

## **Lincoln Financial Group Enhances Lincoln LifeReserve® Indexed UL Accumulator**

Lincoln Financial Group (NYSE:LNC) today announced enhancements to Lincoln LifeReserve® Indexed UL (IUL) Accumulator, a life insurance product issued by The Lincoln National Life Insurance Company. The product is designed to provide the protection of life insurance with the opportunity to build cash value that can be used as income.

Enhancements to Lincoln LifeReserve® IUL Accumulator include a new fixed loan alternative, which expands clients' accumulation and distribution options to fit varying or changing risk profiles<sup>1</sup>. Lincoln LifeReserve® IUL Accumulator is now also available with Lincoln's recently introduced Lincoln LifeEnhance<sup>SM</sup> Accelerated Benefits Rider for clients concerned about unexpected permanent chronic or terminal illness expenses<sup>2</sup>.

"In today's economic climate, the need to accumulate assets and strengthen income potential for life's expected and unexpected financial scenarios is as great as ever," said Michael Burns, Senior Vice President, Insurance Solutions, Lincoln Financial Group. "At the same time, many risk-averse consumers are seeking principal protection, which has given way to IUL products becoming one of the industry's fastest growing segments. As this trend unfolds, Lincoln LifeReserve® IUL Accumulator continues to gain traction in the market. Our latest enhancements offer even greater income predictability along with added flexibility for clients to tailor the product to their specific needs and stage of life."

With Lincoln LifeReserve® IUL Accumulator, policy holders can take loans, borrowing up to 100 percent of the cash surrender value at any time during the life of the policy. The new fixed loan option offers a guaranteed interest credited rate of 2 percent in all years and guaranteed interest charged rate of 3 percent for the first ten years, with zero net-cost loans in policy years 11 and following. The fixed loan option complements the product's existing "participating" loan feature in which all borrowed and unborrowed policy value continues to earn interest while the loan balance is charged guaranteed loan interest. Clients can take advantage of conversion options, which allow for the greater growth potential of the participating loan during the income phase, and the stability of the fixed loan in later years.

Lincoln LifeReserve® IUL Accumulator is the latest Lincoln product available with the Lincoln LifeEnhance<sup>SM</sup> Accelerated Benefits Rider (ABR). The Lincoln LifeEnhance<sup>SM</sup> ABR is designed to provide access to tax-advantaged funds in the event of an unexpected permanent chronic or terminal illness once the claims criteria have been met. In cases of permanent chronic illness, clients can access 100 percent of the gross death benefit if monthly payments are elected. For terminal illness, policy holders can access 50 percent of the death benefit up to a maximum of \$250,000.

According to LIMRA, IUL was the biggest driver of total individual life insurance premium growth in the second quarter of 2012 with industry sales of IUL increasing 37 percent. Over the past year, Lincoln's IUL products have seen sales increase by 130 percent<sup>3</sup>.

Lincoln LifeReserve® IUL Accumulator offers death benefit protection and cash value growth potential that is tied to the performance of the S&P 500 Index. Since policy values are not invested directly in the market, policy holders are protected from negative returns caused by market downturns with a guaranteed minimum interest rate.

The latest enhancements to Lincoln LifeReserve® Indexed UL Accumulator are immediately available to Lincoln's national network of distribution partners.

### **Disclosure**

#### **Failure to maintain to maturity.**

You will need to maintain a minimum amount of cash surrender value in the policy to keep it from lapsing. Exercising certain policy features (such as loans, withdrawals, or skipped premiums) may reduce cash surrender values and death benefits, may have tax implications, and may cause the policy to lapse. If the policy does lapse, the total amount of loans due would be considered taxable income.

**Participation rate** — Lincoln guarantees a 100% participation rate for the indexed interest crediting.

Surrender and other charges, apply for nine years from the date of issue or increase; and will vary based on age, gender and risk class. They decrease over the nine-year period.

#### **Definition of death benefit.**

- Death Benefit Option 1 (level face amount)
- Death Benefit Option 2 (face amount plus account value)

Loans or withdrawals offset death benefits under either of these. There is a no-lapse guarantee provision available at an additional charge. This guarantee ensures that your policy will not lapse and your death benefit will remain in-force for 10 years even if your policy's cash surrender value is less than your monthly fee deductions, as long as the cumulative premium requirement is met. It ensures that your beneficiaries will receive a minimum death benefit of \$10,000. You must maintain positive cash surrender value or the policy may lapse. By paying only the premium required to satisfy the no-lapse guarantee, you may forego the opportunity to build cash value. **Policy does not directly participate in investments. Guaranteed minimum rate. Excess interest formula. Caps and floors on excess interest.** There are currently three choices for indexed accounts and a Fixed Account. Each indexed account calculates interest differently, based on the performance of the S&P 500 Index. The indexed accounts offer potential gains based on S&P 500 Index performance. There's no direct exposure to the stock market.

Lincoln LifeReserve® Indexed UL Accumulator, is issued on policy form UL5062/ICC12UL5062 with optional rider form number ABR-5762, and state variations by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc., a broker/dealer. Not available in all states.

Policies sold in New York are issued on policy form UL5062N by Lincoln Life & Annuity Company of New York, Syracuse, NY, and distributed by Lincoln Financial Distributors, Inc., a broker/dealer.

**This rider is not long-term care insurance nor is it intended to replace the need for long-term care insurance. The benefits are supplementary to the primary need for death benefit protection. The rider may not cover all of the costs associated with the chronic illness of the insured. The benefits of the rider are limited by the policy's death benefit at the time of claim, long-term care insurance does not typically contain this limitation.**

All guarantees and benefits of the insurance policy are backed by the claims-paying ability of the issuing insurance company. They are not backed by the broker/dealer and/or insurance agency selling the policy, or any affiliates of those entities other than the issuing company affiliates, and none make any representations or guarantees regarding the claims-paying ability of the issuer.

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- The fixed loan alternative is not available in NY.
- Available only at issue for an additional cost and subject to qualification and restrictions.
- LIMRA, U.S. Individual Life Insurance Sales Summary Report, Second Quarter 2012.

### **About Lincoln Financial Group**

Lincoln Financial Group is the marketing name for Lincoln National Corporation (NYSE:LNC) and its affiliates. With headquarters in the Philadelphia region, the companies of Lincoln Financial Group had assets under management of \$174 billion as of September 30, 2012. Through its affiliated companies, Lincoln Financial Group offers: annuities; life, group life, disability and dental insurance; 401(k) and 403(b) plans; savings plans; and comprehensive financial planning and advisory services. For more information, including a copy of our most recent SEC reports containing our balance sheets, please visit [www.LincolnFinancial.com](http://www.LincolnFinancial.com).