



FOR LIFE

Universal Life Insurance

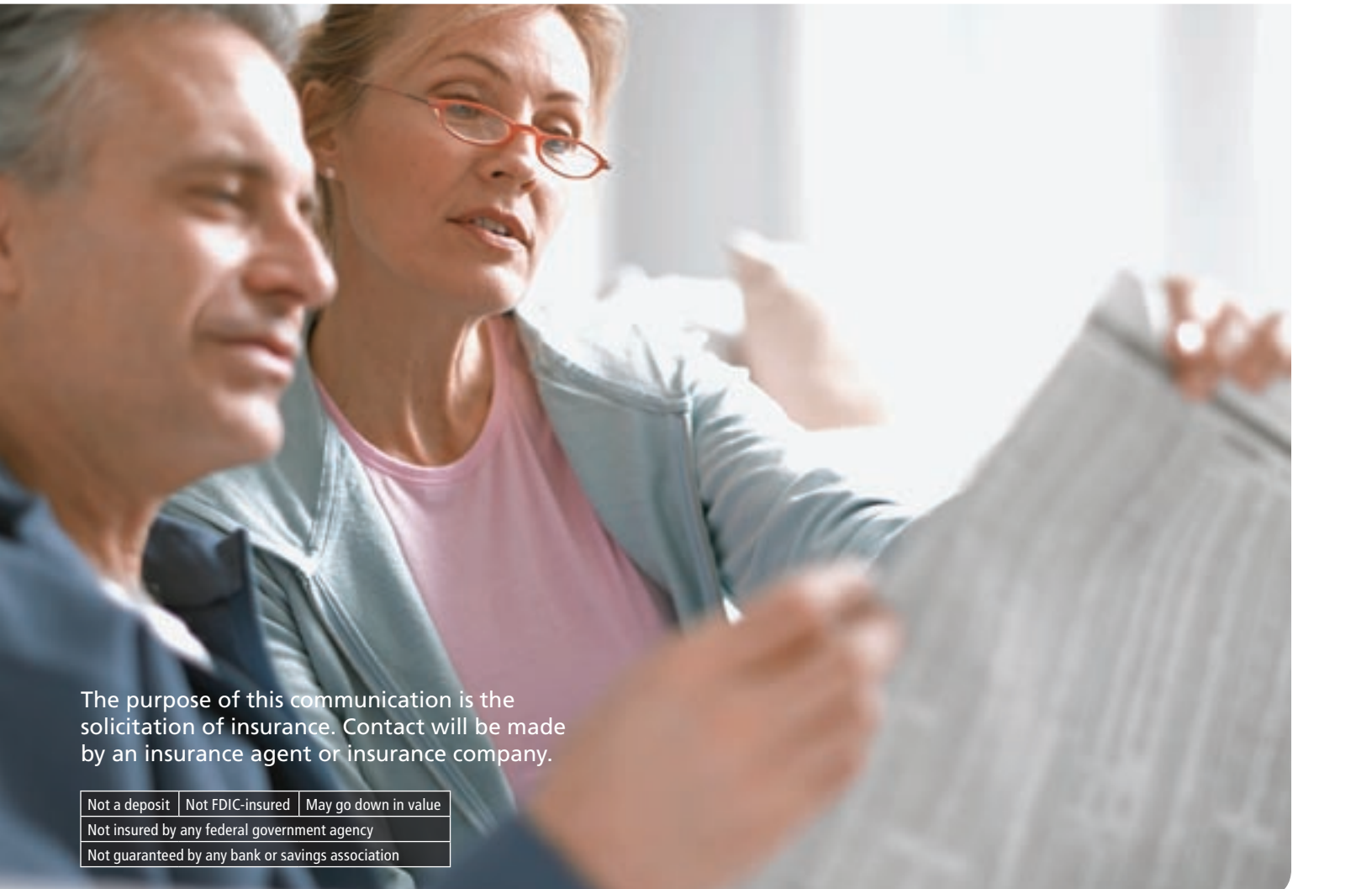
The Lincoln National Life Insurance Company

Lincoln *MoneyGuard*[®] Reserve Plus

Paying for long-term care

Client Product Guide

Hello future.[®]



The purpose of this communication is the solicitation of insurance. Contact will be made by an insurance agent or insurance company.

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

The information you need about Lincoln *MoneyGuard*[®] Reserve Plus

Lincoln *MoneyGuard* Reserve Plus is a universal life insurance policy with optional long-term care benefit riders¹ issued by **The Lincoln National Life Insurance Company** that offers you:

- Tax-advantaged long-term care benefits and more leverage for your long-term care dollars
- An income tax-free death benefit
- A money back guarantee²

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Products and features—including benefits, exclusions, limitations, terms and definitions—may vary by state. A licensed insurance agent/representative will provide you with an Outline of Coverage that is specific to your state.

Key benefits

Income tax-free long-term care benefits

Benefits are generally paid income tax-free under Internal Revenue Code (IRC) Section 104(a)(3).

If you need long-term care and have met eligibility requirements, the specified amount of death benefit is accelerated to pay for covered expenses up to a monthly maximum benefit amount. The acceleration of benefits is provided under the Convalescent Care Benefits Rider (CCBR).³

At issue, you can purchase additional coverage to continue your long-term care benefit payments for covered expenses after your initial specified amount of death benefit is exhausted. The Extension of Benefits Rider (EOBR) provides you with these benefits for a specified period. Long-term care coverage will continue as long as you remain eligible or until your entire long-term care benefit is exhausted.

Lifetime money back guarantee

If you change your mind, your policy provides a money back guarantee through the Enhanced Surrender Value Endorsement (ESVE), available at issue on all single premium policies and flexible premium policies for ages 35 to 65. The sum of your premium payments (Enhanced Surrender Value Threshold) can be returned to you, reduced by the amount of any loans, withdrawals or benefits paid. A portion of the money you receive back may have tax implications.

Income tax-free death benefit

If you never need long-term care, a death benefit is paid to your beneficiaries, income tax-free under IRC Section 101(a)(1).

If your entire specified amount of death benefit has been used to pay for long-term care, your beneficiaries receive a residual death benefit. At the time you purchase the policy, the benefit is equal to 10% of your initial specified amount of death benefit and will be adjusted for loans, withdrawals and policy loan repayments. The greater of either the unused specified amount of death benefit or the residual death benefit will pass to your beneficiary without the delay of probate—provided your estate is not your beneficiary.

Lifetime benefit guarantees

Benefits are guaranteed and backed by the claims-paying ability of The Lincoln National Life Insurance Company. Any loans or withdrawals may jeopardize your policy performance and guarantees, and have tax implications.

Interest credits and tax-deferred growth

Your policy is guaranteed a 4% interest rate and grows tax-deferred.

No deductible or elimination period

¹Available at an additional cost.

²Through the Enhanced Surrender Value Endorsement available at issue on all single premium policies and flexible premium policies for ages 35–65.

³State variations may apply.

Key benefits, cont'd.

Optional inflation protection

At issue, you can purchase simple or compound inflation protection that will increase your long-term care benefits.

You must buy the same inflation protection option for the Convalescent Care Benefits Rider (CCBR) and the Extension of Benefits Rider (EOBR). Inflation protection is subject to state availability.

Simple	3%	Compound	3%	Compound	5%
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Simple increases

On each policy anniversary, the monthly maximum benefit increases by 3% of the initial monthly maximum. For example:

First anniversary. If the monthly maximum benefit at the time of purchase is \$4,500, it will increase by 3%, or \$135, beginning on the first anniversary date. The new monthly maximum benefit would be \$4,635.

Second anniversary. The \$4,635 benefit increases by \$135, for a monthly maximum benefit of \$4,770. The monthly maximum benefit will continue to increase by \$135 on every policy anniversary.

Compound increases

On each policy anniversary, the monthly maximum benefit increases by 3% or 5% (depending on the option chosen) of the prior year's amount. For example, using 3% compound interest:

First anniversary. If the monthly maximum benefit is \$4,500, it will increase by 3%, or \$135, on the first policy anniversary date. The new monthly maximum benefit would be \$4,635.

Second anniversary. The \$4,635 benefit will increase by 3%, or \$139.05, for a monthly maximum benefit of \$4,774.05.

Eligibility for long-term care benefits

Coverage requirements

Your policy will pay for qualified long-term care services if a physician* certifies that you are chronically ill (see “Chronic illness”) and if care is provided under a care plan prescribed by your physician.*

You’ll be reimbursed for covered expenses up to the maximum benefit specified in your policy.

Your long-term care benefits will continue as long as you are chronically ill, until your entire CCBR benefit, plus any benefits provided by the EOBR, is exhausted.

Chronic illness

A chronically ill person is any individual who has been certified within the preceding 12 months by their attending physician* as being unable to perform, without substantial assistance from another individual, at least two activities of daily living (ADLs) for a period of at least 90 days as a result of loss of functional capacity. ADLs are bathing, continence, dressing, eating, toileting, and transferring.

You are also considered chronically ill if, within the preceding 12 months, you were certified by a physician* as requiring substantial supervision to protect you from threats to health and safety caused by severe cognitive impairment—for example, as a result of Alzheimer’s disease or similar forms of mental capacity loss.

Prior hospitalization is not required. Care must be provided under a plan of care prescribed by your physician.* Your chronic illness and care plan must be reconfirmed at least once every 12 months for as long as care is required. Lincoln may periodically review the extent of your eligibility.

Alzheimer’s disease and senility dementia

Your policy covers Alzheimer’s disease and similar forms of mental capacity loss. Once you have qualified for a policy, your claim cannot be denied because of these conditions.



*Licensed healthcare practitioner in some states, including Louisiana.

Qualified long-term care services

Policy coverage	<p>Your policy covers qualified long-term care services, which are necessary diagnostic, preventative, therapeutic, curing, treating, mitigating, rehabilitative, maintenance or other personal care services provided under a plan of care prescribed by your physician.*</p> <p>Your benefits will continue as long as you remain chronically ill, until your entire long-term care benefit is exhausted.</p>
Nursing home benefits	<p>If you are admitted as an overnight resident patient to any state-licensed nursing home, your policy will reimburse you for all covered expenses.</p> <p>All levels of care—skilled, intermediate and custodial—are covered and are subject to the monthly maximum benefit.</p>
Assisted living facility benefits	<p>If you need maintenance, personal care services or protective oversight on a daily basis that can be provided by an assisted living facility, the policy will reimburse the expenses incurred while you are confined in a facility (not to exceed the monthly maximum benefit).</p>
International benefits provision	<p>If you are confined to a nursing home or assisted living facility outside the United States, its territories or its possessions, benefits under the CCBP will still be available to you. Such benefits are limited each month to 50% of the maximum monthly benefit that would otherwise be paid; however, the full CCBP benefit limit may be used for this purpose.</p>
Bed reservation benefit	<p>If, while you are a resident of a nursing home and receiving benefit payments, you must temporarily leave for any reason other than discharge, the policy will reimburse the expenses you incur to reserve (or to hold) your bed in the nursing home. This includes, but is not limited to, a hospital stay or your spending holidays or other time with family.</p> <p>The policy will pay up to 1/30 of the monthly maximum benefit for each day the bed is reserved for you for up to 30 days during each calendar year.</p>
Home healthcare benefits	<p>If you are chronically ill, your policy will reimburse the costs of skilled nursing or other professional services from a home healthcare agency.</p> <p>Covered services include but are not limited to:</p> <ul style="list-style-type: none">• Part-time intermittent skilled nursing services• Home health aide services• Physical therapy• Occupational therapy• Chemotherapy• Speech therapy• Audiology services• Medical social services by a social worker
Adult day-care services	<p>If you require only part-time long-term care, your policy will reimburse the costs of health, social and related support services at an adult day-care program (serving six or more individuals) up to the monthly maximum benefit.</p>
Respite care	<p>Short-term care services provided in a facility, your home or a community-based program to relieve your primary caregiver can be reimbursed up to 1/30 of the monthly maximum benefit for up to 21 days in each calendar year.</p>
Caregiver training	<p>Your policy will reimburse up to a lifetime maximum benefit of \$500 to provide a primary caregiver with the knowledge and skills to care for you when you are chronically ill.</p>

*Licensed healthcare practitioner in some states, including Louisiana.

Care planning	Your policy will reimburse the expenses incurred for care plan services provided by a care planning agency under the direction of a physician.*
Alternative care services	If you need services that aren't specifically covered, the policy will reimburse for long-term care prescribed under a plan of care agreed to by your physician* and Lincoln, to the extent that these are qualified long-term care services.
Hospice services	Your policy provides benefits to reimburse for palliative care to alleviate the physical, emotional, social and spiritual discomforts when you are in the terminal phase of life. These services include supportive care given to the primary caregiver and to your immediate family.
Personal care services	Your policy provides benefits if you require that services be provided at your place of residence—outside of a hospital, nursing home or assisted living facility—to assist you with the activities of daily living, including: <ul style="list-style-type: none"> • Using a telephone • Managing medications • Moving about outside • Shopping for essentials • Laundry • Housekeeping
Non-continual care services	Your policy will reimburse expenses for services received on a one-time basis, such as durable medical equipment or modifications to your residence to accommodate a wheelchair or other device. This benefit is limited to no more than one claim per calendar year and cannot exceed the monthly maximum benefit.
Exclusions and limitations	<p>The long-term care benefit riders do not provide benefits for the following:</p> <ul style="list-style-type: none"> • Care provided in facilities operated primarily for the treatment of mental or nervous disorders, except for Alzheimer's disease or similar forms of dementia • Treatment for alcoholism or drug addiction (unless the addiction is a result of medication taken in doses prescribed by a physician*) • Treatment arising out of an attempt (while sane) at suicide or an intentionally self-inflicted injury • Treatment provided in a Veterans Administration or government facility, unless the Insured or the Insured's estate is charged for the confinement or services, or otherwise required by law • Loss to the extent that benefits are payable under Medicare, other government programs (excluding Medicaid), worker's compensation laws, employer's liability laws, occupational disease laws and motor vehicle no-fault laws • Confinement or care received outside the United States, its territories or its possessions, other than benefits for nursing home care or assisted living facility benefits as described in the CCBR International Benefits provision • Services provided by ineligible facilities or providers, except as provided as alternative care services • Services provided by a member of the Insured's Immediate Family or services that would not incur any charge in the absence of insurance <p>Preexisting conditions disclosed on your application will be covered after your policy is issued. A preexisting condition is a condition for which you were diagnosed or received treatment within six months of the effective date of your policy.</p>

*Licensed healthcare practitioner in some states, including Louisiana.

Important facts about your policy

Monthly insurance costs

Each month, the insurance costs for your life and long-term care benefits are deducted from the policy cash value.

Cash withdrawals and policy loans

The death benefit will be reduced if any cash withdrawals or loans are taken. The residual death benefit, if available, will also be reduced. Cash withdrawals and loans may be taxable. Consult with your tax advisor for information about your specific situation. Taking loans or cash withdrawals may jeopardize your policy's performance and guarantees.

Total surrender

Your policy has a surrender charge, which reduces to zero over 10 years. Please see your personalized projection of values for actual costs. If you totally surrender your policy while the Enhanced Surrender Value Endorsement is in effect, a surrender charge will be incurred only if the policy value at the time of surrender is greater than the sum of premiums paid.



Federal tax information

Qualified Long-Term Care Insurance

The Health Insurance Portability and Accountability Act defines federal tax treatment of insurance policies that provide long-term care coverage. Policies that meet certain criteria are designated as “qualified long-term care insurance” and will receive certain tax incentives: The charges taken from the cash value of the life insurance contract to fund the rider benefits are excluded from taxable income, and long-term care benefits received will not be reported as taxable income.

This policy is intended to meet the criteria for Qualified Long-Term Care Insurance. Policies that are not recognized as Qualified Long-Term Care Insurance are treated differently. Premiums paid may not be itemized as a deductible medical expense, and long-term care benefits received may be reportable as taxable income; however, actual expenses for long-term care may be deductible.

Favorable tax treatment for Qualified Long-Term Care Insurance

This coverage, including the Extension of Benefits Rider, is intended to be recognized as Qualified Long-Term Care Insurance under federal law. The acceleration of life insurance benefits provided under the long-term care riders is intended to qualify for favorable tax treatment under Section 7702B(b) of the IRC.

For federal income tax purposes, the policy is considered a Qualified Long-Term Care Insurance contract. Note that your state insurance department does not in any way warrant that this coverage meets the requirements of Section 7702B(b) of the IRC.

Acceleration of life insurance benefits

The benefits generally are excludable from your income and not subject to federal taxation. Receiving accelerated life insurance benefits may also affect eligibility for you, your spouse or your family for public assistance programs (e.g., Medicaid), Temporary Assistance for Needy Families (TANF), Supplementary Security Income (SSI), or drug assistance programs. Consult with a qualified tax advisor and social service agencies to determine the impact on public assistance eligibility.

Taxation of interest earnings

You pay no current income tax on the interest credited to your policy value.

Taxation of costs for CCBR and EOBR

The CCBR and EOBR are intended to provide qualified long-term care benefits under IRC Section 7702B(b). The costs for these riders are deducted monthly from the policy cash value and are federally treated as “distributions” from your Lincoln *MoneyGuard*® Reserve Plus policy. Lincoln will not report these distributions as taxable to you, even if your policy is a Modified Endowment Contract (MEC). Instead, the costs will reduce the investment in the contract (cost basis), but not below zero, as the costs are taken from your policy. Once the investment in the contract has been reduced to zero, distributions will come from any gain in the contract but still will not be reportable as taxable distributions.

A 10% penalty may apply if such a distribution is taxable and occurs prior to age 59½. Lincoln Financial Group, its affiliated companies, and its representatives/insurance agents do not provide legal or tax advice. Consult with your tax advisor to learn more about how this may apply to your specific situation.

Federal tax information, cont'd.

Tax-free exchanges

If you own cash value life insurance, you may be able to exchange your current policy, tax-free, for this policy.

Consider the advantages, disadvantages and costs associated with an exchange. For example, your new policy could include a standard contestable period and surrender-charge schedule.

Ask a licensed insurance agent/representative for additional information, including a detailed benefit comparison.

State laws and limitations

Benefits and provisions may vary by state. For details of coverage in your state, ask your representative/insurance agent for a detailed projection of values. With it, you will receive an Outline of Coverage, which describes the long-term care benefits, exclusions, limitations, costs and terms regarding reductions of benefits and continuance of coverage.

All references to tax benefits are based on the Lincoln understanding of current tax laws and regulations. Please consult with your tax advisor for additional information.

Conditions, exclusions and limitations

An adjustment to the policy's specified amount of death benefit will be made for any misstatement in age or gender of the Insured (except in Montana, where gender does not affect rates or benefits). Also, if the Insured commits suicide within two years from the date of issue, any death proceeds will be limited to the amount of premium paid less any loans or prior withdrawals.



Lincoln *MoneyGuard*® Reserve Plus commonly asked questions

How can I get more information about benefits and exclusions?

Ask a licensed insurance agent/representative for a projection of values and an Outline of Coverage.

How long is the application process?

- Policy underwriting is usually completed within one week of receipt of all necessary medical information.
- Once approved, your new policy will be sent to a licensed insurance agent/representative for delivery.

Is the information on my application confidential?

Lincoln considers your medical information private; therefore, it is held in the strictest confidence.

CONTACT A LICENSED INSURANCE AGENT/REPRESENTATIVE

Now that you've reviewed the details about Lincoln *MoneyGuard* Reserve Plus, you have a better understanding of how it can help you address your long-term care needs. For more information about Lincoln *MoneyGuard* Reserve Plus and planning to meet your goals, contact a licensed insurance agent/representative.



Lincoln
Financial GroupSM

HELPING PEOPLE FACE THE FUTURE WITH CONFIDENCE

At Lincoln Financial Group, we've spent more than 100 years living up to the character of our namesake: integrity, honesty, and the belief in a better tomorrow. We provide advice and solutions to help people save for tomorrow, secure and maximize their income, protect themselves and their loved ones, and prepare for the unexpected.

Hello future.[®]

INCOME
LIFE
RETIREMENT
GROUP BENEFITS

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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 Enhanced Surrender Value Endorsement (ESVE) is included in the policy cost for all single premium policies and for flexible premium

policies for issue ages 35–65. The 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.

Lincoln *MoneyGuard*[®] Reserve Plus is issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, on Policy Form LN870 with the Convalescent Care Benefits Rider (CCBR) on Rider Form LR870, an optional Enhanced Surrender Value Endorsement (ESVE) on Endorsement Form B10465F, an optional Extension of Benefits Rider (EOBR) on Rider Form LR871, and an optional Nonforfeiture Benefit Rider (NFO) on Rider Form LR872.

All guarantees and benefits of the insurance policy are backed by 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 issuing insurance company.

Products and features, including benefits, exclusions, limitations, terms, and definitions, may vary by state.

Not approved for use in New York. Check state availability.

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