



**Lincoln**  
Financial Group<sup>SM</sup>

FOR LIFE

Universal Life Insurance

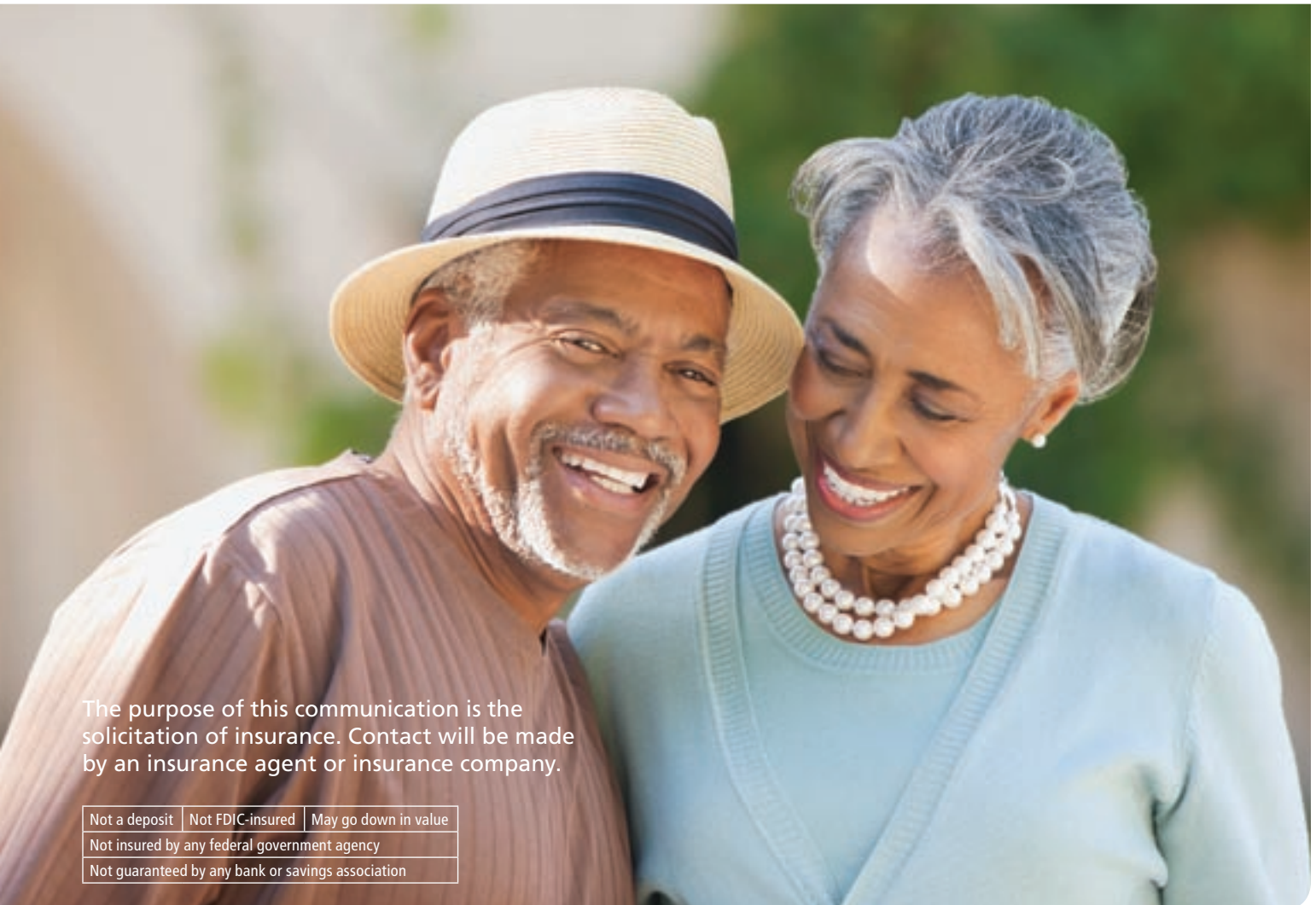
The Lincoln National Life Insurance Company

# Lincoln *MoneyGuard*<sup>®</sup> Reserve Plus

*A smarter alternative to self-insuring<sup>®</sup>*

**Client Guide to paying for long-term care**

Hello future.<sup>®</sup>



The purpose of this communication is the solicitation of insurance. Contact will be made by an insurance agent or insurance company.

Not a deposit	Not FDIC-insured	May go down in value
Not insured by any federal government agency		
Not guaranteed by any bank or savings association		

## Why preparing for long-term care makes sense

The odds are that you will need long-term care

70%



Statistics show that at least 70% of people over age 65 will require some long-term care services at some point in their lives.†

Think about the reasons why you'd want to plan ahead for long-term care expenses. You probably want to protect yourself and loved ones from having to make the difficult choices or rush decisions that individuals face when they haven't prepared. You may have expectations for your retirement lifestyle or the size of the legacy you'd like to pass along to the next generation. But what if you needed long-term care? Will the savings you've intended to cover expenses be sufficient, or will you need to spend down retirement or estate assets?

Consider the national average costs of long-term care in 2010.\*

### ASSISTED LIVING

\$3,369 per month, or \$40,428 per year

### NURSING HOME

–Semiprivate room: \$195 per day, or \$71,175 per year

–Private room: \$216 per day, or \$78,840 per year

### HOME HEALTH AIDE

\$20.27 per hour

Lincoln *MoneyGuard*® Reserve Plus is a universal life insurance policy with optional long-term care benefit riders‡ issued by **The Lincoln National Life Insurance Company**, Fort Wayne, IN. Lincoln *MoneyGuard* Reserve Plus provides guaranteed benefits you can tap into to reimburse qualified long-term care costs, helping to protect assets you've set aside for retirement. It offers a simple solution that makes sense for today and for tomorrow. Guarantees are backed by the claims-paying ability of **The Lincoln National Life Insurance Company**.

\* "LifePlans Long-Term Care Market Summary: Cost of Care Update 2010"; [www.LincolnFinancial.com](http://www.LincolnFinancial.com); Research & Analysis; October 1, 2010. For a printed copy of the report, call 877 ASK-LINCOLN.

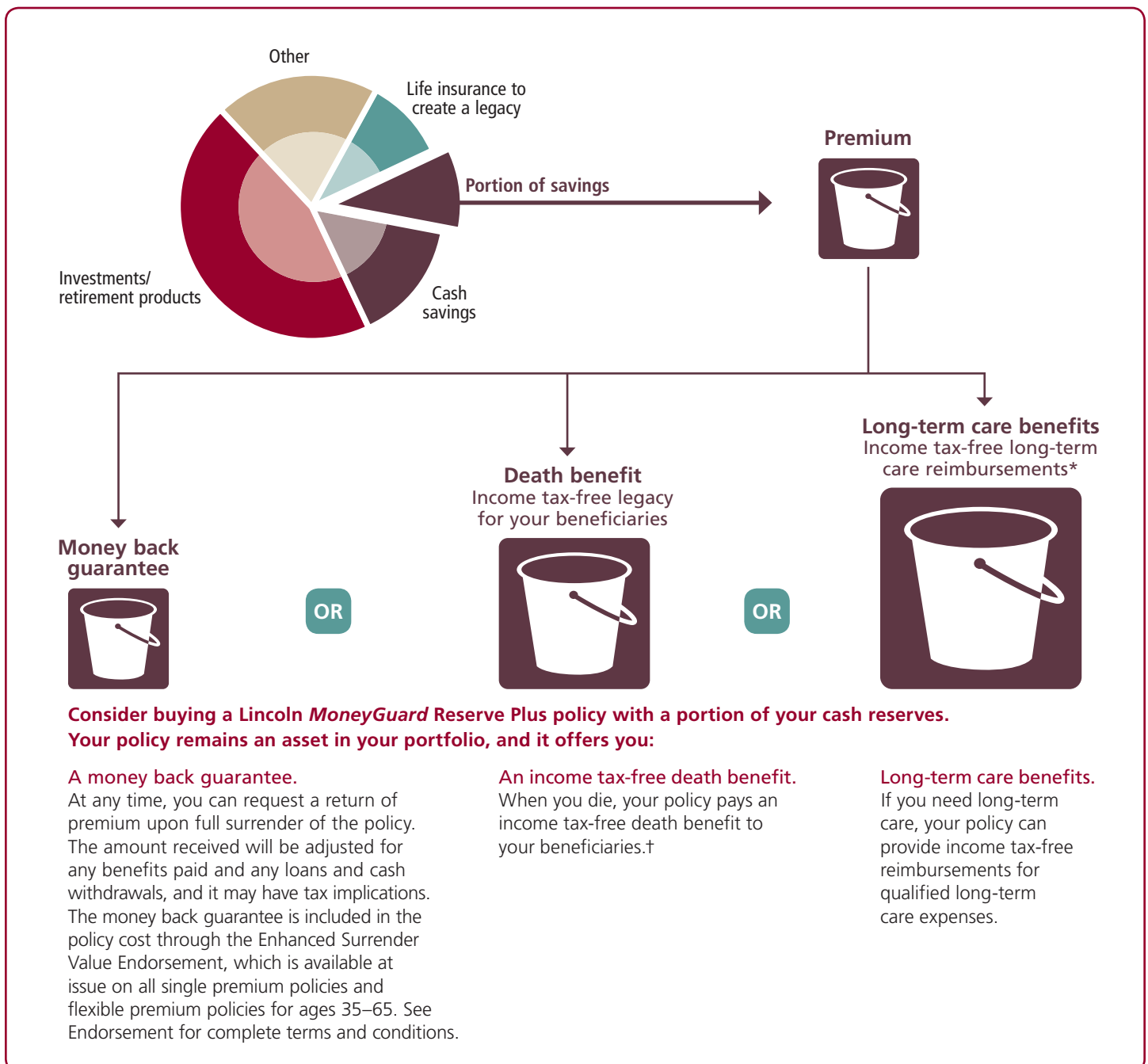
† DHHS, 2008. Statistics taken from [www.longtermcare.gov](http://www.longtermcare.gov). Administration on Aging: 202 619-0724.

‡ Available at an additional cost.

# Lincoln MoneyGuard® Reserve Plus

*A smarter alternative to self-insuring®*

Most likely, you have savings set aside for emergencies, such as long-term care expenses. By using a portion of those savings to purchase a Lincoln MoneyGuard Reserve Plus policy, you get much more for your long-term care dollars, and immediately increase the protection for the rest of your portfolio.



\* Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3).

† Beneficiaries can receive an income tax-free death benefit under IRC Section 101(a)(1).

# How does Lincoln *MoneyGuard*<sup>®</sup> Reserve Plus work?

**AVAILABLE FOR ISSUE AGES 35–80**

Choose from flexible and single premium options to meet your financial objectives. You can purchase a single premium policy, or select a flexible premium for a 3-, 5-, 7- or 10-year period.<sup>1</sup>

With Lincoln *MoneyGuard* Reserve Plus, you determine how long you'd like to receive benefits—any length of time from two to seven years.

That's because the product has a Convalescent Care Benefits Rider (CCBR),<sup>2</sup> which taps into the specified amount of death benefit to reimburse qualified long-term care expenses up to the monthly maximum benefit as indicated in your policy. You have a choice of either a two- or three-year CCBR duration. The policy's Extension of Benefits Rider (EOBR) allows you to continue taking long-term care benefits once the CCBR is exhausted. You can choose to extend benefits for either a two- or four-year duration at issue. The cost for the riders is deducted monthly from the policy cash value.

CCBR: draws on policy death benefits	+	EOBR: extends benefits after CCBR is exhausted	=	Total benefit period options
2 years		0 years		2 years
3 years		0 years		3 years
2 years		2 years		4 years
3 years		2 years		5 years
2 years		4 years		6 years
3 years		4 years		7 years



### INFLATION PROTECTION OPTIONS AVAILABLE

Hedge against inflation. Consider adding inflation protection if:

- You're in your 50s.
- You're very healthy now.
- You want to help keep pace with rising prices over time.
- You want to have significantly more for your long-term care dollars in later years.

You can select one of three available inflation protection options	
Simple	Compound
3%	3%
—	5%

<sup>1</sup> May not be available through all agents or brokers.

<sup>2</sup> State variations may apply.

# Why Lincoln *MoneyGuard*<sup>®</sup> Reserve Plus?

## No deductible or elimination period

## Your cost of coverage can never increase

The costs for your policy's long-term care benefits are set at issue and will never change.

## You gain the power to get more for your long-term care dollar

Experience multiple times the leverage for your long-term care dollar. You'll find that your long-term care benefits are much greater than your premium outlay.

## Opportunity of tax advantages

Your long-term care benefits are intended to be income tax-free. Your policy provides an income tax-free death benefit if you don't need long-term care.

## Choice of care setting

The decision is yours—from home healthcare to assisted living, nursing home care, adult day care, personal care services, hospice care and alternative care services. Your qualified long-term care expenses can be reimbursed up to your monthly maximum benefit for all levels of care.

## International benefits

You can access your CCB<sup>R</sup> benefits while living abroad. Your policy provides up to 50% of the monthly maximum CCB<sup>R</sup> benefit for qualified long-term care services received in a facility outside the United States. Even though monthly benefits are capped, you can use the full amount of your total CCB<sup>R</sup> benefits.



WHEN YOU CONSIDER A LONG-TERM CARE FUNDING SOLUTION, MAKE SURE IT HAS THE FEATURES YOU NEED.

# Lincoln MoneyGuard® Reserve Plus in action

Lincoln MoneyGuard Reserve Plus can reimburse you for qualified long-term care expenses while helping to protect your assets.

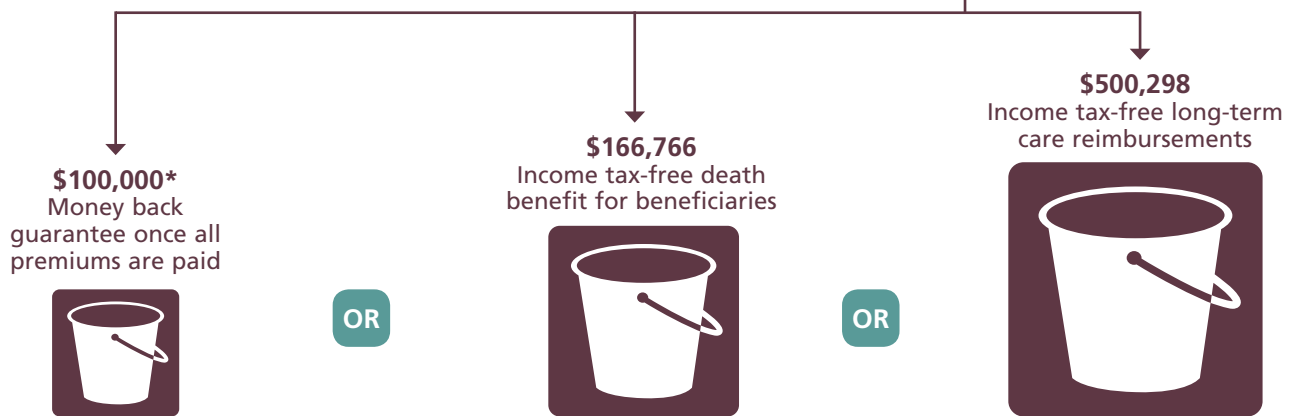
The following are hypothetical examples. Benefit amounts vary by health status, age and gender (except in Montana, where gender does not affect rates or benefits). Product features, including rates, benefits, exclusions, limitations, terms and definitions, may vary by state.

## EXAMPLE 1: LONG-TERM CARE NOW

Nancy, age 60, is a nonsmoker in good health. She is retired and concerned that she may need long-term care within the next few years. Nancy has money in her portfolio set aside to cover any long-term care expenses. A licensed insurance agent/representative recommended that she purchase a \$100,000 single premium Lincoln MoneyGuard Reserve Plus policy with a two-year Convalescent Care Benefits Rider (CCBR) and a four-year Extension of Benefits Rider (EOBR), which will provide up to six years of long-term care benefits.



**\$100,000  
Premium**



## Three possibilities with Lincoln MoneyGuard Reserve Plus

### If Nancy changes her mind

- She can request a return of her \$100,000 premium.† The money returned will be adjusted for any loans, cash withdrawals or benefits paid, and may have tax implications.

**OR**

### If Nancy never needs long-term care

- Her policy provides a \$166,766 income tax-free death benefit.
- If she uses a portion of the death benefit for long-term care expense reimbursements, the remaining portion will pass to her beneficiaries, income tax-free, minus any loans or cash withdrawals.

**OR**

### If Nancy needs long-term care

- She can receive up to \$500,298 of income tax-free reimbursements for qualified long-term care expenses.
- Her maximum available benefit is \$83,383 per year for six years (\$6,949 per month).

\*Minus any benefits paid, loans, and cash withdrawals.

† Through the Enhanced Surrender Value Endorsement, available at issue on all single premium policies and flexible premium policies for ages 35–65. See Endorsement for complete terms and conditions.

## EXAMPLE 2: LONG-TERM CARE LATER

Dan is 50. He's in good health, doesn't smoke, and does not expect to need long-term care for some time. Because his father needed long-term care, he knows how expensive and stressful it can be for a family. Dan wants it to be easier for his children. A licensed insurance agent/representative recommended that he purchase a \$100,000 single premium Lincoln *MoneyGuard*® Reserve Plus policy with a two-year CCBR and a four-year EOBR. To keep pace with tomorrow's rising costs, he's adding a 3% simple inflation option.



**\$100,000  
Premium**



**\$790,058**  
Income tax-free long-term  
care reimbursements



At age 75, his total long-term care benefit will be \$790,058, which is a maximum monthly benefit of \$10,973 available for six years. His benefits will continue to grow each policy anniversary.



### Three possibilities with Lincoln *MoneyGuard* Reserve Plus

#### If Dan changes his mind

- He can request a return of his \$100,000 premium because his policy has a money back guarantee.<sup>†</sup> The amount returned will be adjusted for any benefits paid and any loans and cash withdrawals, and may have tax implications.

**OR**

#### If Dan never needs long-term care

- His beneficiaries receive an income tax-free death benefit of \$153,112 if Dan never needs long-term care.

**OR**

#### If Dan needs long-term care

- At age 75, he can receive up to \$790,058 of income tax-free reimbursements for qualified long-term care expenses. This is almost eight times his initial premium and can help him keep pace with inflation.
- Long-term care benefit amounts will be lower if any benefits are paid before age 75.

The values of benefits shown in these hypothetical examples may vary. Please request a personalized projection of values from your licensed insurance agent/representative.



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## HELPING PEOPLE FACE THE FUTURE WITH CONFIDENCE

At Lincoln Financial Group, we've spent more than 100 years living up to the character of our namesake: integrity, honesty, and the belief in a better tomorrow. We provide advice and solutions to help people save for tomorrow, secure and maximize their income, protect themselves and their loved ones, and prepare for the unexpected.

Hello future.<sup>®</sup>

INCOME  
LIFE  
RETIREMENT  
GROUP BENEFITS

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Lincoln *MoneyGuard*<sup>®</sup> Reserve Plus is a universal life insurance policy with a Convalescent Care Benefits Rider (CCBR) 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 Enhanced Surrender Value Endorsement (ESVE) is included in the policy cost for all single premium policies and for flexible premium policies for issue ages 35–65. The additional surrender benefit provided will be adjusted by any loans/loan interest/loan repayments, withdrawals taken, or claim payments made. The cost of riders will be deducted monthly from the policy cash value. The insurance policy and riders have limitations, exclusions, and/or reductions.

Lincoln *MoneyGuard*<sup>®</sup> Reserve Plus is issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, on Policy Form LN870 with the Convalescent Care Benefits Rider (CCBR) on Rider Form LR870, an optional Enhanced Surrender Value Endorsement (ESVE) on Endorsement Form B10465F, an optional Extension of Benefits Rider (EOBR) on Rider Form LR871, and an optional Nonforfeiture Benefit Rider (NFO) on Rider Form LR872.

### 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 makes any representations or guarantees regarding the claims-paying ability of the issuing insurance company.

Products and features, including benefits, exclusions, limitations, terms, and definitions, may vary by state.

Not approved for use in New York. Check state availability.

### General exclusions and limitations

The LTC riders will not provide benefits for: care provided in facilities operated primarily for the treatment of Mental or Nervous Disorders (this exclusion does not apply to qualifying stays or care resulting from a clinical diagnosis of Alzheimer's Disease or similar forms of dementia); treatment for alcoholism or drug addiction (unless the drug addiction is a result of medication taken in doses as prescribed by a physician); treatment arising out of an attempt (while sane or insane) at suicide or an intentionally self-inflicted injury; treatment provided in a Veteran's Administration or government facility, unless the Insured or the Insured's estate is charged for the confinement or services or unless otherwise required by law; loss to the extent that benefits are payable under any of the following: Medicare (including that which would have been payable but for the application of a deductible or a coinsurance amount), other governmental programs (except Medicaid), workers compensation laws, employer's liability laws, occupational disease laws, and motor vehicle no-fault laws; confinement or care received outside the United States, other than benefits for Nursing Home Care Services and Assisted Living Facility Services as described in the International Benefits provision; services provided by a facility or an agency that does not meet this rider definition for such facility or agency, except as provided in the Alternative Care Services provision; and services provided by a member of the Insured's Immediate Family or for which no charge is normally made in the absence of insurance.

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