



BEYOND SELF-FUNDING

A look at all the options

CONTINUING EDUCATION

Presenter: Larry Moore

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| | | |
|---|------------------|----------------------|
| 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 | | |

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Not for use with the general public.**

Care planning compass

Key events that may trigger a care planning discussion

|  Annual opportunities |  Life stage events |  Review opportunities |
|--|---|--|
| <ul style="list-style-type: none"> Birthdays Promotion or annual bonus SECURE Act Tax return review 1040 dividend strategy Cash value life policy review | <ul style="list-style-type: none"> Retirement planning RMDs/annuity income Family caregiving Legacy planning LTC planning in a down market | <ul style="list-style-type: none"> Marriages/divorce Sold a business Paid-off mortgage Paid-off tuition Female planning opportunities |

Proven care planning strategies



|  Affordable and flexible opportunities |
|---|
| <ul style="list-style-type: none"> 50/10 hedge strategy Multigenerational play Gifting strategies Annuity funded LTC plan RMD review Access qualified dollars SECURE Act with 72 T&Q |
| <ul style="list-style-type: none"> Beyond self-funding Disciplined care-funding approach Front-loaded flex-pay Accumulating a pool of tax-free LTC funds 60/40 premium split Executive benefit play |

Chart your care planning discussion

|  Plot the LTC Discussion |  Financial professional LTC toolkit |
|---|---|
| <ul style="list-style-type: none"> Questions to start "The LTC conversation" 4 common LTC myths Asset identifier Client profiles flier LTC ledger eApp capabilities | <ul style="list-style-type: none"> Face the future with confidence PlanMyLTC.com Compass driven webinar Virtual wholesaling and planning support Work from home with Lincoln Resource library |

All blue text indicates hyperlinks that click to content.

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

Strategic Planning

Do you have client's who believe Self-Insuring is the only option, or the better option?

- **Financial outcomes and consequences of self-funding vs. tax-free dollars from MoneyGuard**
- **Efficiency of capital using leverage combined with tax-free cash-flow**



For:
Age: 55
Underwriting Class: Male, Couples Discount
Minimum LTC Duration: 5 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

| | | | |
|--|--|---|---|
| Total Premiums Annual Premiums in Years 1-10 | | \$142,430.00 \$14,243 | This projection of values assumes premiums are paid as shown. The first premium amount is received on the policy effective date. Each subsequent premium is due on its scheduled due date. Late payments may negatively impact policy guarantees. |
| Long-Term Care Benefit Limits: Initial Monthly Initial Annual Initial Total | | \$4,000 \$48,000 \$265,230 | These are the initial amounts available for expense reimbursement for Qualified Long-Term Care Services, subject to rider terms and conditions. |
| Inflation Option | | 5% Compound | The inflation option will automatically increase the monthly rider amount by 5% annually. Increased benefit amounts are shown in the LTC Benefit column on page 4 herein. |
| Minimum Long-Term Care Benefit Duration | | 5 years | Reimbursements for Qualified Long-Term Care Services, are available, based on the selected duration: Long-Term Care Benefits Rider (LTCBR): 5 years |
| Deductible Period | | None | There is no deductible period. Benefits are payable on the first day of care for eligible claims. |

LTC Protection – Beyond Self-Funding

Leveraging Current Assets to Fund Lincoln *MoneyGuard*® III

Assumptions

Prepared for:

Primary Client

| | |
|--------------------------|--------|
| Age | 55 |
| Income tax rate | 28.00% |
| Long-term care start age | 83 |

Asset Information

| | |
|--------------------------------|----------|
| Annual funding amount | \$14,243 |
| Years to fund | 10 |
| Gross rate of return | 1.50% |
| Alternate gross rate of return | 6.00% |

MoneyGuard® Information

| | |
|--|---------------------------------|
| Product | Lincoln <i>MoneyGuard</i> ® III |
| Initial premium | \$14,243 |
| Payment option (years) | 10 |
| Allow exchange and lump sum amounts to fund year 1 | No |
| Long-Term Care Benefits Rider | 5 Years, 5% Compound Inflation |
| Number of years to illustrate | 40 |

For use in states where this product is available under the Interstate Insurance Product Regulation Commission (IIPRC).

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MoneyGuard® Information

Product

Lincoln*MoneyGuard*® III

Initial premium

\$14,243

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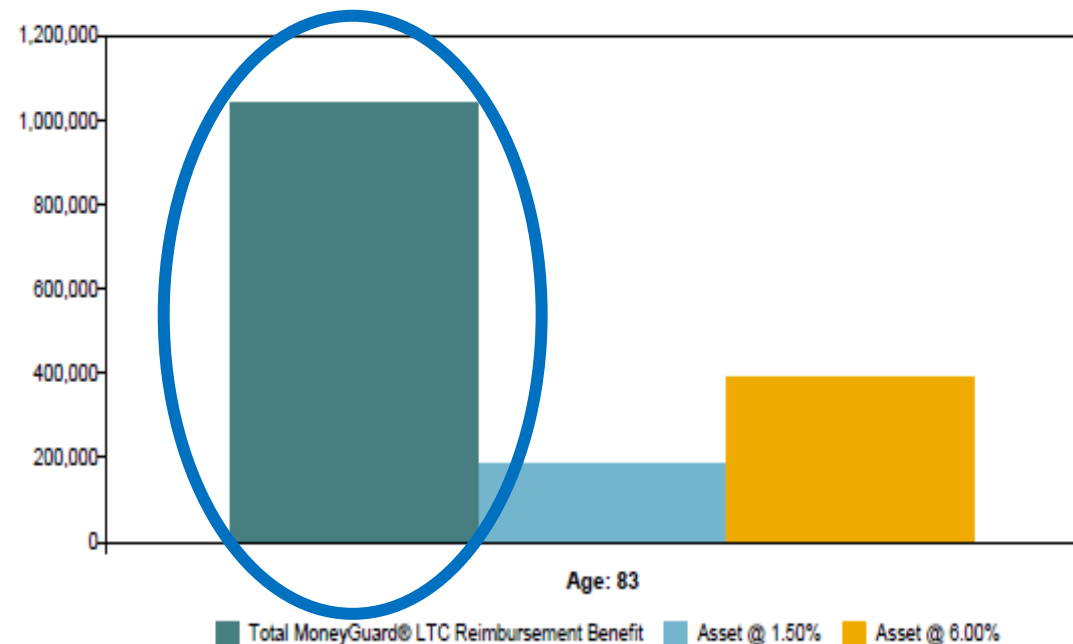
LTC Protection – Beyond Self-Funding

Leveraging Current Assets to Fund Lincoln *MoneyGuard*® III

Summary of Results

Prepared for:

This presentation assumes a *MoneyGuard*® III insurance policy is funded from your available assets. This report shows the *MoneyGuard*® III projection of values, and the current value of assets at the hypothetical rate of 1.50%, and 6.00%, if not repositioned to *MoneyGuard*® III. The graph below displays the results, at an assumed long-term care start age of 83. The table below summarizes the results in five year increments using beginning of year values. The details for all years can be found on the following Ledger Values reports.



| | @ 1.50% | @ 6.00% |
|--|---------|---------|
| Difference in amount available for qualified LTC expenses with <i>MoneyGuard</i> ® III*: | 856,392 | 652,160 |

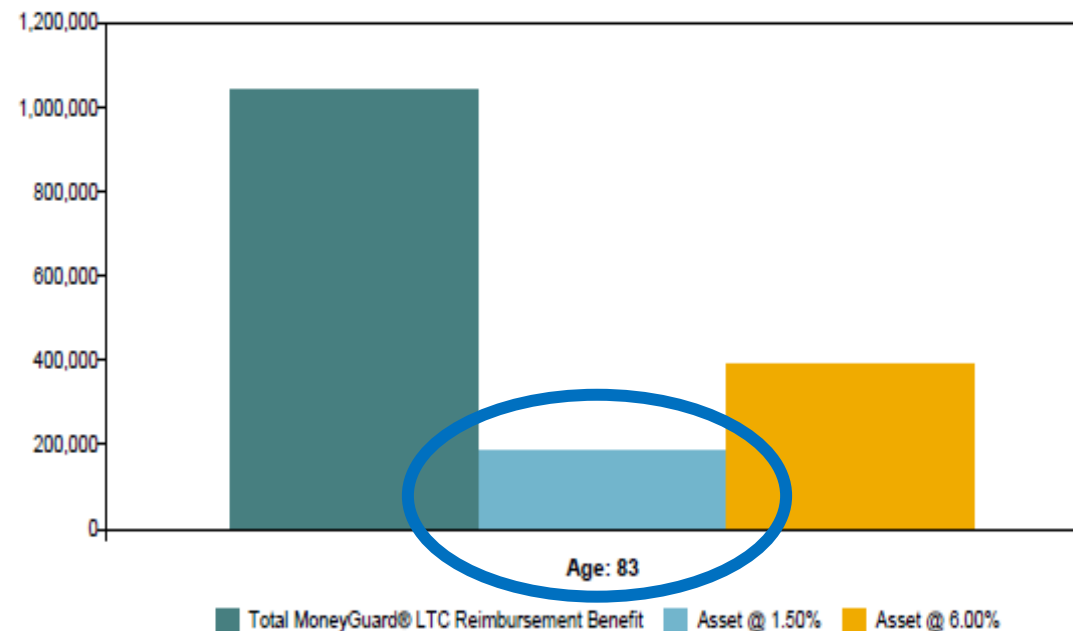
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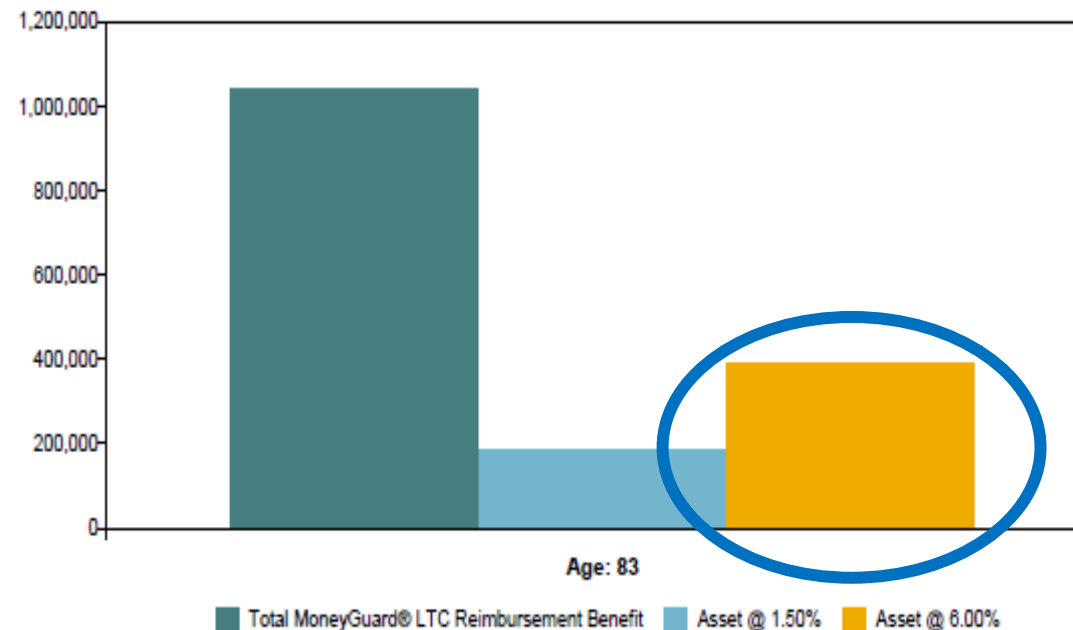
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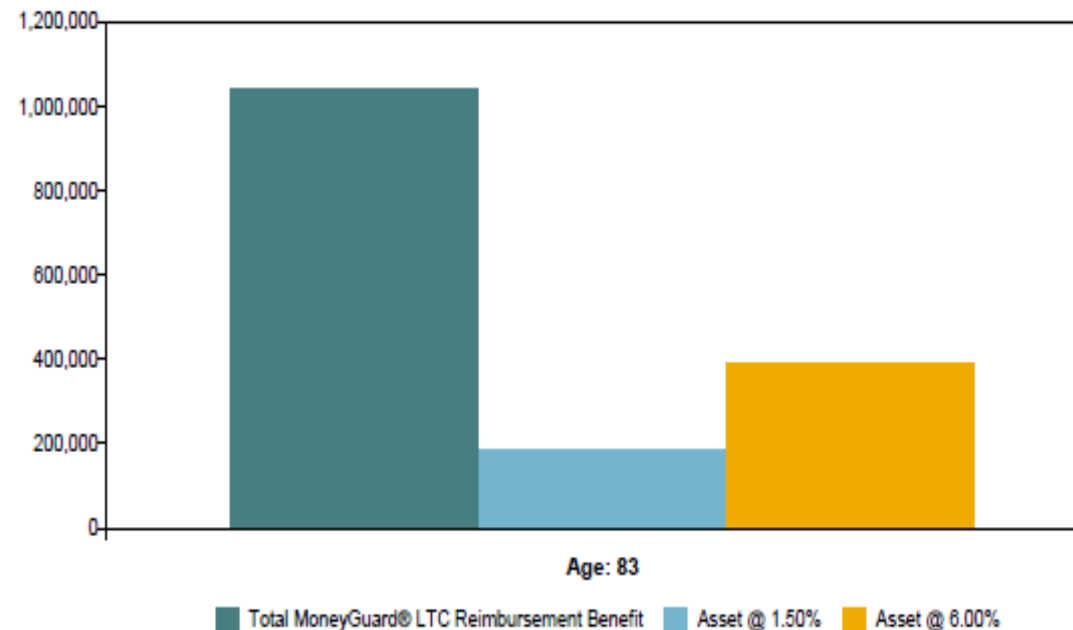
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| @ 1.50% | @ 6.00% |
|---------|---------|
| 856,392 | 652,160 |

| Lincoln MoneyGuard® III | | | | | | After-Tax Value | |
|-------------------------|-----|---------|--|--|------------------|--------------------------------|--------------------------------|
| Year | Age | Premium | LTC Reimbursement Benefit Limit Total | LTC Reimbursement Benefit Limit IRR | Death Benefit | Value of Asset** @ 1.50% | Value of Asset** @ 6.00% |
| 1 | 55 | 14,243 | 265,244 | 251.2% | 104,005 | 14,243 | 14,243 |
| 6 | 60 | 14,243 | 338,527 | 24.7% | 140,578 | 87,799 | 95,237 |
| 11 | 65 | 0 | 432,058 | 13.2% | 201,396 | 151,170 | 181,060 |
| 16 | 70 | 0 | 551,430 | 10.2% | 175,474 | 159,512 | 223,697 |
| 21 | 75 | 0 | 703,782 | 8.8% | 154,537 | 168,314 | 276,375 |
| 26 | 80 | 0 | 898,226 | 8.0% | 142,430 | 177,601 | 341,457 |
| 29 | 83 | 0 | 1,039,810 | 7.7% | 142,430 | 183,418 | 387,649 |
| 31 | 85 | 0 | 1,146,391 | 7.5% | 142,430 | 187,401 | 421,866 |
| 36 | 90 | 0 | 1,463,119 | 7.1% | 142,430 | 197,742 | 521,209 |
| 40 | 94 | 0 | 1,778,431 | 6.9% | 142,430 | 206,423 | 617,280 |

*LTC Reimbursement Benefit Limit Total minus Value of Asset.

**Assuming a 28.00% income tax rate on the growth.

The specific assumptions used to create this presentation are detailed in the Assumptions page included in this presentation and in the *MoneyGuard® III* Projection of Values.

This report is not valid without the Projection of Values and Outline of Coverage for the associated product. The ledger and Outline contain a complete description of the benefits, costs, exclusions, limitations and conditions of the product. Lincoln makes no assumptions beyond those contained in the Projection of Values.

This example is for discussion purposes only. Actual results will vary based on your specific situation. Certain assumptions are based on information provided by you. Consult your own tax and/or legal advisor(s) when making tax and legal decisions. Values shown are projections only, not guarantees.

A personalized Projection of Values is required which includes product features and any guarantees.

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