

# MoneyGuard® Reserve Plus



Presented by: Jack Lenenberg  
 LTC Partner  
 312 Maxwell Rd. Suite 400  
 Alpharetta, GA 30009  
 Phone: (800) 891-5824 Jack@LTCPartner.com

## Narrative Summary

For: Valued Client Specified Amount of Death Benefit: \$137,419  
 Age/Sex/State: 60, Male, IL  
 Risk Class: Non-Tobacco

### All Values and Benefits are Guaranteed<sup>1</sup>

<b>Premium Total First Year Premium</b>	\$100,000.00 <b>\$100,000.00</b>	Single premium assumed to be received on policy effective date.																
<b>Total Long-Term Care Benefit Limit</b>	<b>\$412,257</b>	The Total Long-Term Care Benefit Limit provides expense reimbursement for long-term care expenses including adult day care, home health care, personal care services, hospice services, nursing home care services, assisted living, and alternative care services. There is no deductible period and benefits are payable on the first day of care for eligible claims. 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 Benefits Rider Benefit Limit: \$137,419 Extension of Benefits Rider Benefit Limit: \$274,838																
<b>Maximum Monthly Long-Term Care Benefit Limit</b>	<b>\$5,726</b>	The Maximum Monthly Long-Term Care Benefit Limit is the initial amount available for reimbursement of covered services in any one month.																
<b>Minimum Long-Term Care Benefit Duration</b>	<b>6 Years</b>	Based on the rider(s) selected, the policy will provide reimbursement for long-term care expenses for a minimum of 6 years. Long-Term Care Benefit Duration is based on the Convalescent Care Benefits Rider (CCBR) duration of 2 years, followed by the Extension of Benefits Rider (EOBR) duration of 4 years selected at issue.																
<b>Specified Amount of Death Benefit</b>	<b>\$137,419</b>	The Specified Amount of Death Benefit is set at issue and is used to determine the amount of guaranteed Death Benefit. Long-Term Care reimbursement will reduce the Specified Amount of Death Benefit on a dollar-for-dollar basis.																
<b>Enhanced Surrender Value</b>	<b>\$100,000</b>	The Enhanced Surrender Value (ESV) ensures the amount payable upon surrender will not be less than the sum of premiums paid (once all premiums are paid) beginning in the 6th policy year. In years one through five, the surrender value is determined based on the ESV durational percentage as shown in the table below.  <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Duration Month</th> <th>ESV Percentage</th> </tr> </thead> <tbody> <tr><td>0-6</td><td>100%</td></tr> <tr><td>7-12</td><td>90%</td></tr> <tr><td>13-24</td><td>92%</td></tr> <tr><td>25-36</td><td>94%</td></tr> <tr><td>37-48</td><td>96%</td></tr> <tr><td>49-60</td><td>98%</td></tr> <tr><td>61+</td><td>100%</td></tr> </tbody> </table>	Duration Month	ESV Percentage	0-6	100%	7-12	90%	13-24	92%	25-36	94%	37-48	96%	49-60	98%	61+	100%
Duration Month	ESV Percentage																	
0-6	100%																	
7-12	90%																	
13-24	92%																	
25-36	94%																	
37-48	96%																	
49-60	98%																	
61+	100%																	

This is a Projection of Values for MoneyGuard® Reserve Plus which is a Flexible Premium Adjustable Life (Universal Life) Insurance policy issued by The Lincoln National Life Insurance Company on Policy Form ICC11LN870 with a Convalescent Care Benefits Rider (CCBR) and state variation thereto on Rider Form ICC11LR870, an Extension of Benefits Rider (EOBR) and state variation thereto on Rider Form ICC11LR871 and an Enhanced Surrender Value Endorsement and state variation thereto on Endorsement Form ICC12B10504F. Benefits and features may vary by state. Benefits provided are subject to medical underwriting. The policy contains exclusions and limitations, please contact The Lincoln National Life Insurance Company for costs and complete details.

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

<sup>1</sup> Benefits and values are guaranteed based on guaranteed interest of 4.00% and guaranteed cost of insurance charges, as long as no loans or withdrawals are taken.

**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.**

# MoneyGuard® Reserve Plus

Presented by: Jack Lenenberg  
LTC Partner



## Narrative Summary, Continued

For: Valued Client  
Age/Sex/State: 60 / Male / IL  
Risk Class: Non-Tobacco

Specified Amount of Death Benefit: \$137,419

### All Values and Benefits are Guaranteed<sup>1</sup>

<b>Residual Death Benefit</b>	<b>\$13,741</b>	Regardless of how much of your Specified Amount you use to pay for long-term care expenses, your beneficiary will receive an amount no less than the Residual Death Benefit. At issue, this benefit is equal to 10% of your initial Specified Amount of Death Benefit. After issue, this benefit will be reduced for loans, loan interest, or withdrawals, and increased for loan or loan interest repayments.
<b>Optional Inflation Protection</b>	Not Elected	
<b>Nonforfeiture Benefit Rider</b>	Not Elected	
<b>Long-Term Care Rider Charges</b>	The monthly deduction for the CCBP is \$21.16. The monthly deduction for the EOBR is \$71.60. We cannot increase these charges.	
<b>Surrender Charges</b>	The initial surrender charge decreases, eventually reaching zero at the end of year 10. Surrender charges are only assessed if the cash surrender value is greater than the Enhanced Surrender Value (ESV). The Surrender Value for each year of the policy is shown in the Surrender Value column of the Guaranteed Values page.	

THIS IS A LIFE INSURANCE POLICY PROJECTION OF VALUES AND NOT A CONTRACT. ACTUAL RESULTS MAY VARY FROM THE VALUES SHOWN IN THIS PROJECTION OF VALUES. POLICY LIMITATIONS AND EXCLUSIONS ARE DESCRIBED IN THE OUTLINE OF COVERAGE THAT ACCOMPANIES THIS PROJECTION OF VALUES. GUARANTEES ARE SUBJECT TO THE FINANCIAL STRENGTH OF THE LINCOLN NATIONAL LIFE INSURANCE COMPANY.

<sup>1</sup> Benefits and values are guaranteed based on guaranteed interest of 4.00% and guaranteed cost of insurance charges, as long as no loans or withdrawals are taken.

# MoneyGuard® Reserve Plus

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## Disclosures

For: Valued Client  
Age/Sex/State: 60 / Male / IL  
Risk Class: Non-Tobacco

Specified Amount of Death Benefit: \$137,419

### Tax Status

The MoneyGuard® Reserve Plus 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 projected policy is a Modified Endowment Contract (MEC) as defined in section 7702A of the Internal Revenue Code. Distributions from a MEC may be subject to income tax, and an additional 10% federal income tax penalty applies to taxable distributions received before the policy owner reaches age 59 1/2.

The Pension Protection Act of 2006 (PPA) has changed the tax treatment of your MoneyGuard policy effective January 1, 2010. Based on our understanding and analysis of the PPA:

- Qualified Long-Term Care Rider charges will continue to be treated as distributions from your policy, but Lincoln will not report the distributions as taxable (even if your policy is a MEC).
- Qualified Long-Term Care 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 for Qualified Long-Term Care Rider charges will come from any gain in the contract (but will still not be reported as taxable distributions). You will receive a 1099R form for the charges, but the charges are not reported as taxable.

Please note that the state income tax laws in certain states do not conform to the federal income tax treatment of the Qualified Long-Term Care Rider charges described above. In such states, the charges may be treated as taxable distributions from the policy for state income tax purposes. However, the federal income tax treatment described above will continue to apply to such charges.

**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 Enhanced Surrender Value Endorsement, the cost basis is used in determining if that transaction creates a taxable event. As previously noted, the cost basis is 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.**

### Enhanced Surrender Value Disclosure

The Enhanced Surrender Value is subject to a durational percentage that is applied to the sum of planned premiums in years one through five. The Enhanced Surrender Value Percentage is 100% for the first six months of the policy and in years six and beyond. The Enhanced Surrender Value does not apply until all planned premiums have been paid. In policy years 1-5, the grading percentage is reflected in the Surrender Value Column of the Guaranteed Ledger.

# MoneyGuard® Reserve Plus

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## Understanding Your Projection of Values

For: Valued Client  
Age/Sex/State: 60 / Male / IL  
Risk Class: Non-Tobacco

Specified Amount of Death Benefit: \$137,419

### 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.

### Enhanced Surrender Value (ESV)

The ESV is equal to the sum of the Premium Outlay shown as part of the Projection of Values multiplied by the ESV Durational Percentage.

### Cash Value

The Cash Value is displayed 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

The Surrender Value is displayed at policy year-end and is the greater of Enhanced Surrender Value or 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

The Death Benefit is the greater of the initial Specified Amount of Death Benefit on the date of death decreased by any indebtedness and withdrawals or the Minimum Required Death Benefit decreased by any indebtedness and Long-Term Care benefits paid. Under the IRC, the Minimum Required Death Benefit for a life insurance policy must be equal to or exceed a percentage of the greater of Gross Cash Value or the amount which would be received upon policy surrender. This percentage varies by age.

### Total Long-Term Care Benefit Limit

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

**This Projection of Values 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 Projection of Values, 2) I have received the Modified Endowment Contract disclosure statement and understand that the proposed plan of insurance would be a Modified Endowment Contract subject to special tax treatment, 3) I have been advised to consult with my own tax advisor regarding the tax effects of the projected policy, its valuation, as well as the potential tax impact on surrender under the Enhanced Surrender Value Endorsement, 4) I have received a copy of an Outline of Coverage and (5) I understand that the benefits provided are subject to medical underwriting.

**Applicant:** \_\_\_\_\_

**Date:** \_\_\_\_\_

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

**Licensed Agent/Representative:** \_\_\_\_\_

**Date:** \_\_\_\_\_

*This Projection of Values is not complete without all pages.*  
ICC12LCN 201104-2053805

The Lincoln National Life Insurance Company  
Ft. Wayne, IN

# MoneyGuard® Reserve Plus

Presented by: Jack Lenenberg  
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## Guaranteed Values

For: Valued Client  
Age/Sex/State: 60 / Male / IL  
Risk Class: Non-Tobacco

Specified Amount of Death Benefit: \$137,419

### ALL VALUES SHOWN ARE GUARANTEED <sup>(1)</sup>

Year	Age	Premium Outlay	Surrender Value(2)	Death Benefit(3)	Cash Value	Total LTC Benefit(4)	Maximum Monthly Benefit(5)
1	61	100,000	93,231	232,955	98,522	412,257	5,726
2	62	0	94,195	227,031	99,485	412,257	5,726
3	63	0	95,584	221,290	100,376	412,257	5,726
4	64	0	96,912	215,722	101,188	412,257	5,726
5	65	0	98,174	210,310	101,913	412,257	5,726
6	66	0	100,000	205,802	102,924	412,257	5,726
7	67	0	101,265	201,442	103,869	412,257	5,726
8	68	0	102,769	197,239	104,769	412,257	5,726
9	69	0	104,273	193,179	105,641	412,257	5,726
10	70	0	105,700	189,082	106,402	412,257	5,726
11	71	0	107,429	185,737	107,429	412,257	5,726
12	72	0	108,308	182,433	108,308	412,257	5,726
13	73	0	109,025	179,182	109,025	412,257	5,726
14	74	0	109,604	176,030	109,604	412,257	5,726
15	75	0	110,085	173,005	110,085	412,257	5,726
16	76	0	110,736	170,445	110,736	412,257	5,726
17	77	0	111,371	167,920	111,371	412,257	5,726
18	78	0	111,981	165,423	111,981	412,257	5,726
19	79	0	112,538	162,927	112,538	412,257	5,726
20	80	0	113,015	160,430	113,015	412,257	5,726
21	81	0	113,791	158,495	113,791	412,257	5,726
22	82	0	114,501	156,583	114,501	412,257	5,726
23	83	0	115,152	154,698	115,152	412,257	5,726
24	84	0	115,742	152,832	115,742	412,257	5,726
25	85	0	116,289	151,008	116,289	412,257	5,726
26	86	0	116,819	149,230	116,819	412,257	5,726
27	87	0	117,418	147,575	117,418	412,257	5,726
28	88	0	118,124	145,968	118,124	412,257	5,726
29	89	0	118,979	144,412	118,979	412,257	5,726
30	90	0	120,036	142,911	120,036	412,257	5,726

- (1) Benefits and values are guaranteed based on guaranteed interest of 4.00% and guaranteed cost of insurance charges, as long as no loans or withdrawals are taken.
- (2) Surrender Value is the greater of the Surrender Value as defined on the Understanding Your Projection of Values page or the Enhanced Surrender Value, if available.
- (3) Under the Internal Revenue Code, the minimum Death Benefit for a life insurance policy must be equal to or exceed a percentage of the greater of Gross Cash Value or the amount which would be received upon policy surrender. 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 projected Death Benefit is greater than the initial Specified Amount of Death Benefit, it means we have applied these factors.
- (4) The values shown in the Total LTC Benefit column assumes the monthly maximum is used for the entire duration selected and the long-term care value will continue to increase on each policy anniversary as a result of the inflation option selected.
- (5) The monthly benefit noted in each year is the amount available for the first 12 months of care. The monthly maximum available for subsequent years will increase on each policy anniversary as a result of the inflation option selected and is reflected in the Total LTC Benefit column.

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ICC12LCN 201104-2053805

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Ft. Wayne, IN

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## Guaranteed Values

For: Valued Client  
Age/Sex/State 60 / Male / IL  
Risk Class: Non-Tobacco

Specified Amount of Death Benefit: \$137,419

**ALL VALUES SHOWN ARE GUARANTEED <sup>(1)</sup>**

Year	Age	Premium Outlay	Surrender Value(2)	Death Benefit(3)	Cash Value	Total LTC Benefit(4)	Maximum Monthly Benefit(5)
31	91	0	121,363	141,472	121,363	412,257	5,726
32	92	0	123,035	140,094	123,035	412,257	5,726
33	93	0	125,106	138,737	125,106	412,257	5,726
34	94	0	127,534	137,419	127,534	412,257	5,726
35	95	0	130,364	137,419	130,364	412,257	5,726
40	100	0	158,608	158,608	158,608	412,257	5,726
45	105	0	192,971	192,971	192,971	412,257	5,726
50	110	0	234,779	234,779	234,779	412,257	5,726
55	115	0	285,644	285,644	285,644	412,257	5,726
60	120	0	347,530	347,530	347,530	412,257	5,726

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**The Lincoln National Life Insurance Company**  
Ft. Wayne, IN

# MoneyGuard® Reserve Plus

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## Important Information

For: Valued Client  
Age/Sex/State: 60 / Male / IL  
Risk Class: Non-Tobacco

Specified Amount of Death Benefit: \$137,419

### 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	20.49	22.28
Net Payment	58.35	38.80

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.

# New Business Data Sheet

You must include the New Business Data Sheet when submitting the Projection of Values to the Home Office

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

Product Name	MoneyGuard® Reserve Plus
State	Valued Client
Gender	IL
Age	Male
Class	60
	Non-Tobacco
Death Benefit Option	Level
MEC	Yes
Face Amount	\$137,419
Planned Premium	\$100,000.00
Payment Mode	Annual
Lump Sum Deposit	\$0
Age 95 Solve Percent	0.94866
Solve Details	Face Solve

## Riders

CCBR: **2 Years**  
 Inflation Protection: **None**  
 EOBR: **4 Years**  
 Inflation Protection: **None**  
 Enhanced Surrender Value Endorsement: G  
 Enhanced Surrender Value Threshold: **\$100,000.00**  
 NFO Rider: **No**

	Total
Year	Premiums

1	100,000.00
2	0

Software version:  
 LFD-D v23.0 C  
 12/18/2013 3:04 PM  
 TP: 10,008.23  
 7P: 9,564.41



**OUTLINE OF COVERAGE  
TABLE**

**Convalescent Care Benefits Rider ("CCBR")**

CCBR Benefit Limit: \$137,419  
CCBR Duration: 2 Years  
Maximum Monthly CCBR Benefit: \$5,726

Monthly Rider Charge: \$21.16

**Extension of Benefits Rider ("EOBR")**

EOBR Benefit Limit: \$274,838  
EOBR Duration: 4 Years  
Maximum Monthly EOBR Benefit: \$5,726

Monthly Rider Charge: \$71.60

**Optional Inflation Protection**

Option: None

CCBR Monthly Inflation Charge: \$0  
EOBR Monthly Inflation Charge: \$0

**Nonforfeiture Benefit Rider**

Monthly Rider Charge: \$0

**Caregiver Training Benefit Limit: \$500**

**TOTAL ANNUAL RIDER CHARGES: \$1,113.12**