

Lincoln MoneyGuard[®] II

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

Prepared for: Client

In the State of: CT

On: 7/6/2016

Prepared by: Professional Agent
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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 LN880, with a Long-Term Care Acceleration of Benefits Rider (LABR) on Rider Form LR881, a Long-Term Care Extension of Benefits Rider (LEBR) on Rider Form LR882, and a Value Protection Rider on Rider Form LR880 Rev. Benefits and features may vary by state.

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.

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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 \$44.68 and Surrender Cost for 20-Year would be \$38.22. Net Payment for 10-Year would be \$87.81 and Net Payment for 20-Year would be \$54.72.

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: Client
Age: 65
Underwriting Class: Male, Standard
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	\$5,764	These are the initial amounts available for expense reimbursement for Qualified Long-Term Care Services, subject to rider terms and conditions.
Initial Annual	\$69,164	
Initial Total	\$414,984	
Inflation Option	N/A	
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	\$138,328	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	\$6,916	The minimum death benefit if Long-Term Care reimbursements have reduced the Specified Amount.
Return of Premium	\$80,000	If the policy is surrendered prior to total planned premiums being paid, the surrender value to be paid is the cash value minus any applicable surrender charge. Once total planned premiums are paid, the Return of Premium Benefit is available.
LTC Acceleration of Benefits Rider Charge *	\$45.09/mth	LABR Base charge is \$45.09 per month for 10 years.
LTC Extension of Benefits Rider Charge *	\$80.23/mth	LEBR Base charge is \$80.23 per month for 10 years.
		* These are not additional premiums; the LTC Rider Charges are deducted from the Gross Cash Value.

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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)			
						Total	Annual	Monthly	IRR(5)
1	65	100,000	80,000	148,000	48.0%	414,984	69,164	5,764	65.8%
2	66	0	80,000	144,000	20.0%	414,984	69,164	5,764	42.7%
3	67	0	80,000	140,800	12.1%	414,984	69,164	5,764	32.2%
4	68	0	80,000	138,328	8.5%	414,984	69,164	5,764	26.0%
5	69	0	80,000	138,328	6.7%	414,984	69,164	5,764	21.8%
6	70	0	80,000	138,328	5.6%	414,984	69,164	5,764	18.8%
7	71	0	80,000	138,328	4.7%	414,984	69,164	5,764	16.6%
8	72	0	80,000	138,328	4.1%	414,984	69,164	5,764	14.8%
9	73	0	80,000	138,328	3.7%	414,984	69,164	5,764	13.4%
10	74	0	80,000	138,328	3.3%	414,984	69,164	5,764	12.2%
11	75	0	80,000	138,328	3.0%	414,984	69,164	5,764	11.3%
12	76	0	80,000	138,328	2.7%	414,984	69,164	5,764	10.4%
13	77	0	80,000	138,328	2.5%	414,984	69,164	5,764	9.7%
14	78	0	80,000	138,328	2.3%	414,984	69,164	5,764	9.1%
15	79	0	80,000	138,328	2.2%	414,984	69,164	5,764	8.5%
16	80	0	80,000	138,328	2.1%	414,984	69,164	5,764	8.1%
17	81	0	80,000	138,328	1.9%	414,984	69,164	5,764	7.6%
18	82	0	80,000	138,328	1.8%	414,984	69,164	5,764	7.2%
19	83	0	80,000	138,328	1.7%	414,984	69,164	5,764	6.9%
20	84	0	80,000	138,328	1.6%	414,984	69,164	5,764	6.6%
21	85	0	80,000	138,328	1.6%	414,984	69,164	5,764	6.3%
22	86	0	80,000	138,328	1.5%	414,984	69,164	5,764	6.0%
23	87	0	80,000	138,328	1.4%	414,984	69,164	5,764	5.8%
24	88	0	80,000	138,328	1.4%	414,984	69,164	5,764	5.5%
25	89	0	80,000	138,328	1.3%	414,984	69,164	5,764	5.3%
26	90	0	80,000	138,328	1.3%	414,984	69,164	5,764	5.1%
27	91	0	80,000	138,328	1.2%	414,984	69,164	5,764	5.0%
28	92	0	80,000	138,328	1.2%	414,984	69,164	5,764	4.8%
29	93	0	80,000	138,328	1.1%	414,984	69,164	5,764	4.6%
30	94	0	80,000	138,328	1.1%	414,984	69,164	5,764	4.5%
35	99	0	80,000	138,328	0.9%	414,984	69,164	5,764	3.9%
40	104	0	80,000	138,328	0.8%	414,984	69,164	5,764	3.4%
45	109	0	80,000	138,328	0.7%	414,984	69,164	5,764	3.0%
50	114	0	80,000	138,328		414,984	69,164	5,764	
55	119	0	80,000	138,328		414,984	69,164	5,764	

(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: Client
Age: 65
Underwriting Class: Male, Standard
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 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 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 may 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 does not apply until all planned premiums have been paid.

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 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

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



Product Name	Lincoln <i>MoneyGuard</i> ® II (2015)
State	Client
Gender	CT
Age	Male
Underwriting Class	65
	Standard
Death Benefit Option	Level
MEC	Yes
Initial Specified Amount	\$138,328
Planned Premium	\$100,000
Payment Mode	Annual
Lump Sum Deposit	\$0
Solve Type	Face Solve

LABR:	2 Years
Inflation Option:	N/A
LEBR:	4 Years
Inflation Option:	N/A
Value Protection Rider:	Basic
ROP Threshold:	\$100,000.00
Planned Policy Changes:	No

Year	Total Premiums
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1	100,000.00
2	0

Software version:
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TP: 10,000.08
7P: 13,019.31
CP: \$100,000.80
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:	\$45.09
Initial LABR Benefit Limit: \$138,328		
LABR Duration: 2 Years		
Initial Maximum Monthly LABR Benefit: \$5,764		
Optional Inflation Protection Option: None	Monthly Inflation Charge:	\$0
Caregiver Training Benefit Limit: \$500		
Long-Term Care Extension of Benefits Rider ("LEBR")	Monthly Rider Charge:	\$80.23
Initial LEBR Benefit Limit: \$276,656		
LEBR Duration: 4 Years		
Initial Maximum Monthly LEBR Benefit: \$5,764		
Optional Inflation Protection Option: None	Monthly Inflation Charge:	\$0

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

TOTAL ANNUAL RIDER CHARGES: \$1,503.84

Lincoln MoneyGuard® II

For: Client
 Age: 65
 Underwriting Class: Male, Standard
 Minimum LTC Duration: 6 Years (2 Years LABR , 4 Years LEBR)
 LTC Inflation Option: N/A
 ROP Type: Basic (Option 1)



Quick Quote

Total Premiums	Payment Option	Payment Mode
\$100,000	1 Year	Annual

Benefit Period and Inflation Options	Specified Amount	Initial Monthly Max Benefit	Initial Total LTC Benefit	Age 80 Monthly Max Benefit	Age 80 Total LTC Benefit	Total LTC Crossover Age *
2 Year Level	149,980	6,249	149,980	6,249	149,980	
2 Year Compound 3%	127,194	5,300	129,102	8,257	201,137	71
2 Year Compound 5%	100,287	4,179	102,794	8,687	213,702	73
3 Year Level	150,434	4,179	150,434	4,179	150,434	
3 Year Compound 3%	136,249	3,785	140,377	5,896	218,703	68
3 Year Compound 5%	115,358	3,204	121,222	6,662	252,012	70
4 Year Level	140,372	5,849	280,744	5,849	280,744	
4 Year Compound 3%	110,464	4,603	231,070	7,171	360,000	72
5 Year Level	146,746	4,076	244,577	4,076	244,577	
5 Year Compound 3%	127,158	3,532	225,033	5,503	350,594	68
5 Year Compound 5%	103,709	2,881	191,019	5,989	397,115	71
6 Year Level	138,328	5,764	414,984	5,764	414,984	
6 Year Compound 3%	108,498	4,521	350,905	7,043	546,698	71
7 Year Level	144,848	4,024	337,979	4,024	337,979	
7 Year Compound 3%	123,211	3,423	314,700	5,332	490,292	68
7 Year Compound 5%	98,927	2,748	268,488	5,713	558,168	70

This is a supplemental report 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 LN880 with a Long-Term Care Acceleration of Benefits Rider (LABR) on Rider Form LR881, a Long-Term Care Extension of Benefits Rider (LEBR) on Rider Form LR882 and a Value Protection Rider on Rider Form LR880 Rev. Benefits and features may vary by state. This supplemental report is based on guaranteed elements. For a complete description of the benefits, costs, exclusions, limitations and conditions of Lincoln MoneyGuard® II, including other important information, please refer to the attached projection of values and Outline of Coverage. The insurance policy and riders have exclusions and limitations; please contact The Lincoln National Life Insurance Company for costs and complete details.

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* The age represented in this column is the age the insured will be when the Total Long-Term Care benefits for the applicable inflation option are scheduled to exceed the Total Long-Term Care benefits for the Level option, for that respective Benefit Period.