

Wherever tomorrow  
takes them



**MoneyGuard® Reserve**

# Contents



- 1 Introduction
- 2 The challenges of long-term care for clients
- 4 One simple solution
- 6 Prospective clients for *MoneyGuard*® Reserve
- 8 What you should know before selling  
*MoneyGuard*® Reserve
- 9 Product details
- 12 Underwriting guidelines and medical requirements
- 14 Federal tax information
- 16 Frequently asked questions



- **78.2 million** baby boomers will retire over the next two decades.<sup>1</sup>

And boomers are living longer—they'll have a greater chance of eventually needing long-term care. In fact, 70% of Americans age 65 or older today will need some form of care.<sup>2</sup>

With healthcare costs skyrocketing, long-term care is increasingly becoming a top concern for your clients. It could be the greatest threat to their retirement income security. Your clients know they need a solution but aren't sure how to find one.

#### **Finding better solutions to long-term care challenges**

Typical strategies consist of traditional long-term care insurance or self-insuring through significant asset reserves. The problem with the former is that if clients don't need the long-term care, they have nothing to show for their premiums. The latter can hamper overall portfolio growth and seriously inhibit transferring assets to heirs.

- **With *MoneyGuard*® Reserve** you can help your clients meet their long-term care needs and help ensure they're protecting their retirement. You can help them prepare for wherever tomorrow takes them.

<sup>1</sup>U.S. Census, July 1, 2005.

<sup>2</sup>Testimony before the U.S. Special Committee on Aging, March 21, 2004.

# The challenges of long-term care for clients

## ➤ What are the issues surrounding long-term care for clients and their families?

- The average annual cost of nursing home care is \$70,000.<sup>1</sup>
- Nursing home inflation has averaged 4.39% over the past five years.<sup>2</sup>

### **Need for long-term care is rising**

- With Americans living longer, the need for long-term care will increase.

## ➤ What are clients' typical options?

### **Traditional long-term care insurance**

- Covers future long-term care medical expenses.
- Premiums vary based on benefits and time period.
- Premiums can be expensive and may increase over time.
- If clients don't need long-term care, the premiums they have paid are typically gone.

### **Self-insuring**

- Requires clients to set aside potentially significant assets in liquid investments.
- Clients avoid paying premiums.
- Clients may deplete assets relatively quickly and have to rely on others for help.

***MoneyGuard® Reserve may be the solution for clients who want an alternative to traditional long-term care strategies.***

<sup>1</sup>"Financing Long-Term Care for the Elderly," A Congressional Budget Office Paper, April 2004.

<sup>2</sup>U.S. Bureau of Labor Statistics, "Consumer Price Index (CPI) for Nursing Homes and Adult Day Care," 2006.

➤ **Long-term care is an opportunity for you.** Given the need for long-term care, what are areas of specific opportunity for your business?

### Retirees

Seventy percent of people age 65 or older will need long-term care. Nursing home care incidence doubles every five years after age 65; in fact, 20% of all people over age 85 live in a nursing home.<sup>3</sup> Also, with age comes the increased likelihood of having to cope with Alzheimers and other diseases that prevent independence. And Medicare, which many retirees rely on, only covers a portion of the cost of long-term care. Given this information, it's clear that long-term care is an important need among today's retirees.

### Near retirees

As baby boomers approach retirement, they are starting to think about important issues, such as long-term care. Changes in family structure also have a significant impact on aging. Divorce rates are climbing, and boomers tend to have fewer children, reducing their options for future support if needed.<sup>4</sup> This makes them more likely to need expensive, professional care. Combined with longer life expectancies, most boomers need to plan for long-term care in their future.

### The Sandwich Generation

The Sandwich Generation, a particular group within the near retirees, realize a need for long-term care. According to research sponsored by AHRQ, they are adults in their 50s, who often have elderly parents prone to frailty and disability.<sup>5</sup>

- 94% report being the sole financial supporter or heavy contributor for their elders.<sup>6</sup>
- 84% of successful sixties who are parents provide primary financial support to at least one grown child.<sup>6</sup>

They have a stronger understanding of what long-term care is and its cost, so they understand the need for a solution.

<sup>3</sup>Moses, Stephen A., "The Fall and Rise of Long-Term Care," July 5, 2000.

<sup>4</sup>NIH Report, Dramatic Changes in U.S. Aging Highlighted in New Census, March 9, 2006.

<sup>5</sup>Agency for Health Research and Quality (AHRQ), U.S. Dept. of Health and Human Services, March 2003.

<sup>6</sup>LFG press release, "Leaving on a jet plane...", October 18, 2005.

## One simple solution

- **Clients need a better solution** that provides control, independence, flexibility, and protection to address their long-term care concerns. Lincoln offers *MoneyGuard*® Reserve as one simple solution.

***MoneyGuard Reserve enables clients to cover future long-term care costs, while still securing their retirement income.***

- *MoneyGuard Reserve* is a flexible premium universal life insurance policy with a choice of optional benefits and a money back guarantee backed by the claims-paying ability of **The Lincoln National Life Insurance Company**. Flexible premium option may not be available through all agents and brokers.
- *MoneyGuard Reserve* links life insurance and long-term care benefits in one policy, providing a death benefit, long-term care benefits, or both.
- Clients can purchase *MoneyGuard Reserve* with a portion of their assets, and still keep their remaining assets to help ensure their retirement is secure.

***MoneyGuard Reserve provides three key benefits:***

- **Get more for their long-term care dollar**  
Your clients can leverage assets they've set aside for long-term care. Why should they allocate more than they need to for long-term care costs when their assets can work three, four, even five times harder with

*MoneyGuard Reserve*? This allows clients to free up additional assets they've targeted for long-term care because it will no longer be needed for that purpose.

- **Money back guarantee**

If clients decide that *MoneyGuard Reserve* is not right for them, they can request their initial premium back on policies funded with a single premium (less any loans taken, loan interest, withdrawals, or benefits paid). Note that a portion of the returned single premium may have tax implications. All guarantees are backed by the claims-paying ability of The Lincoln Life Insurance Company.

- **Tax-smart about long-term care**

Clients receive benefits to reimburse long-term care costs income tax-free. And, if they never need the benefits for long-term care, they are passed to beneficiaries 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.

Clients receive long-term care benefits income tax-free under IRC Section 104(a)(3). Their beneficiaries can receive an income tax-free death benefit under IRC Section 101(a)(1).

***MoneyGuard® Reserve links life insurance and long-term care benefits in one policy, making it a smart, flexible choice for clients.***

- The long-term care benefit is available to cover a variety of care options, such as a nursing home, assisted living facility (termed “residential living facility” in CA), or adult daycare. *MoneyGuard Reserve* reimburses for expenses paid up to a monthly maximum benefit amount.
- *MoneyGuard Reserve* features a money back guarantee through the Return of Premium Rider (ROPR). ROPR is included when your clients fund their policy with a single payment. If clients decide that *MoneyGuard Reserve* is not right for them, they can request their initial premium back (less any loans taken, loan interest, withdrawals, or benefits paid). Note that portions of the return of premium may have tax implications.
- *MoneyGuard Reserve* can maximize the value of assets that clients pass to their loved ones. If they are fortunate enough never to need long-term care, the death benefit is paid to their beneficiary income tax-free and without probate delays, provided their estate is not their beneficiary.

If clients need some long-term care, their beneficiaries will receive the remainder of the death benefit. Or, if clients use all of the specified amount of death benefit to cover long-term care costs, their beneficiaries still receive a residual death benefit (discussed in detail on page 11).

***MoneyGuard Reserve offers a choice of optional benefits***

- A **Convalescent Care Benefits Rider (CCBR)**, and state variations thereof, accelerates the specified amount of death benefit to help pay for long-term care expenses.
- The **Extension of Benefits Rider (EOBR)** allows them to continue long-term care benefits if the specified amount of death benefit is exhausted.

# Prospective clients for *MoneyGuard*® Reserve

## ➤ Generally, which clients can benefit from *MoneyGuard* Reserve?

- *MoneyGuard* Reserve is attractive to financially astute adults, ages 55–75, who self-insure the long-term care risk and are concerned about the impact long-term care could have on their retirement income security. *MoneyGuard* Reserve prospects have not purchased traditional long-term care insurance because they view it as coverage they may never need. Those who have minimal long-term care insurance may benefit from *MoneyGuard* Reserve as well, by increasing their level of coverage.
  - Prospects are active, independent, and financially secure. They want to maintain a comfortable retirement and protect their assets so they can eventually pass them on to loved ones.
  - Typical candidates for single premium *MoneyGuard* Reserve have at least \$300,000 in invested assets (excluding the primary residence and qualified plan assets). The best candidates for the flexible premium structure are those with discretionary income who can best afford to pay premiums periodically. Flexible premium option may not be available through all agents and brokers.
  - Home ownership
  - Normal annual expenditures such as housing, medical, charity, automobile, travel and leisure, and gifts
  - Portion of income that may come from Social Security and qualified defined benefit plans
  - Value of qualified defined contribution plan assets
  - Value of other types of assets
- Fewer assets in one category may be offset by greater assets in another. Here are some general questions that can help determine an applicant's overall suitability:
- Does my client spend the income from an asset that could be used to purchase the policy? If so, find another source for either the income or the premium.
- If an applicant plans to replace a traditional, standalone long-term care policy, you may want to address the following issue:

### Assessing suitability

*MoneyGuard* Reserve may not be the right choice for everyone. Since income and assets vary widely by client, no single model can determine suitability; however, here is a partial list of assets to consider:

A long-term care policy may provide a longer benefit period or greater benefits than *MoneyGuard* Reserve. How does that compare in value to the specified amount of death and long-term care benefits *MoneyGuard* Reserve offers?



### Asset-based planning

As part of your suitability review, it's important to determine the value of your client's assets and the best source for funding a *MoneyGuard*® Reserve policy. After you identify assets, ask your client, "If you (or your spouse) needed long-term care today, which asset would you liquidate first to cover those costs?"

The answer to this question will help further identify a potential funding source. Highly liquid assets or cash value life insurance policies may provide the best funding sources for single premium *MoneyGuard* Reserve. Distributions from deferred annuities, IRAs, and TSAs may be additional funding sources for *MoneyGuard* Reserve flexible premium structure if distributions from these assets are not needed to supplement retirement income. Flexible premium option may not be available through all agents and brokers.

### Important note

Surrenders and withdrawals from deferred annuities, IRAs, TSAs, and certain life insurance policies are taxable to the extent the amount withdrawn exceeds the after-tax investment or premium paid. A 10% federal tax penalty may also apply if distributions are taken prior to age 59½.

You should also ask if your client has an upcoming need for the asset that would otherwise be used to purchase the policy. If so, find another premium source. Also, if the asset that could be used to purchase the policy is intended for:

- Unforeseen emergencies, or
  - Eventual transfer to children
- ...it may not be best suited for the purchase of *MoneyGuard* Reserve.

# What you should know before selling *MoneyGuard*® Reserve

## Licensing requirements

- You must be appointed with Lincoln to sell *MoneyGuard* Reserve.
- In a “restricted state,” you must also be appointed before you can solicit business.
- If you’re in a state that requires long-term care education, you may need to complete certain requirements before selling *MoneyGuard* Reserve.

## Marketing support

### Illustrations

- Illustrations and additional reports may vary by state. You may not create your own illustrations or modify those generated online in any way.
- An illustration must be signed and submitted with every application.

### Outline of Coverage

- Applicants must receive a state-specific Outline of Coverage form before signing an application.
- The outline provides necessary information regarding long-term care benefit eligibility, covered services, and restrictions.

## Applications and other required forms

- Applications and other required forms vary by state.
- Due to its long-term care component, many states impose requirements on the sale of *MoneyGuard* Reserve that don’t typically apply to the sale of life insurance.
- Every submitted application must include a signed illustration.
- *A Shopper’s Guide to Long-Term Care Insurance*, published by the National Association of Insurance Commissioners, must be provided to each client.

## Consumer and producer marketing materials

- Lincoln offers a selection of print and electronic marketing materials to support your *MoneyGuard* Reserve sales efforts. Consumer materials are subject to state availability.
- *MoneyGuard* Reserve marketing materials can be ordered online by visiting [www.LFD.com](http://www.LFD.com), or by contacting your Lincoln representative.

# Product details

## Base policy

### Policy type

Single life universal life

### Premium structures

Single premium/flexible premiums paid for 3-, 5-, 7-, or 10-year period. Flexible premium option may not be available through all agents and brokers.

### Issue ages (age last birthday)

30–80

### Minimum specified amount

\$25,000\*

### Maximum specified amount

\$500,000 for a 2 year CCB

\$750,000 for a 3 year CCB

### Premium load

Premium load is commissionable.

The premium load will be a percentage of target/excess premium. Percentages will change based on policy duration.

### Structure

Year	Target	Excess
1	60.00%	8.25%
2	25.00%	7.00%
3	15.00%	5.00%
4	15.00%	5.00%
5	10.00%	5.00%
6	10.00%	5.00%
7+	9.00%	5.00%

\*May vary by state.

## Guaranteed interest rate

4%

## Surrender charge duration

20 years

## Surrender charge schedule (per thousand dollars of specified amount)

The surrender charge set in any given year is level throughout the policy year. The surrender charge decreases every year for 20 years. Actual surrender charges are shown in the insured's illustration.

## Benefits/riders

### Return of Premium Rider (ROPR)

Provides a guaranteed lifetime return of premium when you fund your *MoneyGuard*® Reserve policy with a single payment. The return of premium amount will be adjusted dollar for dollar by any loans, loan interest, loan repayments, or withdrawals taken from the policy. If a policy goes on claim, the return of premium will be adjusted dollar for dollar by the amount of the claim payment. If, for any reason, additional deposits are made into the policy, those deposits will not be included in the ROPR value.

## ➤ Product details (continued)

### Convalescent Care Benefits Rider (CCBR)

Accelerates the CCBR Benefit Limit for covered long-term care expenses for 2 years (24 months) or 3 years (36 months). The CCBR Benefit Limit is equal to the specified amount of death benefit which the insured selects at issue.

### Extension of Benefits Rider (EOBR)

Extends long-term care benefits for 2 years or 4 years. Insured selects the duration at issue.

### Benefit period options (CCBR/EOBR)

2 years	(2+0)
3 years	(3+0)
4 years	(2+2)
6 years	(2+4)
5 years	(3+2)
7 years	(3+4)

### Inflation protection (CCBR/EOBR)

Two options are available:

	CCBR	EOBR
Simple	3%	3%
Compound	2%	5%

Monthly maximum long-term care benefits increase annually starting at the end of the first policy anniversary. Annual increases only apply to the long-term care benefits and not the death benefit. If a client elects inflation protection on the CCBR (inflation protection is subject to state availability), he or she must have the same type of protection on the EOBR (i.e., both compound or both simple).

### **Monthly Cost of Insurance (COI) charges**

Separate deductions are made each month to cover the cost of the base life insurance, the Convalescent Care Benefits Rider (CCBR) and state variations thereof, any inflation on the CCBR (subject to state availability), the EOBR, and any inflation on the EOBR. No COI or rider charges are incurred after attained age 95.

### **Miscellaneous contract features**

#### **Partial withdrawals**

One allowed per year.

Minimum: \$100

Maximum: 90% of cash surrender value

No withdrawal fee.

#### **Policy loan interest charged**

The interest rate is variable and charged in arrears.

#### **Interest credited on loans**

4%

### **Residual death benefit**

Included in every policy. If long-term care benefits are paid, guarantees that the specified amount of death benefit will be no less than the stated amount, initially 10% of the specified amount. Thereafter, it is adjusted for loans, loan interest, and withdrawals.

### **Deductible period**

90 days throughout the life of the contract.

### **Long-term care benefit**

- Home healthcare
- Assisted living
- Nursing home
- Adult daycare
- Personal care services
- Hospice services
- Alternative care services

(Not all benefits are available in California. See Outline of Coverage for details).

Expenses are reimbursed up to 100% of monthly maximum benefit for all levels of care.

# Underwriting guidelines and medical requirements

**Single premium only: No medical exams or labwork are required for ages 60 and older; APS only. All other scenarios, use age/amount grid below.**

Age	Single premium cases	Flexible premiums (Not available through all agents and brokers.)
	Ages 60+ APS only <sup>1</sup> Ages ≤59 use age/amt. grid	All ages use age/amt. grid
30–45	0–\$99,999 Non-med*	\$100,000–\$500,000 Paramed exam    Blood profile Urine              PHI—for cause
46–55	0–\$99,999 APS—for cause	\$100,000–\$500,000 Paramed exam    Blood profile Urine              PHI—for cause
56–59	0–\$99,999 APS	\$100,000–\$500,000 Paramed exam    Blood profile Urine              PHI—for cause
60–80	0–\$99,999 APS	\$100,000–\$500,000 MD exam Blood profile      Urine APS                  EKG PHI

<sup>1</sup>Lincoln reserves the right to request any requirements deemed necessary to properly evaluate the risk.

### Important:

When ordering exams, please make sure the paramed service uses the Lincoln *MoneyGuard*® Reserve Series underwriting guidelines for Hartford, CT. Be sure they send the urine and/or blood to Clinical Reference Lab or Lab One using company code JO. Please refer to the company account numbers listed below when ordering requirements.

Approved Paramedical Service	Account #
APPS	7074
Exam One	FPP
Hooper/Holmes Portamedic	496367

Following the above recommendations will insure that the paramed completes the proper exams and sends them to the appropriate office.

### Phone history interviews

Lincoln Financial Group will order phone history interviews when required. Please include your clients' telephone numbers and best time to call. Please be sure to let your clients know that they may be receiving a call from Lincoln.

### APSS

Attending Physician's Statements (APSS) can be ordered from EMSI using account number 3545. Please order only one APS from the insured's primary physician. Underwriter will advise if any other records are needed.

### Lincoln reserves the right to request any requirements deemed necessary to properly evaluate the risk.

- Make sure the paramed services use the requirement schedule for Lincoln *MoneyGuard* Reserve, Hartford, CT.
- Use current age (at time application was signed).
- All urine and blood specimens are to be sent to Clinical Reference Lab or Lab One. Use company code JO for Lab One specimens.
- Direct questions regarding these requirements to: Lincoln Life Underwriting Department, Hartford, CT, 877 533-0114.

# Federal tax information

## **No current taxes on interest buildup; loans or withdrawals may be taxed**

Full surrenders, partial surrenders, withdrawals, loans, and assignments all qualify as distributions and may be taxed, in whole or in part. If *MoneyGuard*® Reserve is a Modified Endowment Contract (MEC) or if *MoneyGuard* Reserve is not a MEC but has a policy cost basis of zero or less, the portion of the distribution representing gain (the excess of the cash value account over the premium paid) may be taxable income to the policyowner. If the distribution is made prior to the owner's age 59½, a 10% penalty tax on the taxable portion may be imposed by the IRS.

*MoneyGuard* Reserve is a MEC if it is funded with any client premiums that fail to meet the single pay premium test under the Technical and Miscellaneous Revenue Act of 1988 (TAMRA) or funded through a 1035 exchange of a policy that's already a MEC.

## **Protection of prior tax benefits**

Distributions from life insurance policies issued before June 21, 1988, are taxed only after all of the policy's principal has been distributed. If your client wants to purchase *MoneyGuard* Reserve with a 1035 exchange of their pre-June 21, 1988, life insurance policy and add "new" money to the *MoneyGuard* Reserve policy, their new *MoneyGuard* Reserve policy will be a MEC.

## **No income taxes on death benefit**

The *MoneyGuard* Reserve death benefit, normally a part of the owner's estate for estate tax purposes, is received by the beneficiary income tax-free under IRC Section 101(a)(1). However, the beneficiary will be taxed on any interest earned on the death benefit following the death of the insured until the death benefit is paid. The death benefit is free of probate when the beneficiary is not the insured's estate.



### **Taxation of long-term care benefits**

Long-term care benefits paid from life insurance policies or riders that satisfy certain federal standards are designated as "Qualified Long-Term Care Insurance." Long-term care benefits paid from "Qualified Long-Term Care Insurance" are not taxed as income under IRC Section 104(a)(3). *MoneyGuard*® Reserve CCBR and EOBR meet the federal criteria for qualified long-term care insurance.

### **Taxation of charges for CCBR and EOBR**

The charges for *MoneyGuard* Reserve CCBR and EOBR are deducted monthly from the base universal life insurance policy's account value. These monthly charges are treated as "distributions" and are taxable income to the policyowner if: (a) the *MoneyGuard* Reserve policy is a MEC and policy gain is used to pay the charges, or (b) the *MoneyGuard* Reserve policy is not a MEC, but the policy's cost basis is zero and policy gain is used to pay the charges.

A 10% penalty may apply if these taxable distributions occur prior to the policyowner attaining age 59½. A tax advisor should be consulted for additional information.

Lincoln Financial Group, its affiliated companies, and its representatives do not provide legal or tax advice. Encourage your clients to seek the independent advice of a legal or tax advisor regarding this information as it relates to their personal circumstances.

# Frequently asked questions

## **Can more than one person (usually children of the insured) own a *MoneyGuard*® Reserve policy?**

Yes, and the first name on the application will be considered the owner for any communications on the policy.

## **Is the policyowner responsible for paying the state premium tax?**

Premium taxes are paid by the company issuing the life insurance policy. The percentage of tax varies by state.

## **If the insured is on claim, will the long-term care benefits continue to increase if the policy has inflation protection through a benefit increase option?**

Yes. The long-term care benefits will continue to increase throughout the insured's lifetime...even while the insured is on claim.

## **Can my client use the policy's long-term care benefits in any state other than the state where the policy was purchased? In another country?**

Benefits under the *MoneyGuard* Reserve policy are payable in any state. *MoneyGuard* Reserve will not pay long-term care claims for benefits received outside the U.S.

## **If the policyowner is late with a premium payment or misses a premium payment under the flexible premium structure, how will it affect the benefit guarantees in the policy?**

Any change in the illustrated premium payment pattern may jeopardize policy guarantees. *MoneyGuard* Reserve is an interest-sensitive policy, and even one month of lost interest can adversely affect the policy's cash value buildup. Flexible premium option may not be available through all agents and brokers.

**If the insured is receiving home care and moves to a nursing home facility, will the insured need to satisfy a new deductible period?**

No. After an insured satisfies the 90-day deductible period, the insured is entitled to receive benefits for any covered services as long as he or she continues to qualify for benefits.

**Can some uninsurable risks be underwritten for *MoneyGuard*® Reserve?**

No. Lincoln will not underwrite uninsurable long-term care risks.

**Can a *MoneyGuard* Reserve policy be owned by an irrevocable trust?**

It's not generally recommended that a *MoneyGuard* Reserve policy be owned by an irrevocable trust. In certain circumstances, adverse estate and income tax consequences can apply when it is owned by a client's irrevocable life insurance trust (ILIT). An insured who makes his or her ILIT the owner and beneficiary of a life insurance policy is in most cases not going to be named as a beneficiary of that ILIT.

There are two reasons for this. The first is Section 2036 of the IRC, which includes ILIT property in the insured-beneficiary's estate when the insured both transfers property to the ILIT and retains a beneficial interest in the ILIT. The second reason is Section 2042 of the IRC, which includes a policy's death benefit in the insured's gross estate if the insured possessed an "incident of ownership" in the policy. As a result, clients who establish ILITs to keep the policy proceeds out of their estate may not be beneficiaries of their ILIT to avoid Section 2035 and 2042, so naming their ILIT the owner may not offer much benefit.

More detailed information on ILIT can be found in Order #33444-cs and #33444-lfd, orderable through Capital Fulfillment Systems or by contacting your Lincoln representative.



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

**Guarantees backed by the claims-paying ability of the Lincoln National Life Insurance Company.** Ratings as of December 2005. Visit [www.LFG.com](http://www.LFG.com) for the most current ratings.

Hello future.™

### 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 variable universal life insurance company product. The Lincoln National Life Insurance Company® affiliates, its distributors, or their respective employees, representatives, and/or insurance agents do not 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 NY and MA.

**For agent or broker use only. Not for use with the general public.**

©2006 Lincoln National Corporation

[www.LFD.com](http://www.LFD.com)

Lincoln Financial Distributors, Inc., a broker/dealer, is the wholesale distribution organization of Lincoln Financial Group. Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

LFD0604-0555 MG-1085-05 RP 5/06

Order #33463-RSRV

**Lincoln**  
Financial Group®

Not a deposit	Not FDIC-insured	Not insured by any federal government agency	Not guaranteed by any bank or savings association
------------------	---------------------	---	--