



You're In Charge[®]

WealthProtection ExpertiseSM

Your long-term care expense solution guide

Lincoln *MoneyGuard*[®] Reserve – New York

LIFE SOLUTIONS

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		

Lincoln Life & Annuity Company of New York

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Long-term care costs are on the rise.

Consider a long-term care expense solution from a company that's been providing one for more than 25 years.

Many clients believe they have saved sufficiently for a long-term care (LTC) event, yet in reality, they may not understand the impact an LTC event can have on their financial health. Here are the facts:

The risks ¹	<ul style="list-style-type: none">• 70% of people over age 65 can expect to use some form of long-term care during their lives.• 20% of those age 65 and older will need care for more than five years.
The costs ²	<ul style="list-style-type: none">• \$95,707/year for a Medicare-certified nursing home private room• \$21.86/hour for home health aides provided by a certified home healthcare agency

That's why it's so important to help your clients protect what they've worked so hard to achieve—one of the many reasons your clients will value the advantages of Lincoln *MoneyGuard*® Reserve.

Lincoln *MoneyGuard* Reserve gives your clients benefits even if they never need long-term care as long as they pay their planned premiums and maintain the policy.

Plus you'll have opportunities to open up your business to more clients with a choice of premium payment options: 1, 3, 5, 7 or 10 years.

Lincoln *MoneyGuard*® Reserve links life insurance and protection for long-term care expenses in one policy, and offers a death benefit and a return of premium option.³ Your clients will have tax advantages that other long-term care funding options may not offer.

¹ U.S. Department of Health and Human Services, "Who Needs Care," LongTermCare.gov, <http://longtermcare.gov/the-basics/who-needs-care/>, accessed September 2, 2014.

² LTCG, "2013 Cost of Care Survey," <https://fulfillment.lfg.com/servepdf.aspx?sku=MGR-COST-WPR003>. For a printed copy of the survey, call 877-ASK-LINCOLN.

³ Through the Return of Premium Rider on single-pay premium policies for ages 30–65. See Rider for complete terms and conditions.

Feel confident with a solution clients trust.

Benefits if they need long-term care	A benefit if they don't	Return of premium option
 <p>If the client needs long-term care, the policy can provide income tax-free reimbursements for qualified LTC expenses due to chronic illness.*</p>	 <p>If the client dies, the policy pays an income tax-free death benefit to their beneficiaries. This benefit will be adjusted for any long-term care benefits received.†</p>	 <p>The client can request their money back through the Return of Premium Rider.‡ The amount returned will be adjusted for loans, withdrawals or benefits paid, and may have tax implications.</p>
<p>Your client can leverage long-term care dollars—getting more for their money if they need care.</p>	<p>If they never need care, their loved ones could inherit a legacy.</p>	<p>For a one-time cost at policy issue, the Return of Premium option guarantees they'll get back 100% of the premiums paid if they decide the coverage is no longer needed.</p>

*LTC reimbursements are generally income tax-free under IRC Section 104(a)(3).

†Beneficiaries can receive an income tax-free death benefit under IRC Section 101(a)(1). The death benefit would be reduced by any loans, withdrawals and benefits paid.

‡Through the Return of Premium Rider on single-pay premium policies for ages 30–65. See Rider for complete terms and conditions.

Product features

Policy design	<ul style="list-style-type: none"> • Single life universal life insurance with long-term care riders 																								
Issue ages	<ul style="list-style-type: none"> • Single premium: 30–69 • Flexible premium: 30–80 																								
Premium payment options	<ul style="list-style-type: none"> • One-time payment • Flexible premium—for 3-, 5-, 7- or 10-year periods* 																								
Minimum specified death benefit amount	<ul style="list-style-type: none"> • 2-year CCB: \$75,000 • 3-year CCB: \$115,000 																								
Maximum specified death benefit amount	<ul style="list-style-type: none"> • 2-year CCB: \$500,000 • 3-year CCB: \$750,000 																								
Premium load*	<ul style="list-style-type: none"> • Percentages will change based on policy duration. Commissionable and expressed as a percentage of target-excess premium. <p>Structure:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Target</th> <th>Excess</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>60%</td> <td>8.25%</td> </tr> <tr> <td>2</td> <td>25%</td> <td>8.25%</td> </tr> <tr> <td>3</td> <td>15%</td> <td>8.25%</td> </tr> <tr> <td>4</td> <td>15%</td> <td>8.25%</td> </tr> <tr> <td>5</td> <td>10%</td> <td>8.25%</td> </tr> <tr> <td>6</td> <td>10%</td> <td>8.25%</td> </tr> <tr> <td>7+</td> <td>9%</td> <td>8.25%</td> </tr> </tbody> </table>	Year	Target	Excess	1	60%	8.25%	2	25%	8.25%	3	15%	8.25%	4	15%	8.25%	5	10%	8.25%	6	10%	8.25%	7+	9%	8.25%
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6	10%	8.25%																							
7+	9%	8.25%																							
Guaranteed interest rate	<ul style="list-style-type: none"> • 4% 																								

*May not be available through all licensed insurance agents/representatives.

Return of Premium Rider (ROPR)	<ul style="list-style-type: none"> • Provides a lifetime refund of the premium paid. Amount will be adjusted by any loans, loan interest, loan repayments, withdrawals taken, or claim payments made. • Available on single payment policies at issue ages 30–65. • Any additional premiums received in excess of the one-time payment premium will not be included in the return of premium amount. <table border="1" data-bbox="646 611 1442 835"> <thead> <tr> <th colspan="3" style="background-color: #cccccc;">Cost of ROPR (as a percentage of premium)</th> </tr> <tr> <th></th> <th style="text-align: center;">Target</th> <th style="text-align: center;">Excess</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">One-pay/year-one planned premium</td> <td style="text-align: center;">16%</td> <td style="text-align: center;">2.40%</td> </tr> </tbody> </table>	Cost of ROPR (as a percentage of premium)				Target	Excess	One-pay/year-one planned premium	16%	2.40%
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	Target	Excess								
One-pay/year-one planned premium	16%	2.40%								
Convalescent Care Benefits Rider (CCBR) (LTC benefit pool 1)	<ul style="list-style-type: none"> • Accelerates the specified amount of death benefit to pay for qualified LTC expenses. • 2- or 3-year duration. Benefit duration period is selected by the client at policy issue. 									
Extension of Benefits Rider (EOBR) (LTC benefit pool 2)	<ul style="list-style-type: none"> • Allows the client to continue LTC benefits after the specified amount of death benefit is exhausted. Available only at issue. • 2- or 4-year duration. Benefit duration period is selected by the client at policy issue. 									
Inflation protection (Extension of Benefits Rider)	<ul style="list-style-type: none"> • Increases LTC benefits. Available at issue for an additional charge. • Simple: 3% • Compound: 5% 									
Residual death benefit	<ul style="list-style-type: none"> • Included in every policy. • Regardless of the specified amount of death benefit used to pay for long-term care, the client’s beneficiaries will receive an amount no less than the residual death benefit. At the time of policy purchase, this benefit is equal to 10% of the initial specified death benefit amount and will be adjusted for loans, withdrawals, and policy loan repayments. 									

Long-term care benefits

Covered services	<p>The insured can select from a variety of care options:</p> <table border="1" data-bbox="618 348 1377 506"> <tr> <td data-bbox="618 348 992 506"> <ul style="list-style-type: none"> • Home healthcare • Assisted living • Nursing home care • Adult day care </td> <td data-bbox="992 348 1377 506"> <ul style="list-style-type: none"> • Personal care services • Hospice care • Alternative care services </td> </tr> </table> <p>Once eligible, qualified expenses are reimbursed up to 100% of monthly maximum benefit for all levels of care. Most covered services are subject to a 90-day deductible or elimination period.</p>	<ul style="list-style-type: none"> • Home healthcare • Assisted living • Nursing home care • Adult day care 	<ul style="list-style-type: none"> • Personal care services • Hospice care • Alternative care services
<ul style="list-style-type: none"> • Home healthcare • Assisted living • Nursing home care • Adult day care 	<ul style="list-style-type: none"> • Personal care services • Hospice care • Alternative care services 		
Bed reservation benefit	<p>Helps pay the cost of reserving a bed in the facility for up to 30 days per calendar year if the insured's stay in a long-term care setting is interrupted. Up to one-thirtieth of maximum monthly LTC benefit.</p>		
Eligibility for reimbursement of qualified long-term care expenses	<ul style="list-style-type: none"> • The insured is certified as chronically ill by a Licensed Health Care Practitioner (LHCP). • Care is provided under a care plan prescribed by an LHCP. • Reimbursement is for covered expenses up to the maximum benefit specified in the policy. <p>An individual must be certified as chronically ill by an LHCP. Certification requires that the insured is unable to perform at least two activities of daily living (ADLs), without substantial assistance from another, for a period of at least 90 days. The ADLs are: bathing, continence, dressing, eating, toileting, and transferring. An insured may also be certified chronically ill as a result of severe cognitive impairment. The care received must be provided under a plan of care by an LHCP and reconfirmed no less than every 12 months for reimbursement eligibility.</p> <p>Expenses not subject to the deductible are: bed reservation, respite care services, noncontinual alternative care services, caregiver training, and care planning services. The deductible period must be satisfied before other benefits become payable.</p> <p>Qualified long-term care benefits will continue as long as the individual is certified and chronically ill, and until the entire LTC benefits are exhausted.</p>		

Other policy information

Monthly cost of insurance (COI) costs	Separate deductions are made each month to cover the cost of the base life insurance, the CCB, the EOBR, and any inflation on the EOBR. No COI or rider costs are incurred after age 95.
Partial withdrawals	<ul style="list-style-type: none"> • One allowed per year • No withdrawal fee • Minimum: \$100 • Maximum: 90% of cash surrender value
Surrender charge duration	20 years
Surrender charge schedule (per thousand dollars of specified amount)	For single pay policies, client will have a return of premium option. ¹ The surrender charge remains level throughout the policy year in any given year and decreases over the first 20 years. Actual surrender charges are shown in the insured's policy.
Policy loans	<ul style="list-style-type: none"> • Interest charged: variable and charged in arrears • Interest credited: 4%
Tax treatment of rider charges	<ul style="list-style-type: none"> • The CCB and EOBR are intended to provide qualified long-term care benefits under IRC Section 7702B(b). The costs for these riders are deducted monthly from the policy cash value and are federally treated as "distributions" from the policy. Lincoln will not report these distributions as taxable to your client even if their policy is a modified endowment contract (MEC). Instead, the costs will reduce the investment in the contract (cost basis), but not below zero, as the costs are taken from the policy. Once the investment in the contract has been reduced to zero, distributions for qualified long-term care charges will come from any gain in the contract, but will still not be reportable as taxable distributions. • A 10% federal tax may apply if such a distribution is taxable and occurs prior to age 59½. Lincoln Financial Group, its affiliated companies, and its licensed insurance agents/representatives do not provide legal or tax advice. A tax advisor should be consulted for additional information.

¹ Through the Return of Premium Rider on single payment policies. See Rider for complete terms and conditions.

We pride ourselves on our claims-paying history.

We typically approve and pay claims within five day after all claims requirements are met.*

*Based on Lincoln *MoneyGuard* 2014 claims data.

Make long-term care planning a part of your clients' wealth protection strategies.

For more information, contact your Lincoln representative.

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Lincoln *MoneyGuard*® Reserve is a universal life insurance policy with a rider that accelerates the specified amount of death benefit to pay for covered long-term care expenses. An Extension of Benefits Rider (EOBR) is available to continue long-term care benefit payments after the entire specified amount of death benefit has been paid. The Return of Premium Rider (ROPR) may be included at issue on one-time payment policies for issue ages 30–65. The amount of premium returned is adjusted for any benefits paid, any loans or withdrawals taken, and it will have tax implications. The cost of riders will be deducted from the policy value. The insurance policy and riders have limitations, exclusions, and/or reductions. Additionally, long-term care benefit riders may not cover all costs associated with long-term care costs incurred by the insured during the coverage period. All contract provisions, including limitations and exclusions, should be carefully reviewed by the owner.

Lincoln *MoneyGuard*® Reserve is issued by Lincoln Life & Annuity Company of New York, Syracuse, NY, on Policy Form LN850 (8/05) with a Convalescent Care Benefits Rider on Rider Form LR851 (8/05), an Extension of Benefits Rider on Rider Form LR852 (8/05), a Return of Premium Rider on Rider Form LR850 (10/07), a Terminal Illness Accelerated Death

Benefit Rider on Rider Form LR853 (8/05), and a Right to Purchase a Long-Term Care Policy on Endorsement Form LR856 (8/05).

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.

Accelerated death benefits may be taxable and may affect public assistance eligibility. For use only in the state of New York.

General exclusions and limitations

The LTC riders will not provide benefits for:

- treatment for alcoholism, drug addiction, or chemical dependency (unless the drug addiction or chemical dependency is a result of medication taken in doses as prescribed by a physician);
- treatment arising out of an attempt (while sane) at suicide or an intentionally self-inflicted injury;
- treatment provided in a Veteran's Administration or government facility, unless the Insured or the Insured's estate is charged for the confinement or services or unless otherwise required by law;
- loss to the extent that benefits are payable under any of the following: Medicare (including that which would have been payable but for the application of a deductible or a coinsurance amount), other governmental programs (except Medicaid), workers compensation laws, employer's liability laws, occupational disease laws, and motor vehicle no-fault laws;
- confinement or care received outside the United States;
- services provided by a facility or an agency that does not meet this rider (CCBR and EOBR riders) definition for such facility or agency; and
- services provided by a member of the Insured's Immediate Family or for which no charge is normally made in the absence of insurance.

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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