

Lincoln MoneyGuard® III

Reimbursement for Long-Term Care expenses offered through
an individual flexible premium adjustable life insurance policy

Prepared for: Valued Client
In the State of: GA
On: 3/8/2022
Prepared by: Jack Lenenberg
LTC Partner
312 Maxwell Rd.
Suite 400
Alpharetta, GA 30009
Phone: (800) 891-5824

This material was prepared to show the operation of an insurance product issued by The Lincoln National Life Insurance Company, based on the options, features and assumptions you or your financial professional specified. This projection, and the options, features or assumptions on which it is based, is not intended to be, and should not be, viewed as specific investment advice or any suggestion or recommendation by The Lincoln National Life Insurance Company or any of its employees for you or your investment situation. A financial professional can provide you with investment advice for your investment situation. The Lincoln National Life Insurance Company, its respective employees, representatives, and/or insurance agents do not provide tax, accounting, or legal advice.

For use by a licensed agent/representative with the proposed insured/owner/applicant.

Understanding Your Projection of Values

Year: The policy year beginning with the effective date of the policy.

Age: The insured's age at the beginning of the policy year shown.

Surrender Value: The amount you will receive for fully surrendering the contract. The amount shown is the value on the last day of the policy year. Surrender charges will apply in the event that the cash surrender value is greater than the Return of Premium Benefit. The initial surrender charge decreases, eventually reaching zero at the end of year 10.

Return of Premium Provision (ROP): The amount available upon surrender of the contract. This amount varies based on the return of premium choice selected, and premiums paid at time of surrender.

Death Benefit: The amount payable upon death. The amount shown is the value on the last day of the policy year. The Death Benefit may be higher than the Specified Amount due to the Minimum Required Death Benefit provision, please see the contract for details.

Long-Term Care Benefit Limits: The amount available for reimbursement of costs incurred for Qualified Long-Term Care expenses.

Things to Know

This is a Projection of Values for Lincoln *MoneyGuard*® III which is an Individual Flexible Premium Adjustable Life Insurance policy issued by The Lincoln National Life Insurance Company, Fort Wayne, IN on Policy Form ICC19-MG890, with a Long-Term Care Benefits Rider (LTCBR) on Rider Form ICC19LTCBR-890, a Terminal Illness Acceleration of Death Benefit Rider on Form ICC19TIR-891, and a Value Protection Endorsement on Form ICC19END-10534.

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.

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.

For: Valued Client
Age: 60
Underwriting Class: Female, Couples Discount
Minimum LTC Duration: 6 Years



Lincoln MoneyGuard® III provides expense reimbursement for Qualified Long-Term Care expenses including:

- Adult day care
- Home health care
- Hospice services
- Transitional care assistance
- Nursing home care services
- Assisted living
- Alternative care services
- Caregiver training

Single Premium Amount	\$100,000	This projection of values assumes premiums are paid as shown. The premium amount is received on the policy effective date.
Long-Term Care Benefit Limits:		
Initial Monthly	\$4,060	These are the initial amounts available for expense reimbursement for Qualified Long-Term Care Services, subject to rider terms and conditions.
Initial Annual	\$48,716	
Initial Total	\$315,118	
Inflation Option	3% Compound	The inflation option will automatically increase the monthly rider amount by 3% annually. Increased benefit amounts are shown in the LTC Benefit column on page 4 herein.
Minimum Long-Term Care Benefit Duration	6 years	Reimbursements for Qualified Long-Term Care Services, are available, based on the selected duration: Long-Term Care Benefits Rider (LTCBR): 6 years
Deductible Period	None	There is no deductible period. Benefits are payable on the first day of care for eligible claims.
Initial Specified Amount	\$105,552	The Specified Amount is set at issue. Long-Term Care reimbursements reduce the Specified Amount on a dollar-for-dollar basis.
Initial Residual Death Benefit	\$5,277	The minimum death benefit if Long-Term Care reimbursements have reduced the Specified Amount.
Return of Premium	\$70,000	If the policy is surrendered there will be a Return of Premium value available. The Return of Premium value is reduced by any debt, withdrawals and claims received.
LTC Benefits Rider Charge *	\$1149.61/mth	LTCBR charge is \$1,149.61 per month for 10 years. * These are not additional premiums; the LTC Rider Charge is deducted from the Gross Cash Value.

For: Valued Client
 Age: 60
 Underwriting Class: Female, Couples Discount
 Minimum LTC Duration: 6 Years



ALL VALUES AND BENEFITS SHOWN ARE GUARANTEED⁽¹⁾

Policy Year	Age	Planned Premium	Surrender Value(3)	Death Benefit Amount	IRR(4)	Long-Term Care Reimbursement Benefit Limits (2)			
						3% Compound Interest			
						Total	Annual	Monthly	IRR(5)
1	60	100,000	70,000	137,473	37.5%	315,118	48,716	4,060	45.6%
2	61	0	70,000	131,600	14.7%	324,572	50,178	4,182	32.5%
3	62	0	70,000	128,800	8.8%	334,309	51,683	4,307	25.8%
4	63	0	70,000	126,000	6.0%	344,339	53,234	4,436	21.7%
5	64	0	70,000	123,200	4.3%	354,669	54,831	4,569	18.8%
6	65	0	70,000	120,400	3.1%	365,310	56,476	4,706	16.8%
7	66	0	70,000	117,600	2.3%	376,269	58,170	4,848	15.2%
8	67	0	70,000	115,500	1.8%	387,557	59,915	4,993	13.9%
9	68	0	70,000	113,400	1.4%	399,184	61,713	5,143	12.9%
10	69	0	70,000	110,600	1.0%	411,160	63,564	5,297	12.1%
11	70	0	70,000	108,500	0.7%	423,496	65,471	5,456	11.4%
12	71	0	70,000	106,400	0.5%	436,201	67,436	5,620	10.7%
13	72	0	70,000	105,552	0.4%	449,287	69,459	5,788	10.2%
14	73	0	70,000	105,552	0.4%	462,766	71,542	5,962	9.8%
15	74	0	70,000	105,552	0.4%	476,649	73,689	6,141	9.4%
16	75	0	70,000	105,552	0.3%	490,949	75,900	6,325	9.0%
17	76	0	70,000	105,552	0.3%	505,678	78,177	6,515	8.7%
18	77	0	70,000	105,552	0.3%	520,849	80,522	6,710	8.4%
19	78	0	70,000	105,552	0.3%	536,475	82,938	6,911	8.1%
20	79	0	70,000	105,552	0.3%	552,569	85,426	7,119	7.9%
21	80	0	70,000	105,552	0.3%	569,147	87,989	7,332	7.7%
22	81	0	70,000	105,552	0.3%	586,222	90,628	7,552	7.5%
23	82	0	70,000	105,552	0.2%	603,809	93,347	7,779	7.3%
24	83	0	70,000	105,552	0.2%	621,924	96,148	8,012	7.1%
25	84	0	70,000	105,552	0.2%	640,581	99,032	8,253	7.0%
26	85	0	70,000	105,552	0.2%	659,800	102,003	8,500	6.9%
27	86	0	70,000	105,552	0.2%	679,594	105,063	8,755	6.7%
28	87	0	70,000	105,552	0.2%	699,982	108,215	9,018	6.6%
29	88	0	70,000	105,552	0.2%	720,981	111,462	9,288	6.5%
30	89	0	70,000	105,552	0.2%	742,611	114,806	9,567	6.4%

(1) Projection values based on guaranteed policy charges and guaranteed minimum credited rate. No-Lapse Protection provided by the Value Protection Endorsement. This projection assumes all planned premiums paid on due date.

(2) Total benefit limits for reimbursement of Qualified Long-Term Care Services. These values assume 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 chosen. The monthly benefit shown is the amount available for the first 12 months of care.

(3) The amount paid on surrender reflects any Return of Premium.

(4) Internal Rate of Return on the Death Benefit Amount. IRR column is blank in years where IRR calculation is unavailable.

(5) Internal Rate of Return on the Total LTC Benefits. IRR column is blank in years where IRR calculation is unavailable.

This Projection of Values is not complete without all pages.

LCN-3796155-092821ICC19

3/8/2022 1:48 PM

For: Valued Client
 Age: 60
 Underwriting Class: Female, Couples Discount
 Minimum LTC Duration: 6 Years



ALL VALUES AND BENEFITS SHOWN ARE GUARANTEED⁽¹⁾

Policy Year	Age	Planned Premium	Surrender Value(3)	Death Benefit Amount	IRR(4)	Long-Term Care Reimbursement Benefit Limits (2)			
						3% Compound Interest			
						Total	Annual	Monthly	IRR(5)
31	90	0	70,000	105,552	0.2%	764,890	118,250	9,854	6.3%
32	91	0	70,000	105,552	0.2%	787,837	121,798	10,150	6.2%
33	92	0	70,000	105,552	0.2%	811,472	125,452	10,454	6.1%
34	93	0	70,000	105,552	0.2%	835,817	129,215	10,768	6.0%
35	94	0	70,000	105,552	0.2%	860,891	133,092	11,091	5.9%
36	95	0	70,000	105,552	0.2%	886,718	137,084	11,424	5.8%
37	96	0	70,000	105,552	0.2%	913,320	141,197	11,766	5.8%
38	97	0	70,000	105,552	0.1%	940,721	145,433	12,119	5.7%
39	98	0	70,000	105,552	0.1%	968,943	149,796	12,483	5.6%
40	99	0	70,000	105,552	0.1%	998,012	154,290	12,858	5.6%
41	100	0	70,000	105,552	0.1%	1,027,952	158,919	13,243	5.5%
42	101	0	70,000	105,552	0.1%	1,058,791	163,686	13,641	5.4%
43	102	0	70,000	105,552	0.1%	1,090,555	168,597	14,050	5.4%
44	103	0	70,000	105,552	0.1%	1,123,272	173,655	14,471	5.3%
45	104	0	70,000	105,552	0.1%	1,156,971	178,865	14,905	5.3%
46	105	0	70,000	105,552	0.1%	1,191,681	184,231	15,353	5.2%
47	106	0	70,000	105,552	0.1%	1,227,431	189,758	15,813	5.2%
48	107	0	70,000	105,552	0.1%	1,264,255	195,451	16,288	5.2%
49	108	0	70,000	105,552	0.1%	1,302,183	201,314	16,776	5.1%
50	109	0	70,000	105,552	0.1%	1,341,248	207,354	17,279	5.1%
51	110	0	70,000	105,552	0.1%	1,381,486	213,574	17,798	5.0%
52	111	0	70,000	105,552	0.1%	1,422,931	219,982	18,332	5.0%
53	112	0	70,000	105,552	0.1%	1,465,620	226,581	18,882	5.0%
54	113	0	70,000	105,552	0.1%	1,509,589	233,379	19,448	4.9%
55	114	0	70,000	105,552	0.1%	1,554,877	240,380	20,032	4.9%
56	115	0	70,000	105,552	0.1%	1,601,524	247,592	20,633	4.9%
57	116	0	70,000	105,552	0.1%	1,649,569	255,019	21,252	4.8%
58	117	0	70,000	105,552	0.1%	1,699,057	262,670	21,889	4.8%
59	118	0	70,000	105,552	0.1%	1,750,029	270,550	22,546	4.8%
60	119	0	70,000	105,552	0.1%	1,802,530	278,667	23,222	4.7%

(1) Projection values based on guaranteed policy charges and guaranteed minimum credited rate. No-Lapse Protection provided by the Value Protection Endorsement. This projection assumes all planned premiums paid on due date.

(2) Total benefit limits for reimbursement of Qualified Long-Term Care Services. These values assume 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 chosen. The monthly benefit shown is the amount available for the first 12 months of care.

(3) The amount paid on surrender reflects any Return of Premium.

(4) Internal Rate of Return on the Death Benefit Amount. IRR column is blank in years where IRR calculation is unavailable.

(5) Internal Rate of Return on the Total LTC Benefits. IRR column is blank in years where IRR calculation is unavailable.

This Projection of Values is not complete without all pages.

LCN-3796155-092821ICC19

3/8/2022 1:48 PM

For: Valued Client
 Age: 60
 Underwriting Class: Female, Couples Discount
 Minimum LTC Duration: 6 Years



ALL VALUES AND BENEFITS SHOWN ARE GUARANTEED⁽¹⁾

Policy Year	Age	Planned Premium	Surrender Value(3)	Death Benefit Amount	IRR(4)	Long-Term Care Reimbursement Benefit Limits (2)			
						3% Compound Interest			
						Total	Annual	Monthly	IRR(5)
61	120	0	70,000	105,552	0.1%	1,856,606	287,027	23,919	4.7%
62	121	0	70,000	105,552	0.1%	1,912,305	295,638	24,636	4.4%
63	122	0	70,000	105,552	0.1%	1,969,674	304,507	25,376	4.0%
64	123	0	70,000	105,552	0.1%	2,028,765	313,642	26,137	3.6%
65	124	0	70,000	105,552	0.1%	2,089,628	323,051	26,921	2.9%
66	125	0	70,000	105,552	0.1%	2,152,317	332,743	27,729	1.8%

(1) Projection values based on guaranteed policy charges and guaranteed minimum credited rate. No-Lapse Protection provided by the Value Protection Endorsement. This projection assumes all planned premiums paid on due date.

(2) Total benefit limits for reimbursement of Qualified Long-Term Care Services. These values assume 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 chosen. The monthly benefit shown is the amount available for the first 12 months of care.

(3) The amount paid on surrender reflects any Return of Premium.

(4) Internal Rate of Return on the Death Benefit Amount. IRR column is blank in years where IRR calculation is unavailable.

(5) Internal Rate of Return on the Total LTC Benefits. IRR column is blank in years where IRR calculation is unavailable.

This Projection of Values is not complete without all pages.

LCN-3796155-092821ICC19

3/8/2022 1:48 PM

For: Valued Client
Age: 60
Underwriting Class: Female, Couples Discount
Minimum LTC Duration: 6 Years



Tax Status

The Lincoln *MoneyGuard*® III 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 Gross 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) 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 may 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 Return of Premium Provision, 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. Any Return of Premium Benefit paid upon full surrender of the policy is treated, for Federal income tax purposes, as being funded in part by a refund of the charges taken from the Long-Term Care Benefits Rider and in part by the value of the underlying policy. The full surrender of the policy may result in a taxable event and the owner should consult his/her personal tax advisor regarding this and other applicable tax matters.

Lincoln Financial Group® affiliates, their distributors, and their respective employees, representatives and/or insurance agents do not provide tax, accounting or legal advice. Clients should consult their own independent advisor as to any tax, accounting or legal statements made herein.

This projection of values is neither a contract nor an offer to contract. A full description of the 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 reviewed the Modified Endowment Contract disclosure statement above 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 Return of Premium Provision and 4) I have received a copy of an Outline of Coverage.

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.

AgentRepSignature

AgentRepSignedDate

Licensed Agent/Representative: _____

Date: _____

This Projection of Values is not complete without all pages.

LCN-3796155-092821ICC19

3/8/2022 1:48 PM