

Lincoln *MoneyGuard*® II

Product Updates

Lincoln Financial Group has a long-standing commitment to helping you protect client wealth from long-term care expenses with innovative solutions appropriately priced for market conditions.

Upholding this commitment means creating new opportunities for our partners to grow their business and reach new customers. It also requires us to proactively manage our business in today's persistently low interest rate environment. To achieve this balance, Lincoln makes fair and responsible adjustments when appropriate to provide value to our policyowners, partners and shareholders, and operate responsibly for the long term.

What we are doing

Following a thorough and in-depth analysis of all factors influencing pricing, including those related to the persistently low interest rates, we are implementing the following changes for new sales of Lincoln *MoneyGuard*® II on April 17, 2017, pending state approval. Due to customer demand, we are expanding our payment options to provide more financial flexibility to clients. We will also make the first pricing change since the product was introduced in early 2014 leading to a cost increase or decrease, depending on each client's specific situation—increasing an average of 10% for single pay and an average of 14% for flex pay.

- In our core markets, single pay premium rates will increase by 2% to 11% and flexible premium rates will increase by 8% to 18%.
- At certain ages, this pricing adjustment may alter the benefit level or rider combinations available for sale. For situations where rider/inflation combinations are no longer available, there are alternative options. Contact your Lincoln wholesaler to learn more.
- Existing policyowners are not affected, because one of the product's unique benefits is that all rates and charges are fully guaranteed, assuming all premiums are paid as scheduled and no loans or withdrawals are taken for the life of the policy.

Our new expanded payment options will give clients greater flexibility to purchase a policy at an earlier age and spread their payments over a longer period of time.

- Clients ages 40 to 54 will now have the option to fund up to age 65, potentially for as long as 25 years.
- Clients between the ages of 55 and 72 will continue to have a choice of payment options up to 10 years.
- Clients between the ages of 73 and 79 will have a new schedule of payment options. Starting at age 73, clients can choose options up to 9 years, grading down by one year at each subsequent age, to 3 years of payments at age 79.
- Single premium payment options are still available.

Why we are doing it

- Market conditions have been challenging. Lincoln Financial Group has a long-standing commitment to helping you protect client wealth from long-term care expenses with innovative solutions appropriately priced for market conditions. Upholding that commitment requires us to proactively manage the current environment, including the challenges presented by today's persistently low interest rates.
- Lincoln *MoneyGuard* continues to be the competitively priced life/long-term care hybrid solution that provides clients benefits even if they never need long-term care.

How it may impact your business

- For applications to qualify for the current *MoneyGuard*® II (2015) pricing, the completed ticket and one other required point-of-sale form for *MoneyGuard*® II (2015) must be signed, dated, and received in good order by Lincoln's home office by April 13, 2017, by 6:00 pm EST.
- For pending business, after April 13, 2017, Lincoln will accept a written request and a revised projection of values to change to *MoneyGuard*® II (2017).
- For issued or placed business, normal internal replacement guidelines apply. Rewrites will not be accepted.
- As of March 13, 2017, Lincoln DesignIt and WinFlex will be updated to reflect the new rates. During the transition period both current and new rates can be run; however, no tickets for *MoneyGuard*® II (2017) may be received prior to April 17, 2017.
- Ensure that you are appropriately credentialed. Clients of advisors who are not properly credentialed to solicit business when the paperwork is submitted will be subject to the premium rates in effect on the date when the advisor becomes properly credentialed and resubmits the paperwork.
- Remember that once a ticket is submitted, the Personal History Interview (PHI) must be completed within 60 days of submission. In addition, the case must be placed within 90 days of the PHI. If these conditions are not met, the case will be closed out. If a case is reopened, a new ticket must be submitted, and the case will be subject to the premium rates in effect at that time.

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

Contact your Lincoln *MoneyGuard*® representative for more information.

Issuer: The Lincoln National Life Insurance Company, Fort Wayne, IN

The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so.

All guarantees and benefits of the insurance policy are subject to 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 issuer.

Products, riders and features are subject to state availability. The insurance policy and riders have limitations, exclusions, and/or reductions. Check state availability. Long-term care benefit riders may not cover all costs associated with long-term care costs incurred by the insured during the coverage period. Accelerated death benefits may be taxable and may affect public assistance eligibility.

Distributor: Lincoln Financial Distributors, Inc., a broker-dealer

Policy: Lincoln *MoneyGuard*® II, universal life insurance policy form LN880/ICC13LN880 with the Value Protection Rider (VPR) on form LR880 and state variations/ICC15LR880 Rev, Long-Term Care Acceleration of Benefits Rider (LABR) on form LR881/ICC13LR881, and optional Long-Term Care Extension of Benefits Rider (LEBR) on form LR882/ICC13LR882. Not available in NY.

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