

Presented by: Best Agent
 BHC Marketing
 25227 Grogans Mill Rd.
 The Woodlands, TX 77380
 Phone: (800) 201-0224

Narrative Summary

For: Ms. Jones
 Age: 60, Female, TX
 Risk Class: Non-Smoker

Specified Amount of Death Benefit: \$325,756

All Values and Benefits are Guaranteed¹

Initial Annual Premium	\$20,000.00	This illustration assumes the premium outlay as shown in the illustrated values. The initial premium amount shown above is assumed to be received on the policy effective date followed by each subsequent premium on its scheduled due date. It is important for premiums to be paid on or before their scheduled due date, as late payments may have a negative impact on policy guarantees.
Total Long-Term Care Benefit Limit	\$977,268	The Total Long-Term Care Benefit Limit provides expense reimbursement for covered long-term care services including adult day care, home health care, personal care services, hospice services, nursing home care services, assisted living, and alternative care services. Benefit payments will begin after the 90-day deductible period has been satisfied. The specific services covered are described in the contract. The Total Long-Term Care Benefit Limit is composed of the following rider(s): Convalescent Care Accelerated Benefits Rider: \$325,756 Extension of Benefits Rider Benefit Limit: \$651,512
Maximum Monthly Long-Term Care Benefit Limit	\$13,573	Maximum Monthly Benefit is the initial amount available for reimbursement of covered services in any one month.
Minimum Long-Term Care Benefit Duration	6 Years	Based on the rider(s) selected, the policy will provide reimbursement for covered long-term care expenses for a minimum of 6 years. Long-Term Care Benefit Duration is based on the Convalescent Care Accelerated Benefits Rider (CCBR) duration of 2 years, followed by Extension of Benefits Rider (EOBR) duration of 4 years selected at issue.
Specified Amount of Death Benefit	\$325,756	This amount is set at issue and is used to determine the amount of guaranteed Death Benefit. Long-Term Care reimbursement will reduce the Specified Amount on a dollar-for-dollar basis.
Residual Death Benefit	\$32,575	The Residual Death Benefit is payable to the beneficiary even if the Specified Amount has been exhausted as a result of long-term care expenses and the Insured has reached his/her Total Long-Term Care Benefit limit. At the time of purchase, this benefit is equal to 10% of the initial Specified Amount. Residual death benefit will be decreased by 10% of any policy loans, unpaid loan interest and withdrawals.

This is an illustration for *MoneyGuard® Reserve* which is a Flexible Premium Adjustable Life (Universal Life) Insurance policy issued by The Lincoln National Life Insurance Company on Policy Form LN850 (8/05) with a Convalescent Care Accelerated Benefits Rider (CCBR) and state variation thereto on Rider Form LR851 (8/05), an Extension of Benefits Rider (EOBR) and state variation thereto on Rider Form LR852 (8/05). Benefits and features may vary by state.

The Long-Term Care benefits are intended for recognition as "Qualified Long-Term Care Insurance" under 7702B of the Internal Revenue Code (IRC). THIS ILLUSTRATION IS TO BE ACCOMPANIED BY AN OUTLINE OF COVERAGE.

⁽¹⁾ Benefits and values are guaranteed based on guaranteed interest of 4.00% and guaranteed cost of insurance charges, as long as all scheduled premiums are paid when due and no loans or withdrawals are taken.

THIS IS A LIFE INSURANCE POLICY ILLUSTRATION AND NOT A CONTRACT. ACTUAL RESULTS MAY VARY FROM THE ILLUSTRATED VALUES SHOWN IN THIS ILLUSTRATION. POLICY LIMITATIONS AND EXCLUSIONS ARE DESCRIBED IN THE OUTLINE OF COVERAGE THAT ACCOMPANIES THIS ILLUSTRATION. GUARANTEES ARE BACKED BY 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.

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Narrative Summary, Continued

For: Ms. Jones
Age: 60, Female, TX
Risk Class: Non-Smoker

Specified Amount of Death Benefit: \$325,756

All Values and Benefits are Guaranteed¹

Long-Term Care Rider Charges	Monthly deductions are for rider charges and the cost of any additional riders. They cover the cost of the Death Benefit and long-term care benefits. The monthly deduction for the CCBR is \$13.68. The monthly deduction for the EOBR is \$100.66. We cannot increase these charges.
Surrender Charges	The initial surrender charge decreases annually, eventually reaching zero at the end of year 20. The Surrender Value for each year of the policy is shown in the Surrender Value column of the illustration.

(1) Benefits and values are guaranteed based on guaranteed interest of 4.00% and guaranteed cost of insurance charges, as long as all scheduled premiums are paid when due and no loans or withdrawals are taken.

Disclosures

For: Ms. Jones
Age: 60, Female, TX
Risk Class: Non-Smoker

Specified Amount of Death Benefit: \$325,756

Seven Pay Premium: \$21,011.10

Tax Status

The *MoneyGuard*® Reserve 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 illustrated policy will not become a Modified Endowment Contract.

The charges for your Qualified Long Term Care Insurance (QLTC) Rider are assessed against the value of your policy, and the IRS treats these charges as distributions from your policy. As such, these charges (distributions) may be taxable.

Since your policy is not a Modified Endowment Contract it is subject to First in First Out (FIFO) tax treatment. Qualified Long-Term Care rider charges will reduce the policy's cash value and cost basis monthly. Once the charges reduce the cost basis to zero, they become taxable. As such, Lincoln will report these taxable distributions on Form 1099R.

The Pension Protection Act of 2006 (PPA) will change the tax treatment of your MoneyGuard policy effective January 10, 2010. Based on our understanding and analysis of the PPA, we will make the following changes to how we report certain policy events or transactions:

- QLTC Rider charges will continue to be treated as distributions from your policy, but will not be considered taxable distributions (even if your policy is a MEC).
- QLTC 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 will come from any gain in the contract (but will still be excludible from income).

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 Rider, the cost basis is used in determining if that transaction creates a taxable event. As previously noted, the cost basis is often reduced as a result of these rider charges. The owner should consult his/her personal tax advisor regarding this and other applicable tax matters.

IRS Circular 230 Disclosure: This material was prepared to support the promotion and marketing of insurance products. Lincoln Financial Group® affiliates, their distributors, and 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 with your own independent advisor as to any tax, accounting or legal statements made herein.

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Understanding the Illustration

For: Ms. Jones
Age: 60, Female, TX
Risk Class: Non-Smoker

Specified Amount of Death Benefit: \$325,756

Year

Year is the policy year beginning with the effective date of the policy.

Age

Age is the insured's age at the end of the policy year shown.

Premium Outlay

Premium Outlay is the total amount paid into the policy for the year shown.

Cash Value

Cash Value is illustrated at policy year-end and includes the prior policy year-end Cash Value, increased by net premiums received, decreased by net loans, net indebtedness and monthly deductions and increased by interest credited during the policy year. Long-Term Care benefit payments will reduce the Cash Value by the same percentage amount as they reduce the Specified Amount.

Surrender Value

Surrender Value is illustrated at policy year-end and includes the prior year-end Cash Value, increased by net premiums received, decreased by policy charges and any surrender charges, increased by interest credited during the policy year.

Death Benefit

Death Benefit is the greater of the Specified Amount on the date of death decreased by any indebtedness and withdrawals or the minimum required Death Benefit decreased by any indebtedness. Under the IRC, the minimum required Death Benefit for a life insurance policy must be equal to or exceed a percentage of the cash value. This percentage varies by age.

Total Long-Term Care Benefit

The Total Long-Term Care Benefit Limit is the amount available for reimbursement of costs incurred for covered long-term care expenses. It is equal to the initial Specified Amount, as provided by the Convalescent Care Accelerated Benefits Rider, plus the benefits provided by the Extension of Benefits Rider.

This illustration is neither a contract nor an offer to contract. A full description of 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 illustration, 2) I have been advised to consult with my own tax advisors regarding the tax effects of the illustrated policy and also with respect to its valuation and 3) I have received a copy of an Outline of Coverage.

Applicant: _____

Date: _____

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

Licensed Agent/Representative: _____

Date: _____

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Guaranteed Values

For: Ms. Jones
Age: 60, Female, TX
Risk Class: Non-Smoker

Specified Amount of Death Benefit: \$325,756

ALL VALUES SHOWN ARE GUARANTEED⁽¹⁾

Year	Age	Premium Outlay	Surrender Value	Death Benefit(2)	Cash Value	Total LTC Benefit	Maximum Monthly Benefit
1	61	20,000	3,223	325,756	6,963	977,268	13,573
2	62	20,000	18,042	325,756	21,645	977,268	13,573
3	63	20,000	34,257	325,756	37,719	977,268	13,573
4	64	20,000	51,028	325,756	54,351	977,268	13,573
5	65	20,000	69,341	325,756	72,517	977,268	13,573
6	66	20,000	88,282	325,756	91,305	977,268	13,573
7	67	20,000	108,071	325,756	110,941	977,268	13,573
8	68	20,000	128,563	325,756	131,273	977,268	13,573
9	69	20,000	149,808	325,756	152,353	977,268	13,573
10	70	20,000	171,858	329,506	174,233	977,268	13,573
11	71	0	175,572	326,358	177,774	977,268	13,573
12	72	0	179,175	325,756	181,198	977,268	13,573
13	73	0	182,627	325,756	184,464	977,268	13,573
14	74	0	185,893	325,756	187,538	977,268	13,573
15	75	0	188,933	325,756	190,379	977,268	13,573
16	76	0	191,700	325,756	192,938	977,268	13,573
17	77	0	194,179	325,756	195,199	977,268	13,573
18	78	0	196,424	325,756	197,212	977,268	13,573
19	79	0	198,392	325,756	198,936	977,268	13,573
20	80	0	200,034	325,756	200,317	977,268	13,573
21	81	0	201,297	325,756	201,297	977,268	13,573
22	82	0	201,800	325,756	201,800	977,268	13,573
23	83	0	201,724	325,756	201,724	977,268	13,573
24	84	0	200,957	325,756	200,957	977,268	13,573
25	85	0	199,355	325,756	199,355	977,268	13,573
26	86	0	195,999	325,756	195,999	977,268	13,573
27	87	0	191,100	325,756	191,100	977,268	13,573
28	88	0	184,091	325,756	184,091	977,268	13,573
29	89	0	174,436	325,756	174,436	977,268	13,573
30	90	0	161,517	325,756	161,517	977,268	13,573
31	91	0	145,015	325,756	145,015	977,268	13,573
32	92	0	124,095	325,756	124,095	977,268	13,573
33	93	0	96,473	325,756	96,473	977,268	13,573
34	94	0	58,901	325,756	58,901	977,268	13,573
35	95	0	6,518	325,756	6,518	977,268	13,573

(1) Benefits and values are guaranteed based on guaranteed interest of 4.00% and guaranteed cost of insurance charges, as long as all scheduled premiums are paid when due and no loans or withdrawals are taken.

(2) Under the Internal Revenue Code, the minimum Death Benefit for a life insurance policy must be equal to or exceed a percentage of the cash value. This percentage varies by age. The actual factors used to meet this requirement are disclosed in the Minimum Required Death Benefit Percentage Table included in your policy. When the illustrated Death Benefit is greater than the initial Specified Amount, it means we have applied these factors.

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Guaranteed Values

For: Ms. Jones
Age: 60, Female, TX
Risk Class: Non-Smoker

Specified Amount of Death Benefit: \$325,756

ALL VALUES SHOWN ARE GUARANTEED⁽¹⁾

Year	Age	Premium Outlay	Surrender Value	Death Benefit(2)	Cash Value	Total LTC Benefit	Maximum Monthly Benefit
40	100	0	7,930	325,756	7,930	977,268	13,573
45	105	0	9,648	325,756	9,648	977,268	13,573
50	110	0	11,738	325,756	11,738	977,268	13,573
55	115	0	14,281	325,756	14,281	977,268	13,573
60	120	0	17,375	325,756	17,375	977,268	13,573

(1) Benefits and values are guaranteed based on guaranteed interest of 4.00% and guaranteed cost of insurance charges, as long as all scheduled premiums are paid when due and no loans or withdrawals are taken.

(2) Under the Internal Revenue Code, the minimum Death Benefit for a life insurance policy must be equal to or exceed a percentage of the cash value. This percentage varies by age. The actual factors used to meet this requirement are disclosed in the Minimum Required Death Benefit Percentage Table included in your policy. When the illustrated Death Benefit is greater than the initial Specified Amount, it means we have applied these factors.

Important Information

For: Ms. Jones
Age: 60, Female, TX
Risk Class: Non-Smoker

Specified Amount of Death Benefit: \$325,756

Life Insurance Cost Indices

LIFE INSURANCE COST INDICES BASED ON GUARANTEED AMOUNT PAYABLE ON DEATH

Based on Guaranteed 4.00% Interest
Rate and Guaranteed Charges

	10 Year	20 Year
Surrender Cost	21.43	20.34
Net Payment	61.34	38.02

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.

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Outline of Coverage Table

For: Ms. Jones
Age: 60, Female, TX
Risk Class: Non-Smoker

Specified Amount of Death Benefit: \$325,756

Monthly Rider Charges

Convalescent Care Accelerated Benefits Rider ("CCBR") \$13.68

CCBR Benefit Limit: **\$325,756**
CCBR Duration: **2 Years**
Maximum Monthly CCBR Benefit: **\$13,573**

Optional Inflation Protection \$0
Option: **None**

Extension of Benefits Rider ("EOBR") \$100.66

EOBR Benefit Limit: **\$651,512**
EOBR Duration: **4 Years**
Maximum Monthly EOBR Benefit: **\$13,573**

Optional Inflation Protection \$0
Option: **None**

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Total Annual Rider Charges: \$1,372.08

33499 (08/05)

New Business Data Sheet -- FOR HOME OFFICE USE ONLY

You must include the New Business Data Sheet when submitting the illustration to the Home Office

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

Product	MoneyGuard® Reserve
Name	Ms. Jones
State	TX
Gender	Female
Age	60
Date of Birth	Not Available
Class	Non-Smoker
Death Benefit Option	Level
MEC	No
Face Amount	\$325,756
Planned Premium	\$20,000.00 for 10 year(s)
Payment Mode	Annual
Solve Details	Face Solve

Riders

CCBR: **2 Years**
Inflation Protection: **None**
EOBR: **4 Years**
Inflation Protection: **None**

	Total	
Year	Premiums	
1	20,000.00	
11	0	

Software version:
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7P: 21,011.10

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