

Lincoln MoneyGuard[®] II

Reimbursement for Long-Term Care expenses offered
through a flexible premium life insurance policy

Prepared for: Valued Client

In the State of: OH

On: 2/4/2016

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Understanding Your Projection of Values

Year: The policy year beginning with the effective date of the policy.

Age: The insured's age at the beginning of the policy year shown.

Surrender Value: The amount you will receive for fully surrendering the contract. The amount shown is the value on the last day of the policy year. Surrender charges will apply in the event that the cash surrender value is greater than the Return of Premium Benefit. The initial surrender charge decreases, eventually reaching zero at the end of year 10.

Return of Premium Provision (ROP): The amount available upon surrender of the contract after all premiums are paid. This amount varies based on the return of premium choice selected.

Death Benefit: The amount payable upon death. The amount shown is the value on the last day of the policy year. The Death Benefit may be higher than the Specified Amount due to the Minimum Required Death Benefit provision, please see the contract for details.

Long-Term Care Benefit Limits: The amount available for reimbursement of costs incurred for Qualified Long-Term Care expenses.

Things to Know

This is a Projection of Values for Lincoln *MoneyGuard*® II which is a Flexible Premium Adjustable Life (Universal Life) Insurance policy issued by The Lincoln National Life Insurance Company, Fort Wayne, IN on Policy Form ICC13LN880, with a Long-Term Care Acceleration of Benefits Rider (LABR) on Rider Form ICC13LR881, a Long-Term Care Extension of Benefits Rider (LEBR) on Rider Form ICC13LR882, and a Value Protection Rider on Rider Form ICC15LR880 Rev.

THIS IS A LIFE INSURANCE POLICY PROJECTION OF VALUES AND NOT A CONTRACT. ACTUAL RESULTS MAY VARY FROM THE VALUES SHOWN IN THIS PROJECTION OF VALUES. POLICY LIMITATIONS AND EXCLUSIONS ARE DESCRIBED IN THE OUTLINE OF COVERAGE THAT ACCOMPANIES THIS PROJECTION OF VALUES. GUARANTEES ARE SUBJECT TO THE FINANCIAL STRENGTH OF THE LINCOLN NATIONAL LIFE INSURANCE COMPANY.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

Life Insurance Cost Indices

Life insurance cost indices are based on the guaranteed amount payable on death.

Based on guaranteed 2.00% interest rate and guaranteed charges, Surrender Cost for 10-Year would be \$27.10 and Surrender Cost for 20-Year would be \$28.73. Net Payment for 10-Year would be \$70.20 and Net Payment for 20-Year would be \$46.11.

An explanation of the intended use of these indices is provided in the life insurance buyer's guide. These indices are useful only for the comparison of relative costs of two or more similar policies. The planned annual premium less annual charges for riders is used for the basic policy premium in calculating the indices above.

For: Valued Client
 Age: 60
 Underwriting Class: Male, Couples Discount
 Minimum LTC Duration: 6 Years



Lincoln MoneyGuard® II provides expense reimbursement for Qualified Long-Term Care expenses including:

- Adult day care
- Home health care
- Hospice services
- Nursing home care services
- Assisted living
- Alternative care services

Single Premium Amount	\$100,000	This projection of values assumes premiums are paid as shown. The premium amount is received on the policy effective date.																		
Long-Term Care Benefit Limits: Initial Monthly Initial Annual Initial Total	\$5,127 \$61,520 \$397,933	These are the initial amounts available for expense reimbursement for Qualified Long-Term Care Services, subject to rider terms and conditions.																		
Inflation Option	3% Compound	The inflation option will automatically increase the monthly rider(s) amounts by 3% annually. Increased benefit amounts are shown in the LTC Benefit column on page 4 herein.																		
Minimum Long-Term Care Benefit Duration	6 years	Reimbursements for Qualified Long-Term Care Services, are available, based on the selected rider(s): Long-Term Care Acceleration of Benefits Rider (LABR): 2 years Long-Term Care Extension of Benefits Rider (LEBR): 4 years																		
Deductible Period	None	There is no deductible period. Benefits are payable on the first day of care for eligible claims.																		
Initial Specified Amount	\$123,039	The Specified Amount is set at issue. Long-Term Care reimbursements reduce the Specified Amount on a dollar-for-dollar basis.																		
Initial Residual Death Benefit	\$6,151	The minimum death benefit if Long-Term Care reimbursements have reduced the Specified Amount.																		
Return of Premium	\$100,000	The Return of Premium Benefit is available only after total planned premiums have been paid. Once total planned premiums are paid, if the policy is then surrendered within the first 5 policy years, the Return of Premium amount is multiplied by the percentage in the table shown below:																		
		<table border="1"> <thead> <tr> <th>Policy Year</th> <th>Vested ROP %</th> <th>Policy Year</th> <th>Vested ROP %</th> <th>Policy Year</th> <th>Vested ROP %</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>80.0%</td> <td>2</td> <td>84.0%</td> <td>3</td> <td>88.0%</td> </tr> <tr> <td>4</td> <td>92.0%</td> <td>5</td> <td>96.0%</td> <td>6+</td> <td>100.0%</td> </tr> </tbody> </table>	Policy Year	Vested ROP %	Policy Year	Vested ROP %	Policy Year	Vested ROP %	1	80.0%	2	84.0%	3	88.0%	4	92.0%	5	96.0%	6+	100.0%
Policy Year	Vested ROP %	Policy Year	Vested ROP %	Policy Year	Vested ROP %															
1	80.0%	2	84.0%	3	88.0%															
4	92.0%	5	96.0%	6+	100.0%															
LTC Acceleration of Benefits Rider Charge	\$173.97/mth	LABR Base charge is \$35.80 per month for 10 years. LABR Inflation charge is \$138.17 per month for 10 years.																		
LTC Extension of Benefits Rider Charge	\$122.67/mth	LEBR Base charge is \$52.05 per month for 10 years. LEBR Inflation charge is \$70.62 per month for 10 years.																		

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ALL VALUES AND BENEFITS SHOWN ARE GUARANTEED ⁽¹⁾

Policy Year	Age	Planned Premium	Surrender Value(3)	Death Benefit Amount	IRR(4)	Long-Term Care Reimbursement Benefit Limits (2)			
						3% Compound Interest			
						Total	Annual	Monthly	IRR(5)
1	60	100,000	80,000	168,800	68.8%	397,933	61,520	5,127	60.2%
2	61	0	84,000	172,200	31.2%	409,871	63,365	5,280	41.1%
3	62	0	88,000	176,000	20.7%	422,167	65,266	5,439	32.0%
4	63	0	92,000	179,400	15.7%	434,833	67,224	5,602	26.5%
5	64	0	96,000	181,440	12.7%	447,878	69,241	5,770	22.8%
6	65	0	100,000	185,000	10.8%	461,314	71,318	5,943	20.2%
7	66	0	100,000	180,000	8.8%	475,153	73,457	6,121	18.2%
8	67	0	100,000	176,000	7.3%	489,408	75,661	6,305	16.6%
9	68	0	100,000	171,000	6.1%	504,090	77,931	6,494	15.3%
10	69	0	100,000	167,000	5.3%	519,213	80,269	6,689	14.2%
11	70	0	100,000	163,000	4.5%	534,789	82,677	6,890	13.3%
12	71	0	100,000	160,000	4.0%	550,833	85,157	7,096	12.6%
13	72	0	100,000	156,000	3.5%	567,358	87,712	7,309	11.9%
14	73	0	100,000	153,000	3.1%	584,379	90,343	7,529	11.3%
15	74	0	100,000	149,000	2.7%	601,910	93,054	7,754	10.8%
16	75	0	100,000	146,000	2.4%	619,967	95,845	7,987	10.4%
17	76	0	100,000	143,000	2.1%	638,566	98,721	8,227	10.0%
18	77	0	100,000	140,000	1.9%	657,723	101,682	8,474	9.7%
19	78	0	100,000	138,000	1.7%	677,455	104,733	8,728	9.3%
20	79	0	100,000	135,000	1.5%	697,779	107,875	8,990	9.0%
21	80	0	100,000	133,000	1.4%	718,712	111,111	9,259	8.8%
22	81	0	100,000	131,000	1.2%	740,273	114,444	9,537	8.5%
23	82	0	100,000	128,000	1.1%	762,481	117,878	9,823	8.3%
24	83	0	100,000	126,000	1.0%	785,356	121,414	10,118	8.1%
25	84	0	100,000	125,000	0.9%	808,917	125,056	10,421	7.9%
26	85	0	100,000	123,039	0.8%	833,184	128,808	10,734	7.7%
27	86	0	100,000	123,039	0.8%	858,179	132,672	11,056	7.6%
28	87	0	100,000	123,039	0.7%	883,925	136,653	11,388	7.4%
29	88	0	100,000	123,039	0.7%	910,443	140,752	11,729	7.3%
30	89	0	100,000	123,039	0.7%	937,756	144,975	12,081	7.1%
31	90	0	100,000	123,039	0.7%	965,888	149,324	12,444	7.0%
32	91	0	100,000	123,039	0.7%	994,865	153,804	12,817	6.9%
33	92	0	100,000	123,039	0.6%	1,024,711	158,418	13,201	6.8%
34	93	0	100,000	123,039	0.6%	1,055,453	163,170	13,598	6.7%
35	94	0	100,000	123,039	0.6%	1,087,116	168,065	14,005	6.6%
40	99	0	100,000	123,039	0.5%	1,260,266	194,834	16,236	6.1%
45	104	0	100,000	123,039	0.5%	1,460,993	225,866	18,822	5.8%
50	109	0	100,000	123,039	0.4%	1,693,691	261,840	21,820	5.5%
55	114	0	100,000	123,039		1,963,453	303,545	25,295	
60	119	0	100,000	123,039		2,276,180	351,892	29,324	

(1) Projection values based on guaranteed maximum policy charges and guaranteed minimum credited rate. No-Lapse Protection provided by the Value Protection Rider. This projection assumes all planned premiums paid on due date.

(2) Total benefit limits for reimbursement of Qualified Long-Term Care Services. These values assume the monthly maximum is used for the entire duration selected and the Long-Term Care value will continue to increase on each policy anniversary as a result of the inflation option chosen. The monthly benefit shown is the amount available for the first 12 months of care.

(3) Surrender Value is the greater of the Policy Value less Surrender Charge or the Return of Premium Benefit, if available.

(4) Internal Rate of Return on the Death Benefit Amount. IRR column is blank in years where IRR calculation is unavailable.

(5) Internal Rate of Return on the Total LTC Benefits. IRR column is blank in years where IRR calculation is unavailable.

This Projection of Values is not complete without all pages.

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For: Valued Client
Age: 60
Underwriting Class: Male, Couples Discount
Minimum LTC Duration: 6 Years



Tax Status

The Lincoln *MoneyGuard*® II Death Benefit is generally received by the beneficiary income tax-free under Section 101(a) (1) of the Internal Revenue Code (IRC) and the Long-Term Care benefits paid are not taxed as income under IRC Section 104(a) (3). The owner will pay no current income taxes on interest earnings credited to the policy's Cash Value.

Based on our understanding of applicable law, the projected policy is a Modified Endowment Contract (MEC) as defined in section 7702A of the Internal Revenue Code. Distributions from a MEC may be subject to income tax, and an additional 10% federal income tax penalty applies to taxable distributions received before the policy owner reaches age 59 1/2.

The Pension Protection Act of 2006 (PPA) changed the tax treatment of your MoneyGuard policy effective January 1, 2010. Based on our understanding and analysis of the PPA:

- Qualified Long-Term Care Rider charges will continue to be treated as distributions from your policy, but Lincoln will not report the distributions as taxable (even if your policy is a MEC).
- Qualified Long-Term Care Rider charges will reduce the investment in the contract (cost basis), but not below zero, as the charges are taken from your policy.
- Once the investment in the contract has been reduced to zero, distributions for Qualified Long-Term Care Rider charges will come from any gain in the contract (but will still not be reported as taxable distributions). You will receive a 1099R form for the charges, but the charges are not reported as taxable.

Please note that the state income tax laws in certain states do not conform to the federal income tax treatment of the Qualified Long-Term Care Rider charges described above. In such states, the charges may be treated as taxable distributions from the policy for state income tax purposes. However, the federal income tax treatment described above will continue to apply to such charges.

It is important to remember that these rider charges now and in the future impact the policy's cost basis. In the event any other financial transaction is requested, such as a request to exercise the Return of Premium Provision, the cost basis is used in determining if that transaction creates a taxable event. As previously noted, the cost basis is reduced as a result of these rider charges. Any Return of Premium Benefit paid upon full surrender of the policy is treated, for Federal income tax purposes, as being funded in part by a refund of the charges taken from the Long-Term Care Acceleration of Benefits Rider and the Long-Term Care Extension of Benefits Rider (if applicable), and in part by the value of the underlying policy. The full surrender of the policy will result in a taxable event and the owner should consult his/her personal tax advisor regarding this and other applicable tax matters.

Lincoln Financial Group® affiliates, their distributors, and their respective employees, representatives and/or insurance agents do not provide tax, accounting or legal advice. Clients should consult their own independent advisor as to any tax, accounting or legal statements made herein.

Return of Premium Benefit Disclosure

The Return of Premium Benefit is subject to a durational percentage that is applied to the sum of planned premiums in years one through five. The Return of Premium Percentage is 100% in years six and beyond. The Return of Premium Benefit does not apply until all planned premiums have been paid. In policy years 1-5, the grading percentage is reflected in the Surrender Value Column of the Guaranteed Ledger.

This projection of values is neither a contract nor an offer to contract. A full description of the policy provisions and limitations is included in the policy itself and any applicable riders.

The applicant certifies the following: 1) I have received a copy of this Projection of Values, 2) I have received the Modified Endowment Contract disclosure statement and understand that the proposed plan of insurance would be a Modified Endowment Contract subject to special tax treatment, 3) I have been advised to consult with my own tax advisor regarding the tax effects of the projected policy, its valuation, as well as the potential tax impact on surrender under the Return of Premium Provision and 4) I have received a copy of an Outline of Coverage.

Applicant: _____

Date: _____

The agent certifies the following: 1) I certify that this Projection of Values has been presented to the applicant and that I have made no statements that are inconsistent with the Projection of Values and 2) I certify that I have presented to the applicant an Outline of Coverage.

Licensed Agent/Representative: _____

Date: _____

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New Business Data Page



The following are all initial values and do not reflect any future changes.

Product Name: Lincoln *MoneyGuard*® II (2015)
State: Valued Client
Gender: OH
Age: Male
Underwriting Class: 60
Couples Discount

Death Benefit Option: Level
MEC: Yes
Initial Specified Amount: \$123,039
Planned Premium: \$100,000
Payment Mode: Annual
Lump Sum Deposit: \$0
Solve Type: Face Solve

LABR: 2 Years
Inflation Option: 3%

LEBR: 4 Years
Inflation Option: 3%

Value Protection Rider: Vested
ROP Threshold: \$100,000.00

Year	Total Premiums
------	----------------

1	100,000.00
2	0

Software version:
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TP: 10,000.12
7P: 9,892.46
CP: \$100,001.20
Monthly NLP: \$983.46

You must include the New Business Data Sheet when submitting the Projection of Values to the Home Office.

**OUTLINE OF COVERAGE
TABLE**

Long-Term Care Acceleration of Benefits Rider ("LABR")	Monthly Rider Charge:	\$35.80
Initial LABR Benefit Limit: \$123,039		
LABR Duration: 2 Years		
Initial Maximum Monthly LABR Benefit: \$5,127		
Optional Inflation Protection Option: Compound	Monthly Inflation Charge:	\$138.17
Caregiver Training Benefit Limit: \$500		
Long-Term Care Extension of Benefits Rider ("LEBR")	Monthly Rider Charge:	\$52.05
Initial LEBR Benefit Limit: \$246,078		
LEBR Duration: 4 Years		
Initial Maximum Monthly LEBR Benefit: \$5,127		
Optional Inflation Protection Option: Compound	Monthly Inflation Charge:	\$70.62

The monthly charges shown above are payable until the 10th Policy Anniversary.

TOTAL ANNUAL RIDER CHARGES: \$3,559.68