



You're In Charge®

Lincoln LifeReserve® Indexed
Universal Life Accumulator (2014)

PREDICTABILITY *and* TAX-EFFICIENCY

Keep your future in focus
for the road ahead

The Lincoln National Life 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		

Client Guide

LIFE SOLUTIONS

The road to tax-efficient income

You've worked hard to get to where you are today. Now you're ready to map out your future with a tax-efficient income strategy that goes beyond savings. You need predictability to help you protect against losses and to provide the potential for future income that can help you achieve what's important down the road.



Supplemental retirement income



College tuition



Vacations



A second home



Whatever's important to you

It's time to consider the advantages of *Lincoln LifeReserve*[®] Indexed UL Accumulator.

Lincoln LifeReserve Indexed UL Accumulator is a universal life insurance policy that gives you:

- Predictability and reduced volatility on your policy assets
- Tax-advantaged growth potential
- Opportunities for tax-efficient income for your future¹
- An income tax-free death benefit to help you protect your family now and later



Your guardrail for the road ahead

With *Lincoln LifeReserve* Indexed UL Accumulator, you'll never earn less than 1%, even in a market downturn.² Plus, you'll have the potential for upside cash value growth based on the performance of the account options you choose.

¹ Cash distributions are taken through loans and withdrawals, which will reduce the policy's cash value and death benefit and may have tax implications and cause the policy to lapse.

² Guarantees are subject to the claims-paying ability of the issuing company. Policy charges remain in effect and could reduce your policy value.

Tax-advantaged growth potential

How does my money grow?

You'll have account options for growth opportunities—each with a 1% guaranteed minimum interest rate. Since your policy values are not invested directly in the market, you're protected from negative returns caused by market downturns. Choose from:

- Three 1-year point-to-point indexed accounts tied to S&P 500 Index performance³
- A Fixed Account that offers predictable growth
- A Dollar Cost Averaging Account that automatically allocates premiums over time and helps reduce volatility⁴

You can select one account or diversify with a blend of accounts to help meet your objectives. Your advisor can help you choose the options that may work best for you.

The power of “one”

See what the power of one can do for you.

Your indexed account options give you:



Guaranteed minimum 1% return

When the index percentage change is less than 1%, your account is still credited 1%.



Growth potential

When the index percentage change is positive for the 1-year indexed term, your account is credited a positive rate.



Gains locked in

Since the indexed accounts never earn a negative interest rate, you never have to recover from S&P 500 Index losses before seeing positive interest credited.

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The only certainty in life is that you can plan for it.
Lincoln LifeReserve® Indexed UL Accumulator can help.

³Excluding dividends.

⁴Dollar cost averaging cannot guarantee a profit or prevent losses in declining and volatile markets.

Your account options snapshot

Whichever account option you choose, you'll enjoy growth potential and predictability with the assurance that your account will never be credited less than 1%, regardless of how the market fluctuates.

Indexed accounts are eligible for interest linked to the percentage change in the S&P 500 for the segment year, also known as the 1-Year Point-to-Point. Your credited interest is locked in at the end of each 1-year segment period, so gains are never lost due to poor market performance.

HIGH PARTICIPATION

1-Year Point-to-Point Indexed Account

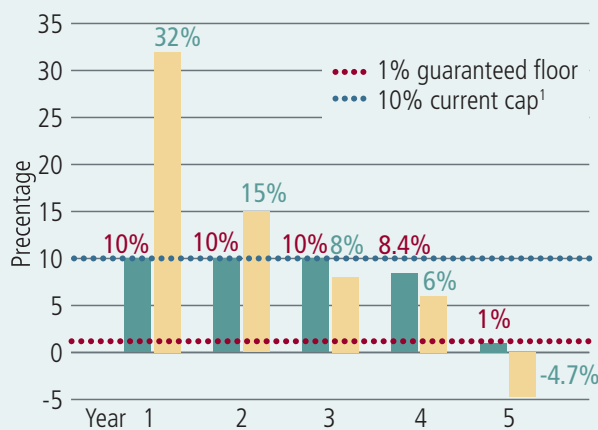
- 10% current cap¹
- 140% current participation rate¹
- Earns the percentage change increased by a participation rate up to a cap.

Most conservative option

Provides clients with an optimal return through higher participation in the S&P 500 when returns are under 10%.

Hypothetical performance²

These hypothetical graphs are for illustrative purposes only.



Hypothetical S&P 500 return

Indexed account return (140% participation, capped at 10%)

CAPPED

1-Year Point-to-Point Indexed Account

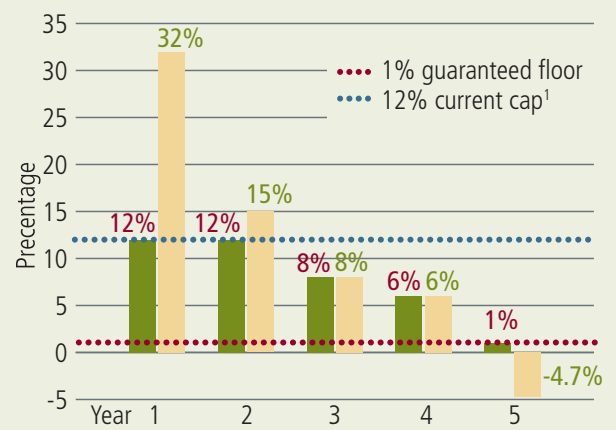
- 12% current cap¹
- 100% guaranteed participation rate
- Earns the full percentage change up to a cap.

Moderate option

Provides client with an optimal return when S&P 500 returns are from 10% to 19%.

Hypothetical performance²

These hypothetical graphs are for illustrative purposes only.



Hypothetical S&P 500 return

Indexed account return (100% participation, capped at 12%)

Why the S&P 500 Index?



It includes top 500 companies in leading industries of the U.S. economy.



The S&P 500 Index is regarded as the best single gauge of large-cap U.S. equities.



The S&P 500 Index is considered an ideal proxy for the total U.S. market.

UNCAPPED

1-Year Point-to-Point Indexed Account

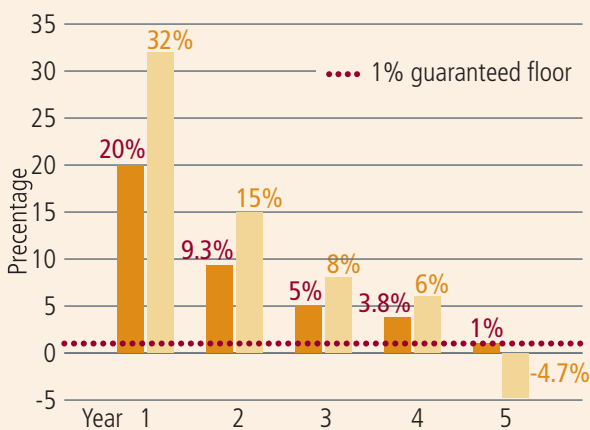
- Uncapped earnings potential
- 62.5% current participation rate¹
- Earns a portion of the percentage change based on a participation rate.

Most aggressive option

Provides clients with an optimal return potential when S&P 500 returns are above 19%.

Hypothetical performance²

These hypothetical graphs are for illustrative purposes only.



Hypothetical S&P 500 return

Indexed account return (based on 62.5% participation)

TWO MORE OPTIONS FOR TAX-EFFICIENT GROWTH

Your Dollar Cost Averaging (DCA) Account option

To help smooth out the impact of market fluctuations, you may want to consider the DCA Account. Subject to program requirements, you can direct your premiums to the optional DCA account, which offers:

- Reduced volatility by automatically moving a portion of your premiums into indexed accounts each month
- A current **4%** enhanced fixed-rate on premiums that remain in the DCA account¹

Your Fixed Account option

Choose the Fixed Account option if you want a competitive fixed interest rate. This account gives you:

- Predictable growth
- A current rate of **3%** that's unaffected by S&P 500 Index performance¹

¹ Caps and participation rates are declared for each indexed account segment at the beginning of the segment year. Subsequent rates may differ but will never be less than the guaranteed minimum.

² These illustrative examples do not represent actual index account performance or guarantee future results. If caps and participation rates change, the rate credited to your account may change.

Taking tax-efficient income

Fast forward to the future, when you need to take tax-efficient income to supplement retirement, to fund college tuition or whatever's important in your life. You can take money out of your policy through loans and withdrawals, but funds withdrawn from the indexed accounts will not receive interest crediting.¹ You can borrow up to 100% of the cash value of your policy at any time during the life of your policy.

And no matter when you retire, you can take income through policy loans and withdrawals without affecting your:

Income tax bracket

Capital gains

Social Security benefits

Medicare premiums

Modified adjusted gross income

Strengthen your policy with overloan protection

You'll value *Lincoln LifeReserve*® Indexed UL Accumulator for its predictability and tax-advantaged income potential. Ask your advisor about the Overloan Protection Rider.² If eligible, it can guarantee that your heavily funded and heavily loaned policy will not lapse or incur adverse tax consequences in the event of a market downturn.

With *Lincoln LifeReserve* Indexed UL Accumulator, you'll always experience positive returns.

¹ Loans and withdrawals will reduce the policy's cash value and death benefit, may cause the policy to lapse, and may have tax implications. If amounts are withdrawn from the indexed accounts prior to the end of the term, any interest earned for that term will be forfeited.

² The Overloan Protection Endorsement is automatically included with your policy and can be activated subject to the conditions of the Endorsement. There is a charge once the Endorsement is exercised. Only available on policies with a death benefit qualification test = GPT (Guideline Premium Test).

Two ways to borrow

Both options give you a guaranteed charge rate for greater income stream predictability.

PARTICIPATING LOAN

Enjoy greater tax-efficient income potential

With a participating loan, all of the money you borrow from your policy's indexed account(s) value continues to work for you. That means all of your policy value—borrowed and unborrowed—continues to have indexed growth potential, as if it were never taken out.

Guaranteed annual interest rate charged:

6% for policy years 1–10

5% for policy year 11 through age 100, and

3% thereafter

Your earned interest crediting rate may offset or exceed the annual interest rate charged, but the crediting rate is not guaranteed.

FIXED LOAN

For more predictable tax-efficient income

If you prefer the predictability of knowing exactly where you stand, consider the fixed loan. The amount you borrow is transferred to a collateral account and has a guaranteed charged and credited rate.

Guaranteed interest charged:

Locked in at 3% through policy year 10, and 2% thereafter

Guaranteed interest credited:

Locked in at 2% in all years, creating a zero net cost in years 11+

Not all loans are created equal

Some insurance carriers offer variable rate loans that fluctuate and may not have a maximum charge rate. That means less predictability down the road when it comes to your income stream. Count on Lincoln for more predictability with loan rate guarantees.

You can switch between loan options once per year if your goals change.



Optional enhanced protection when life takes a detour

You may face bumps down the road. That's why you need a life insurance policy that gives you flexibility. Adding the *Lincoln LifeEnhance*® Accelerated Benefits Rider (ABR) to your policy can help.

The *Lincoln LifeEnhance* ABR can turn your policy death benefit into a source of supplemental tax-advantaged funds to use for anything you choose if you develop a permanent chronic or terminal illness.¹ It's available at policy issue for an additional cost.²

Advantages you can feel good about

- Funds for anything you choose
- Benefits start at day one—no waiting period³
- No receipts required
- Choice of a monthly or lump-sum benefit
- Policy is protected from lapsing without additional premiums once your death benefit is accelerated



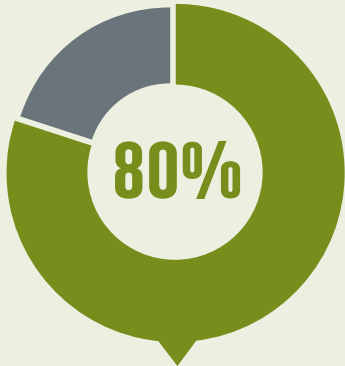
¹ Subject to certain requirements.

² The *Lincoln LifeEnhance* ABR is available for an additional cost at policy issue for ages 20–80, if you qualify. Accelerated death benefits may be taxable and may affect public assistance eligibility. Other account values are reduced proportionately with each acceleration payment.

³ Once all eligibility conditions are met.

⁴ Long-Term Care Commission, "A Comprehensive Approach to Long-Term Services and Supports," <http://mspp.georgetown.edu/document/1242802199302/LTCC+Alternative+Report+09.23.13.pdf>, September 23, 2013.

Do you know the stages of care?



of those who need long-term care services

More than 80% of those who need long-term care receive services at home.⁴

You can use the *Lincoln LifeEnhance* ABR Rider to help fund what traditional long-term care and Medicare plans don't cover—home care, home remodeling, and transportation needs.

You can even help relieve the physical, emotional and financial burdens of family members who may provide care. Or use the funds to help cover professional nonfamily care services in your home.

Stage	Care provider
1	Spouse or partner
2	Children
3	In-home care
4	Assisted living
5	Nursing facility

Did you know?

Traditional long-term care plans do not reimburse for care provided by family members.

With *Lincoln LifeEnhance ABR*, you can use your funds to pay for anything — including family-given care.

Not all indexed universal life policies are alike

Important questions to consider:

1

What happens if the Index has a negative year?

No one can predict the future. That's why a guaranteed minimum return is so powerful. But not all indexed UL carriers offer a guaranteed minimum crediting rate greater than 0%. *Lincoln LifeReserve*[®] Indexed UL Accumulator gives you a 1% guaranteed minimum crediting rate, even if the S&P 500 Index has a negative year.

2

What types of policy loans are available?

Carriers tend to offer one or more loan types that may go by several different names.* Here are descriptions of the most common:

- **Participating loan**—allows borrowed funds to continue to participate in index performance so all of your policy value continues to have growth potential. Participating loans may either have a guaranteed or variable loan charge rate. Variable loan charge rates can fluctuate and may not have a maximum rate. *Lincoln LifeReserve* Indexed UL Accumulator participating loans offer a guaranteed loan charge rate, so you'll have greater predictability.
- **Fixed loan**—has a guaranteed loan charge and crediting rate for greater certainty, but doesn't provide the same policy value growth potential as a participating loan. If you prefer knowing exactly how borrowed funds will be charged and credited interest, the fixed loan is an option with *Lincoln LifeReserve* Indexed UL Accumulator.
- **Variable Loan**—has a nonguaranteed loan charge and crediting rate. Loan rates can fluctuate and may not have a maximum charge or minimum crediting rate. To ensure you have more predictability, *Lincoln LifeReserve* Indexed UL Accumulator does not offer variable loans.

3

If my loan doesn't have a guaranteed loan charge rate, how is my future rate determined? Will my rate ever fluctuate?

Many insurance carriers offer just a variable loan charge rate, which fluctuates. That means you may only know the rate they're offering today, not 10, 15 or 20 years down the road. *Lincoln LifeReserve* Indexed UL Accumulator offers participating loans with a 5% guaranteed loan charge rate after the 10th policy year, which eliminates surprises when you begin to take income from your policy.

4

What happens if I have a loan and the index has a negative year?

You should consider the potential net cost. This can be hard to predict for carriers that offer variable loan charge rates or do not offer a guaranteed minimum 1% crediting rate. *Lincoln LifeReserve* Indexed UL Accumulator gives you a guaranteed minimum 1% crediting rate and a 5% guaranteed loan rate after the 10th policy year, so there is a guaranteed maximum net cost of 4% after policy year 10 (guaranteed net cost is 5% for policy years 1–10).

*Loans and withdrawals will reduce the policy's cash value and death benefit, may cause the policy to lapse, and may have tax implications.

¹Diversification does not assure a profit or protect against loss.

Turn to *Lincoln LifeReserve*[®] Indexed UL Accumulator

Predictability and reduced volatility through

- A guaranteed minimum 1% interest rate on all accounts, regardless of market performance
- A guaranteed loan charge rate when taking income*
- A Dollar Cost Averaging Account that helps you reduce volatility
- Death benefit protection for your family

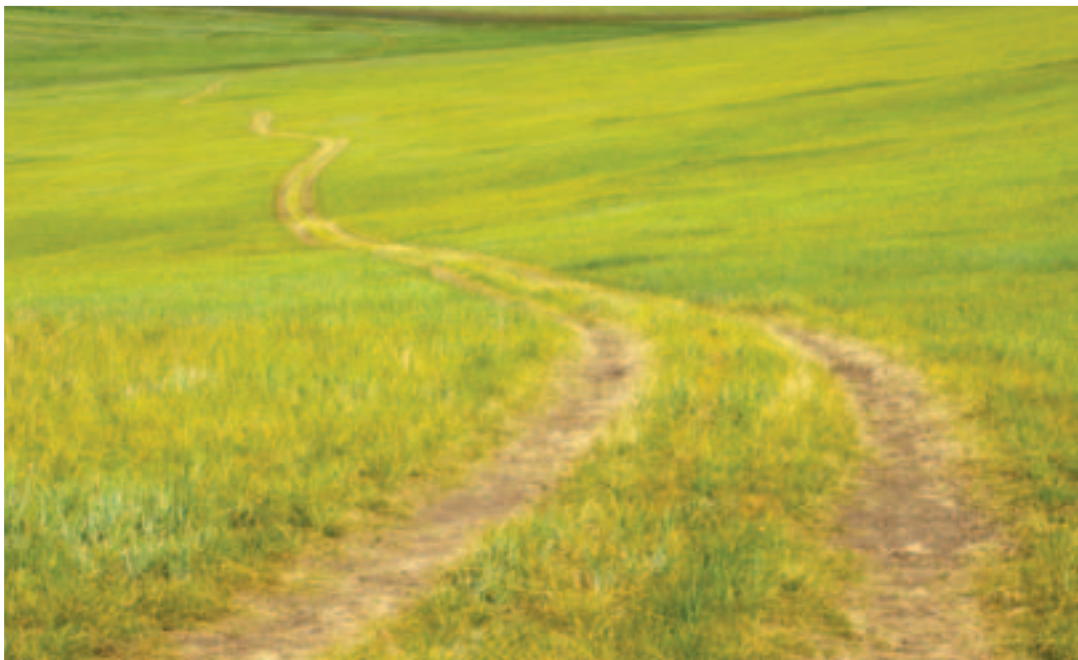
Tax-efficient growth potential through

- Three indexed account options for greater asset diversification and accumulation potential
- Opportunities to grow your policy's cash value through the diversification strategy that's right for you—conservative, moderate, aggressive¹
- Opportunities to switch between accounts as your goals change

Tax-efficient income potential through

- Participating loans with a guaranteed loan charge rate and maximum cash flow potential
- Fixed loan option for more predictable cash flow potential if your goals change
- The optional *Lincoln LifeEnhance*[®] ABR for a source of supplemental tax-advantaged funds in the event of a permanent chronic or terminal illness

**Ask your advisor what *Lincoln LifeReserve*
Indexed UL Accumulator can do for you.**



Financial strength

Focus on your future with the assurance of financial protection from Lincoln — one of the nation's leading providers of indexed universal life insurance.

Important disclosures:

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.

Withdrawals and surrenders are tax-free up to your cost basis, provided your policy is not a modified endowment contract (MEC). A MEC policy is one in which the life insurance limits exceed certain high levels of premium, or your cumulative premium payments exceed certain amounts specified under the Internal Revenue Code. For policies that are MECs, distributions during the life of the insured, including loans, are first treated as taxable to the extent of income in the contract; and an additional 10% federal income tax may apply for withdrawals made prior to age 59½.

The *Lincoln LifeEnhance*® Accelerated Benefits 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.

Tax qualification

The benefits paid under this rider are intended to be treated as accelerated death benefits under section 101(g)(1) of the Internal Revenue Code of 1986, as amended (the "Code"). The Company considers the benefits paid under this rider that do not exceed the maximum Per Diem Limit as prescribed by law to be eligible for exclusion from income under section 101(a) of the Code to the extent that all applicable qualification requirements under the code are met. If benefits are paid in excess of the applicable Per Diem Limit, or if benefits are paid and all applicable qualification requirements are not met, the benefits

may constitute taxable income to the recipient. This rider is not intended to be a qualified long-term care insurance contract under section 7702(b) of the Code. The tax treatment of the accelerated death benefits may change, and you should always consult and rely on the advice of a qualified tax advisor.

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