Lincoln Financial Group®

You're In Charge®

WealthProtection Expertise℠

Life insurance playbook

Simplify life for your clients with wealth transfer and legacy planning strategies

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		

Insurance products issued by:
The Lincoln National Life Insurance Company
Lincoln Life & Annuity Company of New York

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Wealth transfer and legacy planning

Life insurance is an ideal solution for gifting or for clients who want to increase or protect their estate assets.

With life insurance, your clients can leverage their assets and create a tax-efficient legacy worth much more than their premium outlay. Because the death benefit transfers income tax-free and potentially estate tax-free, life insurance is an effective solution to pass wealth to the next generation.

Conversation starters

Many times clients don't know they have a need for life insurance, or they may not realize that there are policies that can help them meet short-term and long-term financial goals. To open up a discussion about their needs, ask your clients a few simple questions.

- **Are you sure you have sufficient financial protection for your family?**
- **Have you thought about creating a legacy for your heirs or a favorite charity?**
- **Are you concerned about estate taxes?**
- **Did you know, it's a good idea to review your life insurance every two to three years?**

Lincoln simplifies life

You can expect more from a leader in life sales, including:

- **Case study design** — Assistance with your estate, business and charitable planning, and executive compensation strategies
- **Simplified process** — Ease of doing business for you and your clients with the *LincXpress*® Tele-App process, a lab-free underwriting opportunity, and eDelivery
- **Leading-edge underwriting** — Dedicated teams to support your business and competitive advantages, such as special considerations for non-cigarette tobacco users
- **Enhanced policy management** — Automatic reminders and in-force illustrations to help you better manage your book of business

See our full suite of life insurance solutions and planning strategies to help your clients reach their goals in the Lincoln life insurance playbook. **Order code: LIF-GOAL-BRC001**

Who are your clients?

Clients who want to create a legacy

Examples include: retirees who aren't multimillionaires, but who want to make a difference by

- Magnifying their endowments
- Putting plans in place so that they'll be remembered when they're gone
- Protecting legacy assets from market risk

Couples facing tax exposure

Examples include: clients in or near retirement who have appreciating real estate and other assets, and residents of states with high inheritance taxes who may

- Express concern about federal or state estate taxes
- Be unaware that inheriting qualified assets can create income tax exposure for their heirs

Questions to ask your clients

- Would you like to be able to support a cause that you're passionate about?
- Do you want to make sure your family assets are divided equitably to your children or heirs?
- Would you want to maintain control of your estate assets?
- If your client has a loved one with special needs or a dependent who cannot manage money, would you want to be able to provide for (Name)?
- Are you concerned about the possibility of facing an unexpected health-related issue at some point in retirement?

Solutions to consider

For clients who want to minimize tax exposure while accumulating assets

The Lincoln IUL Suite[1] offers

- Strong cash value growth potential from three indexed account options
- Tax-efficient retirement income
- Protection from losses and reduced volatility on policy assets
- Legacy asset protection from tax exposure and market risk
- Coverage on one or two lives
- The optional *Lincoln LifeEnhance*® Accelerated Benefits Rider for added financial protection in the event of a permanent chronic or terminal illness

For clients who want a guaranteed legacy

The *Lincoln VULONE* Suite[2] offers

- Guaranteed death benefit protection
- Cash value growth potential to enhance the legacy
- Premiums that never increase
- Coverage on one or two lives
- The optional *Lincoln LifeEnhance* Accelerated Benefits Rider for added financial protection in the event of a permanent chronic or terminal illness[3]

[1] *Lincoln WealthAdvantage*® IUL, *Lincoln LifeReserve*® Indexed UL Accumulator, and *Lincoln WealthPreserve*® Survivorship IUL.
[2] *Lincoln VULONE* (2014) and *Lincoln SVULONE* (2016).
[3] *Lincoln LifeEnhance*® Accelerated Benefits Rider is available only at issue, for an additional cost, subject to restrictions and availability. Not available with *Lincoln SVULONE*.

Case study: Creating a gift that keeps on giving

Client:

Linda and Bill are future grandparents.

Their daughter, Cindy, age 32, is expecting their first grandchild.

Financial situation:

Linda and Bill are enjoying their retirement years. Since they have sufficient assets and income, financial protection, and a long-term care plan, they feel they've got the financial means to help their daughter and grandchild succeed in life. They're also concerned that as their investments grow and the value of their real estate holdings rise, Cindy may face increasing estate tax risk.

Goals:

- Provide a solid financial footing for Cindy and their grandchild
- Protect their heirs from tax exposure
- Leverage their legacy assets

The solution:

Linda and Bill can help create, protect, and pass on wealth to the next generation of their family through a gifting strategy. By gifting legacy assets now, they can help reduce the size of their estate and the taxes Cindy may face after they die. So Linda and Bill's advisor suggests they both contribute their maximum annual gift of $14,000 each for 17 years to fund a *Lincoln WealthAdvantage*® IUL policy for Cindy. They will pay a $28,000 annual premium until Cindy is age 49.

With today's annual federal tax exclusion amount, your clients can gift $14,000 each to individual recipients every calendar year without triggering a tax event.

They can use gifting to provide their loved ones tax-advantaged life insurance for financial protection and supplemental income needs.

The outcome:

This strategy combines death benefit protection with the potential to generate an income tax-free financial resource to help Cindy and her child throughout their lives.

Benefits for their grandchild	
When their grandchild is ages 18 to 21	$43,000 annually for four years to fund college
When their grandchild is age 31	$100,000 down payment for a home
Benefits for their daughter	
When Cindy is ages 66 to 90	$3,626,000 supplemental retirement income ($145,040 annually for 25 years)
Death benefit at age 85: **$947,647**	**6.68%** internal rate of return on Cindy's death benefit at age 85 **8.55%** pretax equivalent at a 28% marginal tax rate

This hypothetical example assumes female, age 32, preferred plus, initial death benefit of $1,351,458 with optimal 2-to-1 switch, 6% assumed interest rate with 100% premium allocation into the monthly DCA and 1-Year Point-to-Point Capped Indexed Account, annual participating loans taken in years shown, non-MEC policy design. **Assuming a 1% return, policy will lapse in year 34.** Distributions are taken through loans and withdrawals, which reduce the policy's cash surrender value and death benefit, and may cause the policy to lapse. Loans are not considered income and are tax-free.

Case study: Enhancing a legacy

Client:

Glen is a healthy nonsmoker, age 57.

Financial situation:

Glen purchased a whole life policy 24 years ago when he and his wife started raising a family. His kids are grown and Glen currently uses paid-up additions to pay his policy premiums. Depending on his nonguaranteed future credits, his death benefit could go down over time, and he may have to start paying premiums out-of-pocket someday. Glen is concerned about financial uncertainty as he approaches his retirement years. He realizes that someday he may face significant health-related expenses or need long-term care.

Goals:

- More financial assurance for the years ahead
- Life insurance protection that offers better options for his future needs

The solution:

Glen meets with his advisor to review his whole life policy. His advisor suggests that he exchange the policy for *Lincoln VUL*^ONE with the *Lincoln LifeEnhance*® Accelerated Benefits Rider, which will provide protection from unexpected expenses due to a permanent chronic or terminal illness.

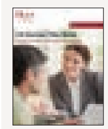
Five reasons to potentially exchange a life insurance policy

1. Secondary guarantees and no-lapse premium guarantees
2. Escalating premiums to keep policy in-force
3. Existing type and amount of insurance no longer meets client's goals
4. The need for living benefits
5. The improved financial health of an insurer

The outcome:

By exchanging his older whole life policy, Glen can stop paying premiums and save hundreds of thousands of dollars. He also has the potential to supplement his retirement income by taking income tax-free loans and withdrawals from his *Lincoln VUL*^ONE policy.[1]

Glen's current whole life policy	Exchange for *Lincoln VUL*^ONE with *Lincoln LifeEnhance* ABR	
$6,656 Annual premiums	**$0** Out-of-pocket premiums	**$6,656** Annual premium savings
	$286,208 Total savings in premiums to age 100	
$768,836 Guaranteed death benefit	**$768,836** Guaranteed death benefit	
No chronic illness protection	Chronic illness protection	
$243,343 Cash surrender value	**$22,017** Target	
	Both the rollover premium and the new premium will receive full first-year compensation.	



Offer your clients a policy review

Review your client's life insurance coverage at least every three to five years or sooner if there are significant changes in their financial responsibilities. Contact your Lincoln representative at Lincoln-LifeMarketing@LFD.com to get your copy of the policy review kit.

Order code: LIF-PR-KIT001

Please note: Whole life and VUL policies both offer a death benefit but differ greatly in their design, functionality, cost and risk exposure. These differences and others should be taken into consideration before recommending any one product over another to a client.

New policy assumes male, age 57, standard nontobacco, solved for lifetime guaranteed death benefit using rollover premium shown, DBO1, GPT, with the *Lincoln LifeEnhance*® Accelerated Benefit Rider. The policy will have a surrender value at the end of the first year of $176,804 assuming 7% gross and $161,845 assuming 0% gross return. *Lincoln LifeEnhance*® Accelerated Benefits Rider is available only at issue, for an additional cost, subject to restrictions and availability.

[1]Loans and withdrawals will reduce the policy's cash value and the guaranteed death benefit.

Identify clients in your book of business who could benefit from wealth transfer and legacy planning with Lincoln life insurance solutions.

Client name	Telephone/Email

For more information about planning with life insurance, contact your Lincoln representative. Visit us online at: LFG.com/SimplifyLife.

The strength of Lincoln

Additional information is available at LincolnFinancial.com. Click **About us** and **Financial strength** to find the "Key Facts" flier.

The Lincoln National Life Insurance Company (Fort Wayne, IN)		
Rating agency	**Rating**	**Ranking**
A.M. Best	A+	2nd highest of 16
Standard & Poor's	AA–	4th highest of 21
Moody's	A1	5th highest of 21
Fitch	A+	5th highest of 19

Lincoln Life & Annuity Company of New York (Syracuse, NY)		
Rating agency	**Rating**	**Ranking**
A.M. Best	A+	2nd highest of 16
Standard & Poor's	AA–	4th highest of 21
Moody's	A1	5th highest of 21
Fitch	A+	5th highest of 19

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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.

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Issuers:
The Lincoln National Life Insurance Company, Fort Wayne, IN
Lincoln Life & Annuity Company of New York, Syracuse, NY

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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. Accelerated death benefits may be taxable and may affect public assistance eligibility.

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

Policies:

Lincoln LifeReserve® Indexed UL Accumulator (2014) policy form UL6024/ICC14UL6024 and state variations with optional rider form ABR-5762; UL6024N with optional rider form ABR-5762N in NY.
Lincoln WealthAdvantage® Indexed UL policy form UL6046/ICC15UL6046 and state variations with optional rider form ABR-7027/ICC15ABR-7027; UL6046N with optional rider form ABR-7027N in NY.

Lincoln WealthPreserve® Survivorship IUL policy form SUL6035 and state variations with optional rider form ICC14ABR-7012/ABR-7012; SUL6035N with optional rider form ABR-7012N in NY.

Lincoln VUL^ONE (2014) policy form LN696 and state variations with optional rider form ICC15LR631/LR-630. Not available in NY.

Lincoln SVUL^ONE (2016) policy form LN667 and state variations. Not available in NY.

Variable products: Policy values will fluctuate and are subject to market risk and to possible loss of principal.

Variable products are sold by prospectuses, which contain the investment objectives, risks, and charges and expenses of the variable product and its underlying investment options. Read carefully before investing.

Only registered representatives can sell variable products.

For agent or broker use only. Not for use with the public.

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

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