

MoneyGuard Fixed Advantage[®]

Universal life insurance policy with a long-term care rider for qualified long-term care expenses

Prepared for:
Valued Client
in Virginia on 5/16/2023

Prepared by:
Jack Lenenberg
LTC Partner
312 Maxwell Rd.
Suite 400
Alpharetta, GA 30009
Phone: (800) 891-5824

30+ years' expertise in providing long-term care solutions.

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.

This material was prepared to show the operation of an insurance product issued by The Lincoln National Life Insurance Company, based on the options, features and assumptions you or your financial professional specified. This projection, and the options, features or assumptions on which it is based, is not intended to be, and should not be, viewed as specific investment advice or any suggestion or recommendation by The Lincoln National Life Insurance Company or any of its employees for you or your investment situation. A financial professional can provide you with investment advice for your investment situation. The Lincoln National Life Insurance Company, its respective employees, representatives, and/or insurance agents do not provide tax, accounting, or legal advice.

**The Lincoln National Life Insurance Company,
Fort Wayne, IN**

Financial strength¹

The Lincoln National Life Insurance Company



1. These ratings apply only to the claims-paying ability as of November 9, 2022. All ratings are subject to revision or withdrawal at any time by the rating agencies. The ratings are not recommendations to buy, sell or hold our securities. For more information on ratings, including rating agency outlooks, see LincolnFinancial.com/investor.

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This Projection of Values is not complete without all pages.

**LONG-TERM CARE
PLANNING**

Projection of
Values

Product overview

MoneyGuard Fixed Advantage® is a powerful solution designed to provide:



Guaranteed, income tax-free long-term care benefits¹

Protect your income, legacy and loved ones with a dedicated, tax-efficient funding source for long-term care expenses.²



Flexibility

Access a broad range of covered services with no elimination period to support changing care needs, including in-home care, cash benefits to compensate caregivers or family members, and have the option to pass on benefits.



Care resources & services

Benefit from dedicated support from a company with decades of claims-paying expertise to make the process as seamless as possible for you and/or your caregiver.



Legacy protection

Leave a meaningful legacy, if care is not needed, through an income tax-free death benefit.³


MoneyGuard Fixed Advantage® is a universal life insurance policy with a long-term care (LTC) rider for qualified long-term care expenses.


1. Assuming all premiums are paid on-time, no post-issue loans, withdrawals increases or decreases.
 2. LTC reimbursements are generally paid income tax-free under Internal Revenue Code Section 104(a)(3).
 3. Beneficiaries may receive an income tax-free death benefit under IRC Section 101(a)(1).


This is a Projection of Values for Lincoln *MoneyGuard Fixed Advantage®* which is an Individual Flexible Premium Adjustable Life Insurance policy issued by The Lincoln National Life Insurance Company, Fort Wayne, IN on Policy Form **ICC19-MG890**, with a Long-Term Care Benefits Rider (LTCBR) on Rider Form **ICC19LTCBR-890**, a Terminal Illness Acceleration of Death Benefit Rider on Form **ICC19TIR-891**, a Benefit Transfer Rider on Form **ICC21BTR-894**, and a Value Protection Endorsement on Form **ICC19END-10534**.

Summary of your benefits

Valued Client, 60 year-old Male in Virginia with a "Couples Discount" underwriting class and 6-year minimum LTC duration

 <p>Your PLANNED PREMIUM</p>	<p>\$110,448 initial annual premium</p>	<p>The premium shown, from ages 60 to 60, depicts the total premium, equal to \$110,448.¹</p>
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 <p>Your LTC BENEFITS² if you need care</p>	
<p>Year 1</p> <p>\$6,000 maximum monthly LTC benefit</p>	<p>Age 85</p> <p>\$12,563 maximum monthly LTC benefit</p> <p>\$6,281 available for Flex Care Cash³</p> <p>3% Compound Inflation</p>
<p>What is Flex Care Cash? Access cash to compensate caregivers, including spouses or family members.</p>	

 <p>Your beneficiaries receive DEATH BENEFITS⁴ if you don't need care</p>	
<p>Year 1</p> <p>\$144,000 death benefit</p>	<p>Age 85</p> <p>\$144,000 death benefit</p>
<p>What happens to my specified amount of death benefit if I need care? Long-term care reimbursements reduce the \$144,000 specified amount of death benefit on a dollar-for-dollar basis. Minimum death benefit is the \$7,200 Residual Death Benefit.</p>	

Your return of premium option selected is 70%.⁵

Our O-day elimination period gives you access to your benefits sooner without incurring out-of-pocket costs, once qualified.

1. Assuming all premiums are paid on-time as illustrated, no post-issue loans, withdrawals increases or decreases.
 2. LTC reimbursements are generally paid income tax-free under Internal Revenue Code Section 104(a)(3).
 3. Subject to Per Diem LTC Limit in effect at that time.
 4. Beneficiaries may receive an income tax-free death benefit under IRC Section 101(a)(1).
 5. The return of premium option must be chosen at purchase and cannot be changed.

Your guaranteed values

Valued Client, 60 year-old Male in Virginia with a "Couples Discount" underwriting class and 6-year minimum LTC duration

ALL VALUES AND BENEFITS SHOWN ARE GUARANTEED(1)

End of Year	Age	Planned Premium	Surrender Value(3)	Death Benefit Amount	IRR(4)	Long-Term Care Reimbursement Benefits Limits (2) 3% Compound Inflation			
						Total	Annual	Monthly	IRR(5)
1	60	110,448	77,314	144,000	30.4%	465,725	72,000	6,000	64.2%
2	61	0	77,314	144,000	14.2%	479,697	74,160	6,180	43.4%
3	62	0	77,314	144,000	9.2%	494,088	76,385	6,365	33.6%
4	63	0	77,314	144,000	6.9%	508,911	78,676	6,556	27.8%
5	64	0	77,314	144,000	5.5%	524,178	81,037	6,753	23.9%
6	65	0	77,314	144,000	4.5%	539,903	83,468	6,956	21.0%
7	66	0	77,314	144,000	3.9%	556,100	85,972	7,164	18.9%
8	67	0	77,314	144,000	3.4%	572,783	88,551	7,379	17.2%
9	68	0	77,314	144,000	3.0%	589,967	91,208	7,601	15.9%
10	69	0	77,314	144,000	2.7%	607,666	93,944	7,829	14.8%
		110,448							
11	70	0	77,314	144,000	2.4%	625,896	96,763	8,064	13.8%
12	71	0	77,314	144,000	2.2%	644,673	99,666	8,305	13.0%
13	72	0	77,314	144,000	2.1%	664,013	102,656	8,555	12.3%
14	73	0	77,314	144,000	1.9%	683,933	105,735	8,811	11.7%
15	74	0	77,314	144,000	1.8%	704,451	108,908	9,076	11.2%
16	75	0	77,314	144,000	1.7%	725,585	112,175	9,348	10.8%
17	76	0	77,314	144,000	1.6%	747,352	115,540	9,628	10.3%
18	77	0	77,314	144,000	1.5%	769,773	119,006	9,917	10.0%
19	78	0	77,314	144,000	1.4%	792,866	122,577	10,215	9.6%
20	79	0	77,314	144,000	1.3%	816,652	126,254	10,521	9.3%
		110,448							

1. Projection values based on guaranteed policy charges and guaranteed minimum credited rate. No-Lapse Protection provided by the Value Protection Endorsement. 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. The amount paid on surrender reflects any Return of Premium.

4. Internal Rate of Return on the Death Benefit Amount.

5. Internal Rate of Return on the Total LTC Benefits.

Your guaranteed values

Valued Client, 60 year-old Male in Virginia with a "Couples Discount" underwriting class and 6-year minimum LTC duration

ALL VALUES AND BENEFITS SHOWN ARE GUARANTEED(1)

End of Year	Age	Planned Premium	Surrender Value(3)	Death Benefit Amount	IRR(4)	Long-Term Care Reimbursement Benefits Limits (2) 3% Compound Inflation			
						Total	Annual	Monthly	IRR(5)
21	80	0	77,314	144,000	1.3%	841,151	130,042	10,837	9.0%
22	81	0	77,314	144,000	1.2%	866,386	133,943	11,162	8.8%
23	82	0	77,314	144,000	1.2%	892,377	137,961	11,497	8.6%
24	83	0	77,314	144,000	1.1%	919,149	142,100	11,842	8.3%
25	84	0	77,314	144,000	1.1%	946,723	146,363	12,197	8.1%
26	85	0	77,314	144,000	1.0%	975,125	150,754	12,563	8.0%
27	86	0	77,314	144,000	1.0%	1,004,378	155,277	12,940	7.8%
28	87	0	77,314	144,000	1.0%	1,034,510	159,935	13,328	7.6%
29	88	0	77,314	144,000	0.9%	1,065,545	164,733	13,728	7.5%
30	89	0	77,314	144,000	0.9%	1,097,511	169,676	14,140	7.3%
		110,448							
31	90	0	77,314	144,000	0.9%	1,130,437	174,766	14,564	7.2%
32	91	0	77,314	144,000	0.8%	1,164,350	180,009	15,001	7.1%
33	92	0	77,314	144,000	0.8%	1,199,280	185,409	15,451	7.0%
34	93	0	77,314	144,000	0.8%	1,235,259	190,972	15,914	6.8%
35	94	0	77,314	144,000	0.8%	1,272,316	196,701	16,392	6.7%
36	95	0	77,314	144,000	0.7%	1,310,486	202,602	16,883	6.6%
41	100	0	77,314	144,000	0.7%	1,519,212	234,871	19,573	6.2%
46	105	0	77,314	144,000	0.6%	1,761,183	272,281	22,690	5.9%
51	110	0	77,314	144,000	0.5%	2,041,694	315,648	26,304	5.6%
56	115	0	77,314	144,000	0.5%	2,366,883	365,923	30,494	5.4%
		110,448							

1. Projection values based on guaranteed policy charges and guaranteed minimum credited rate. No-Lapse Protection provided by the Value Protection Endorsement. 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. The amount paid on surrender reflects any Return of Premium.

4. Internal Rate of Return on the Death Benefit Amount.

5. Internal Rate of Return on the Total LTC Benefits.

Your guaranteed values

Valued Client, 60 year-old Male in Virginia with a "Couples Discount" underwriting class and 6-year minimum LTC duration

ALL VALUES AND BENEFITS SHOWN ARE GUARANTEED(1)

End of Year	Age	Planned Premium	Surrender Value(3)	Death Benefit Amount	IRR(4)	Long-Term Care Reimbursement Benefits Limits (2) 3% Compound Inflation			
						Total	Annual	Monthly	IRR(5)
61	120	0	77,314	144,000	0.4%	2,743,866	424,206	35,350	5.2%
66	125	0	77,314	144,000	0.4%	3,180,892	491,771	40,981	2.3%
		110,448							

1. Projection values based on guaranteed policy charges and guaranteed minimum credited rate. No-Lapse Protection provided by the Value Protection Endorsement. 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. The amount paid on surrender reflects any Return of Premium.
 4. Internal Rate of Return on the Death Benefit Amount.
 5. Internal Rate of Return on the Total LTC Benefits.

How your policy works

Valued Client, 60 year-old Male in Virginia with a "Couples Discount" underwriting class and 6-year minimum LTC duration



Tailored to match your lifestyle

In-home care

If you prefer to have assistance in your home

Assisted living

If you choose to downsize and prefer a social atmosphere

Alternative care services¹

For care needs not covered by traditional services or options that may evolve in the future

Respite care

Lets you access short-term services to relieve your primary caregiver

Caregiver training and care planning services²







Lets you further customize your plan

Nursing home

If you need more skilled care services

Additional care options include non-continual services, adult day care, hospice and bed reservation.

Most long-term care needs do not relate to medical care aid, but rather assistance with the Activities of Daily Living (ADL):

-  Eating
-  Dressing
-  Bathing
-  Toileting
-  Transferring
-  Continence

Long-term care solutions help cover expenses if you lose the ability to independently perform at least two Activities of Daily Living for at least 90 days, or if you require substantial supervision due to severe cognitive impairment.

Keep in mind that long-term care events happen to loved ones, not just a person. Take control, protect your legacy, and build tax efficiency into your portfolio.

¹. Qualified long-term care services that are not covered under any other provision but are prescribed in the care plan that a licensed health care practitioner and Lincoln mutually agree are appropriate to meet the insured's long-term care needs, could be considered for reimbursement. These services must be provided as an alternative to services otherwise covered.

². Lifetime caregiver training benefit limit is \$500.

Tax status

Valued Client, 60 year-old Male in Virginia with a "Couples Discount" underwriting class and 6-year minimum LTC duration

The *MoneyGuard Fixed Advantage*® 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 includable in the policy owner's gross income under IRC Section 104(a) (3). While the policy is in-force, the interest earnings credited to the policy's Gross Cash Value are not includable in the owner's gross income.

Based on our understanding of applicable law, the projected policy is a Modified Endowment Contract (MEC) as defined in IRC Section 7702A. 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 1099-R form for the charges, but the charges are not reported as taxable.

Please note that the state income tax laws in certain states may 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 investment in the contract. In the event any other financial transaction is requested, the investment in the contract is used in determining if that transaction creates a taxable event. As previously noted, the investment in the contract is reduced as a result of these rider charges. The full surrender of the policy may result in a taxable event and the owner should consult his/her personal tax professional 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 professional as to any tax, accounting or legal statements made herein.

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 reviewed the Modified Endowment Contract disclosure statement above 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 professional 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.

The undersigned confirms this contract was principally negotiated, issued, and delivered in the state where the application was signed, and no part occurred in the state of New York (NY). For NY residents, any communication pertaining to this contract also occurred in the state where the application was signed, and no part occurred in NY.

_____ Date _____ Applicant Signature

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.

_____ Date _____ Licensed Agent/Representative Signature

Policy features, benefits and definitions

Valued Client, 60 year-old Male in Virginia with a "Couples Discount" underwriting class and 6-year minimum LTC duration

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.

Benefit Transfer Rider

Provides for the potential to add benefits for this policy using Death Claim dollars from a different policy. Also allows for the Death Claim dollars from this policy to add additional benefits on a different policy. In order to utilize this feature, both policies must include the Benefit Transfer Rider, in addition to insured and beneficiary designations aligning between the two policies.

Flex Care Cash

Provides receipt-free cash for care needs. Up to 50% of the maximum daily LTC benefit is available. Benefit is available until specified amount is reduced to \$0 due to claims, withdrawals or reductions. Please see the policy for more information.

No-lapse Guarantee

This feature guarantees that your policy will not lapse if the no-lapse premium test is satisfied. The no-lapse guarantee is provided through the Value Protection Endorsement (VPE).

Specified Amount of Death Benefit

The minimum amount of death benefit and the basis of the LTCBR and Endorsement benefits. Long-term care reimbursements reduce the Specified Amount of death benefit on a dollar-for-dollar basis.

Residual Death Benefit

Death Benefit paid after benefits have been exhausted as defined in your policy.

Internal Rate of Return

The Internal Rate of Return is the rate at which outlays (premiums) up to that year must be compounded each year to generate the death benefit or LTC benefits shown. For this calculation, all outlays are assumed to occur at the beginning of the year with the death benefit or LTC benefits occurring at the end of the year.

Benefit eligibility

When you contact our claims department to file a claim, we will request an assessment to be performed by a licensed health care practitioner to determine your benefit eligibility. If we provide the assessor, it will be provided at our expense. We may also choose to accept the assessment of your licensed health care practitioner. To be eligible for benefits, the licensed health care practitioner who performs the assessment must certify that you are chronically ill and unable to perform at least two activities of daily living (bathing, continence, dressing, eating, toileting, and transferring) for at least 90 days.

You are also considered chronically ill if you require substantial supervision to protect you from threats to health and safety caused by severe cognitive impairment. Recertification of your benefit eligibility is required at least annually.

New Business Data

You **MUST** include the New Business Data when submitting the projection of values to Home Office.
The following are initial values and do not reflect future changes.

Product	
Product	MoneyGuard Fixed Advantage® - 01/23/23
Sub-Plan Code	012323
State	VA

Insured	
Name	Valued Client
Gender	Male
Age	60
Class	Couples Discount

Policy design	
Death Benefit Option	Level
Face Amount	\$144,000
Planned Premium	\$110,448
Payment Mode	Annual
Lump Sum Deposit	\$0
External Exchange	\$0
Internal Exchange	\$0
Solve Type	Premium Solve
Months Backdated	n/a
Increase Premiums by missed modal premiums selected	No

Application Part 1 Information	
The following information should be used to complete fields in the Policy Information and Billing Information sections on Page 1 of the Application.	
Plan of Insurance (2a)	MoneyGuard Fixed Advantage® - 01/23/23
Specified Amount (2b)	\$144,000
Long-Term Care Benefits Rider Duration (2c)	6 Years
Return of Premium	Basic
Other Benefits/Riders/Options (2f)	Leave blank on application
Premium Amount (3a)	\$110,448
Premium Mode (3a)	Annual

LCN-4215018-012122ICC22

Tax Status	
7-Pay Premium	\$12,550.30
MEC Status	MEC

Riders Selected	
LTCBR Benefit Duration	6 Years
LTCBR Inflation Option	3%
Value Protection Endorsement	Basic
Benefit Transfer Rider	Yes
Terminal Illness Rider	Yes
Living Well Endorsement	Yes

Planned Policy Changes	
Planned Policy Changes	No

Important Messages

Year	Total Premiums
1	110,448.00
2	0

Software Version	FLEX-I v61.0
Date & Time	5/16/2023 3:34 PM
TP	11,044.90
TPP	110,448.00
CP	\$110,449.00
Monthly NLP	\$1,160.75
VPET	\$139,290.00
YP	1
Marketing Code	
MG Territory	
eSubmitID	

This projection of values is not complete without all pages. Lincoln MoneyGuard Fixed Advantage - 01/23/23
State: VA TP: 11,044.90 5/16/2023 3:34 PM FLEX-I v61.0

