneyGuard Reserve Plus to help ensure the strength and sustainability of our long-term care funding solution through all market environments. We are committed to Lincoln MoneyGuard solutions. These adjustments do not affect the core benefits of long term care protection and the death benefit that have been the hallmark of our solution for more than 25 years. The following highlights these changes (note there is no impact to Lincoln MoneyGuard Reserve in NY):

What we did

- We have adjusted the Return of Premium feature to include a 5 year vesting schedule that still includes 100% ROP in months 0–6 and after 5 years. Return of premium is provided through the Enhanced Surrender Value Endorsement (ESVE).

Return of premium vesting schedule

Time	Percentage
Months 0–6	100%
Months 7–12	90%
Year 2	92%
Year 3	94%
Year 4	96%
Year 5	98%
Year 6	100%

- Clients will continue receiving the 100% return of premium benefit through the ESVE after year 5, provided all planned premiums are paid.
- If clients request a return of premium before year 5, the surrender value will be paid.
- We are increasing the maximum issue age on ESVE for flexible premium policies from age 65 to age 69. The ESVE is now available at consistent ages regardless of premium funding choice.

How it affects you

- The core value of Lincoln MoneyGuard Reserve Plus remains unchanged and will continue to provide you with a strong solution that helps protect clients' portfolios from the impact of a long-term care event.

Why we did it

- With a small percentage of clients requesting the return of premium, implementing the vesting schedule allows us to maintain sustainable strength of the product and deliver the core benefits of Lincoln MoneyGuard Reserve Plus:

Long-term care benefits—designed to leverage the dollars put into the funding option.

Death benefit—addresses the issue of claims that have not been used and ensures the unused principal is provided to heirs.

Return of premium—The ESVE feature guarantees return of premium—once all premiums are paid—on a vesting schedule, provided it has not been used.

Flexible premium payment options—provides an alternative in how the advisor schedules premium payments for cash flow flexibility.

What do you have to do?

- We are allowing a two week transition period for you to finalize sales you have in motion. To receive the current version of the Enhanced Surrender Value Endorsement, the paperwork must be received by August 16, 2013.
- The submission must include a minimum of the Lincoln MoneyGuard Reserve Plus ticket and one other Lincoln form signed by the client.
- During the transition period, service levels will be extended to match the volume of business received. Please contact your Underwriting Team for specific service level commitment details.
- Marketing materials will be updated to reflect the changes in the return of premium design and will be available starting August 12th.

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

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Lincoln *MoneyGuard*® Reserve Plus is a universal life insurance policy with a Convalescent Care Benefits Rider* (CCBR) that accelerates the specified amount of death benefit to pay for covered long-term care expenses. An Extension of Benefits Rider* (EOBR) is available to continue long-term care benefit payments after the entire specified amount of death benefit has been paid. The return of premium is featured through the Enhanced Surrender Value Endorsement (ESVE), included in the policy cost for all single premium policies and for flexible premium policies for issue ages 35–69. Any additional surrender benefit provided will be adjusted by any loans/loan interest/loan repayments, withdrawals taken, or claim payments made. The cost of riders will be deducted monthly from the policy cash value. The insurance policy and riders have limitations, exclusions, and/or reductions. Additionally, long-term care benefit riders may not cover all costs associated with long-term care costs incurred by the insured during the coverage period. All contract provisions, including limitations and exclusions, should be carefully reviewed by the owner.

Issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, on Policy Form LN870/ICC11LN870 with the Convalescent Care Benefits Rider* (CCBR) on Rider Form LR870/ICC11LR870, an optional Enhanced Surrender Value Endorsement (ESVE) on Endorsement Form B10465F/ICC11B10465F, an optional Extension of Benefits Rider* (EOBR) on Rider Form LR871/ICC11LR871, and an optional Nonforfeiture Benefit Rider (NFO) on Rider Form LR872/ICC11LR872.

All guarantees and benefits of the insurance policy are subject to the claims-paying ability of the issuing insurance company. They are not backed by the broker-dealer and/or insurance agency selling the policy, or any affiliates of those entities other than the issuing company affiliates, and none makes any representations or guarantees regarding the claims-paying ability of the issuer.

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*State variations apply.

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