



MoneyGuard[®] Reserve

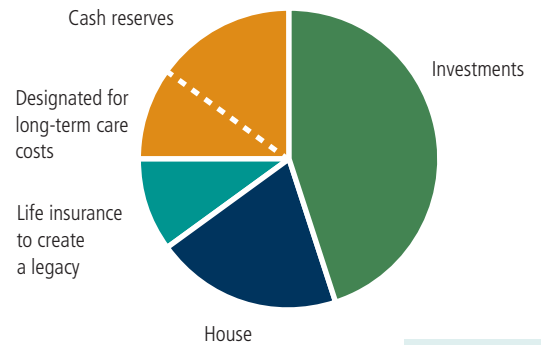
Yours today for tomorrow

- ◆ Get more for your long-term care dollar
- ◆ Get your money back if you don't need to use your policy
- ◆ Be tax-smart about long-term care

One simple solution

How you prepare for the possibility of long-term care directly impacts the security of your entire portfolio and can pose a potential threat to your retirement income. Even if you're still saving for retirement, you should consider the threat of long-term care now.

In addition to your home, a typical portfolio consists of investments for growth and income; life insurance to efficiently provide for your heirs; and assets reserved for financial emergencies, including medical or long-term care costs.



How *MoneyGuard*® Reserve helps

By simply repositioning the cash reserves designated for long-term care into a *MoneyGuard* Reserve policy, you immediately help increase the protection for the rest of your portfolio from the challenge of those costs. One simple solution—it's there if you need it, and you can get it back if you don't.



1 If you need long-term care

MoneyGuard Reserve, in many cases, can provide you with up to five times the dollars you can use to reimburse long-term care costs, significantly increasing your capacity.

2 If you need it back

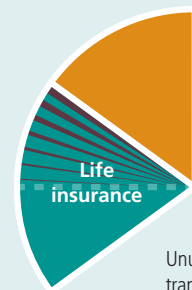
MoneyGuard Reserve provides a money back guarantee on policies funded with single premiums that will return your original single premium payment any time you request it.



Original single premium payment returned to you for cash reserves

3 If you never need long-term care

MoneyGuard Reserve provides not only income tax-free long-term care reimbursements, but also efficiently passes any unused portion income tax-free to your beneficiaries through a death benefit.



Unused portion transferred to beneficiaries

The greatest threat to your retirement income security

As Americans continue to live longer, we have a greater chance of eventually needing care. In fact, 70% of Americans age 65 or older today will need some form of long-term care.¹

70%

So what are your options?

The cost for long-term care continues to rise. In 2004, the average annual cost of nursing home care was \$70,000.² For full-time professional in-home care, the average cost jumped to \$155,520 a year.² In some areas, these costs can be much higher. This can present a real financial challenge to even the most affluent Americans. In fact, it can be the greatest threat to retirement income security.

Until now, there were really only two ways to prepare for long-term care needs:

- **Traditional long-term care insurance**—premium payments can be expensive, and if you never need care, the money you've paid into the policy is typically lost forever.

- **Self-insuring**—requires you to set aside significant liquid assets and risk depleting your long-term care assets too quickly, forcing you to rely on others.

Long-term care challenges are considerable—many people do nothing to address the need.

But if you are not prepared, you're self-insuring.

Americans 65 or older who will need some form of long-term care

Now there's *MoneyGuard*[®] Reserve

A universal life insurance policy from **The Lincoln National Life Insurance Company**, *MoneyGuard* Reserve provides benefits you can tap into to reimburse qualified long-term care costs, protecting assets you've set aside for retirement. It offers a simple solution that makes sense for today and for tomorrow.

MoneyGuard Reserve provides three key benefits:

1 **Get more for your long-term care dollar—free up other assets**

Leverage assets you've set aside for long-term care. Why allocate more than you need to for long-term care costs when your assets can work three, four, even five times harder for you? This allows you to free up additional assets you'd targeted for long-term care, because they will no longer be needed for that purpose.

2 **Money back guarantee—should you change your mind**

If you fund your policy with a single premium payment, you can get back the money you paid into the policy. Note that a portion of the money you get back may have tax implications. This and all guarantees are backed by the claims-paying ability of The Lincoln National Life Insurance Company, a company with a 100-year heritage of strength and integrity.

3 **Be tax-smart about long-term care—income tax-free benefits**

The money you receive from *MoneyGuard* Reserve to reimburse long-term care costs is income tax-free. And if you never need the benefits for long-term care, they are passed to your family through an income tax-free death benefit. Any money borrowed or withdrawn from the policy will reduce the death benefit and may have tax implications.

Not a deposit	Not FDIC-insured	Not insured by any federal government agency	Not guaranteed by any bank or savings association
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¹Testimony before the U.S. Special Committee on Aging, March 21, 2004.

²Congressional Budget Office, 2004.



Nancy Arneau

MoneyGuard® Reserve is smart planning that counts.

Nancy's been saving money for a long time...for retirement, for a rainy day, and now for long-term care. But she realizes that with today's medical costs, even \$300,000 may be gone in less than two years.

- 65 years old
- Nonsmoking female in good health
- \$300,000 reserved for long-term care



Nancy transitions assets to a *MoneyGuard Reserve* policy with a single payment of \$100,000 and allocates the other \$200,000 for other needs. **Through *MoneyGuard Reserve*, she is prepared for three possibilities. And all of the outcomes are fully guaranteed by the claims-paying ability of The Lincoln National Life Insurance Company:**

1 Long-term care coverage



**Reimbursement for long-term care
\$83,203 X 6 years = \$499,218**

If Nancy needs long-term care, she'll get up to \$83,203 each year for six years to reimburse monthly long-term care costs (that's a maximum of \$6,934 per month). And she'll receive these benefits—up to a total of \$499,218—income tax-free. That's nearly 500% of her original premium payment.

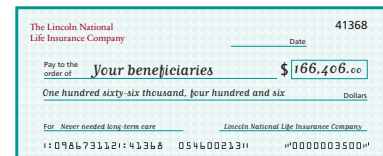
2 Money back guarantee



\$100,000 paid to you

If Nancy decides she wants her money back, she only needs to notify us in writing, and we'll mail her a check for her original payment, no questions asked. The amount received is adjusted for loans and withdrawals and a portion of the money returned may have tax implications.

3 Income tax-free death benefit



\$166,406 paid to your beneficiaries

If Nancy never needs long-term care, *MoneyGuard Reserve* will provide her loved ones with a \$166,406 income tax-free death benefit. If she uses only a portion of the death benefit for long-term care, *MoneyGuard Reserve* passes the remaining portion income tax-free to her beneficiaries (less any loans or withdrawals she's taken).

Nancy's policy included the four-year extension of benefits option. If your age, gender, or health are different from Nancy's, your actual benefit amount will also differ (unisex rates apply in Montana).

Nancy receives long-term care reimbursements income tax-free under IRC Section 104(a)(3). Her beneficiaries can receive an income tax-free death benefit under IRC Section 101(a)(1).



Here's how *MoneyGuard*[®] Reserve works now...and in the future

***MoneyGuard* Reserve is a universal life insurance policy that helps give you retirement income security whether you face long-term care costs, need access to your assets, or pass assets to your heirs.**

- **Pays for long-term care.** Your specified amount of death benefit is used to reimburse long-term care costs. Should you need care for an extended period, an optional benefit can provide coverage for a specified number of years beyond the depletion of your death benefit.
- **Includes a money back guarantee.** If you fund your *MoneyGuard* Reserve policy with a single premium payment, you can request a return of your money at any time. The amount returned will be adjusted for any loans, loan interest, withdrawals, or benefits paid. Guarantees are backed by the claims-paying ability of The Lincoln National Life Insurance Company.
- **Helps you leave money to your loved ones.** If it isn't used to pay for long-term care, the guaranteed death benefit will pass to your beneficiaries income tax-free and sheltered from probate if someone other than your estate is named beneficiary. Even if the entire specified amount of death benefit is used for long-term care costs, a residual death benefit is still provided for your beneficiaries. Any money borrowed or withdrawn from the policy will reduce the death benefit.
- **Helps you maintain control of your other assets.** By repositioning some of your assets into a *MoneyGuard* Reserve policy, you free up other assets, because you won't have to earmark them for long-term care.
- **Protects your assets now and in the future.** *MoneyGuard* Reserve offers an optional benefit that can help protect you from rising long-term care costs and inflation by increasing the amount of annual long-term care coverage over time. (Not all features of this optional benefit are available in all states.)



A Lincoln®

A century of integrity

At Lincoln Financial Group, we have a 100-year-old heritage of helping people find solutions to their financial challenges. As one of the largest financial services companies in the nation, we are a proven industry leader in identifying and delivering sophisticated financial strategies and product solutions for the creation, protection, and enjoyment of wealth. We are committed to helping investors redefine their retirement because we don't believe retirement is an end—it's an opportunity for everyone to start doing what they were meant for all along.

The stability of The Lincoln National Life Insurance Company

A company's promises are only as strong as its reputation, integrity, and financial strength. The Lincoln National Life Insurance Company has consistently received high marks from independent evaluators including A.M. Best, Fitch, Moody's, and Standard & Poor's:

A.M. Best	A+ (2nd highest of 16)	"Excellent financial strength...strong ability to meet their ongoing obligations to policyholders."
Fitch	AA (3rd highest of 24)	"...reflects the company's long-standing competitive position."
Moody's	Aa3 (4th highest of 21)	"...offers excellent financial security."
Standard & Poor's	AA- (4th highest of 21)	"...a recognized leader in the high income market."

These ratings apply only to the company's claims-paying ability. Ratings as of December 2005. Visit www.LFG.com for the most current ratings.

Hello future.SM

Important disclosures. Please read.

MoneyGuard® Reserve is a universal life insurance policy with a rider 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 Rider (ROPR) is included at issue (single premium only). The cost for these riders will be deducted from the policy account value. Guarantees are backed by the claims-paying ability of the issuer and are subject to policy terms and conditions. This policy has exclusions and/or limitations. Two-year suicide and contestability provisions apply (one-year in some states).

This material was prepared to support the promotion and marketing of a universal life insurance product. The Lincoln National Life Insurance Company affiliates, its distributors, or their respective employees, representatives, and/or insurance agents provide tax, accounting, or legal advice. Any tax statements contained herein were not intended or written to be used, and cannot be used for the purpose of avoiding U.S. federal, state, or local tax penalties. Please consult your own independent advisor as to any tax, accounting, or legal statements made herein.

MoneyGuard Reserve is issued on Policy Form LN850 (8/05), Return of Premium Rider on Form LR850 (8/05), Convalescent Care Benefits Rider on Form LR851 (8/05), and Extension of Benefits Rider on Form LR852 (8/05) and state variations, by The Lincoln National Life Insurance Company, Fort Wayne, IN. Products and features are subject to state availability. Not for use in MA and NY.

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