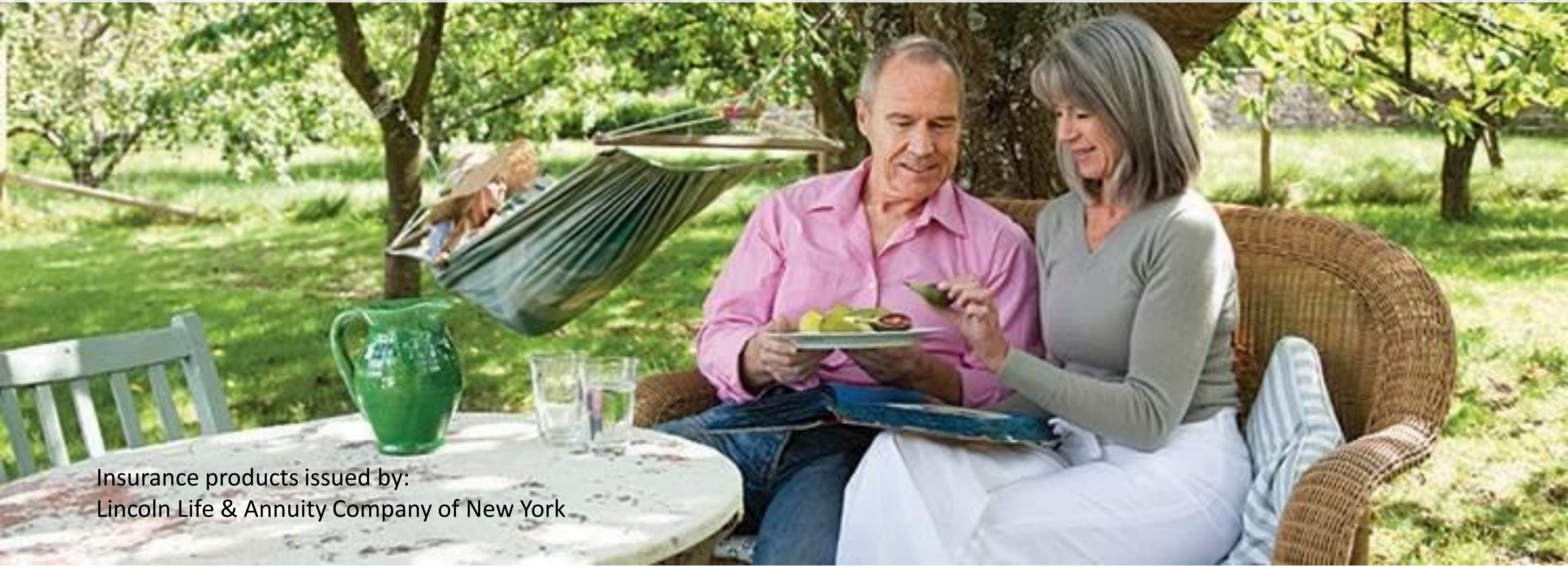
HELP PROTECT YOUR SAVINGS FROM LONG-TERM CARE EXPENSES

Lincoln *MoneyGuard®* Reserve — New York



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

LCN-1567643-081016

AGENDA

1. **The facts about long-term care**
2. **What to know about self-insuring**
3. ***A smarter alternative to self-insuring®***
4. **Case studies**

Lincoln Financial Group®
You're In Charge®

A smarter alternative to self-insuring®

- **Lincoln *MoneyGuard®* Reserve is a universal life insurance policy with optional long-term care benefit riders available for an additional cost.**
- **It is issued by Lincoln Life & Annuity Company of New York.**
- **It provides guaranteed benefits you can tap to help reimburse qualified long-term care costs.**

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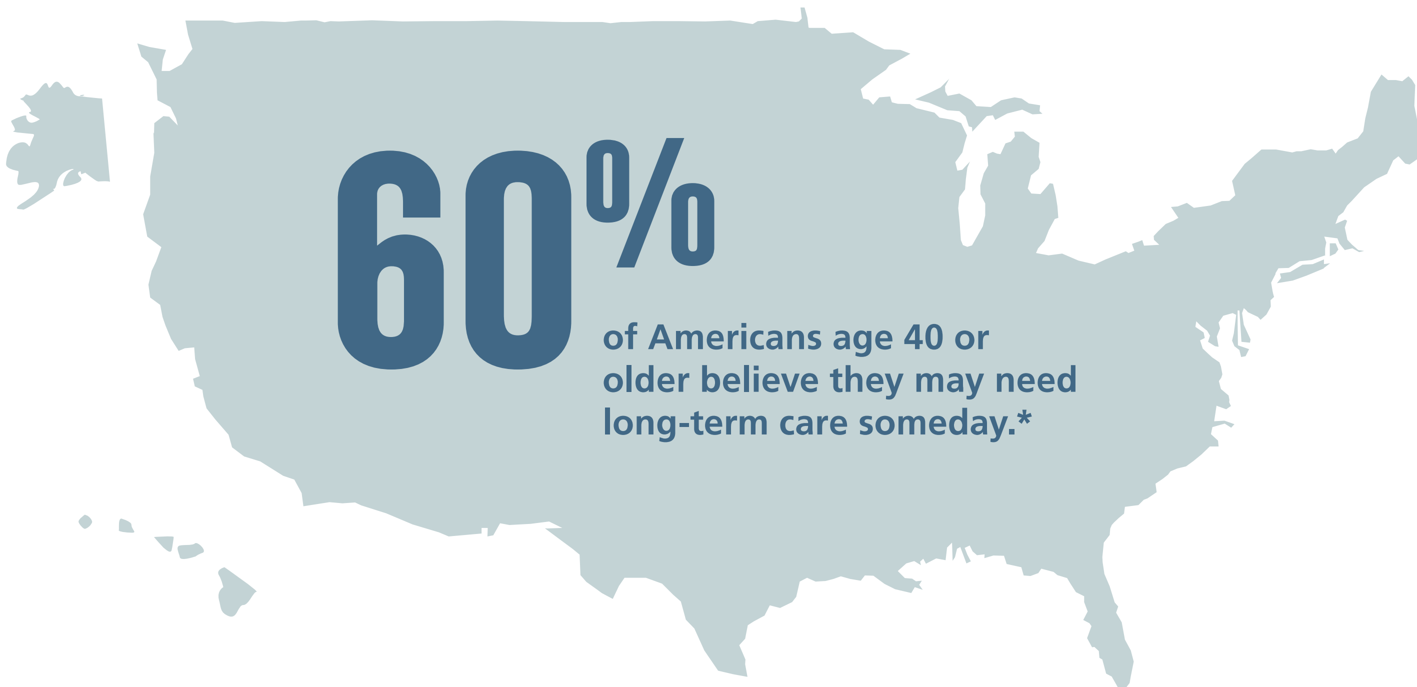
THE FACTS ABOUT LONG-TERM CARE

1. People are living longer and there is a growing need for care

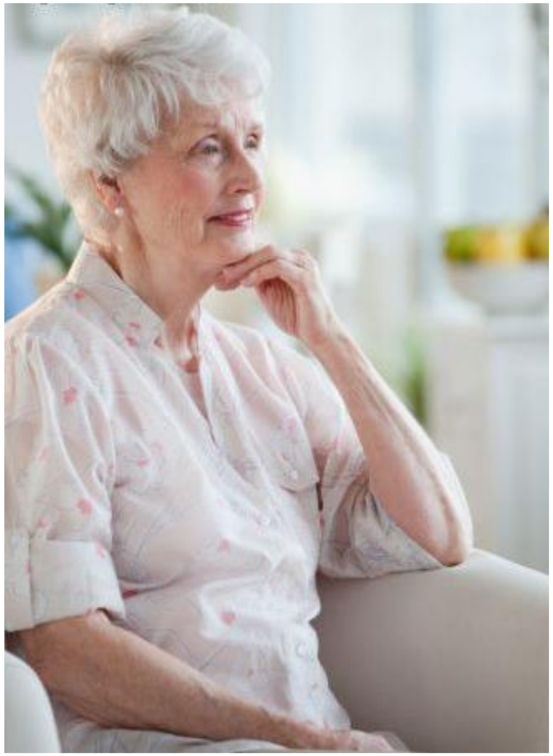


60% of Americans age 40 or older believe they may need long-term care someday.*

*The Associated Press-NORC Center for Public Affairs Research, “Long-term Care in America: Expectations and Reality,” http://www.longtermcarepoll.org/PDFs/LTC%202014/AP-NORC-Long-Term%20Care%20in%20America_FINAL%20WEB.pdf, May 2014.

THE FACTS ABOUT LONG-TERM CARE

2. Long-term care is expensive



Assisted living (1 bedroom unit)	$4,383 per month $52,591 per year
Nursing home	Semiprivate room: $238 per day $86,870 per year Private room: $273 per day $99,736 per year
Home health aide	$22.14 per hour

Source: LTCG, "2015 Lincoln Financial Group Cost of Care Survey," https://www.whatcarecosts.com/lincoln, January 2016. For a printed copy, call 877-ASK-LINCOLN.

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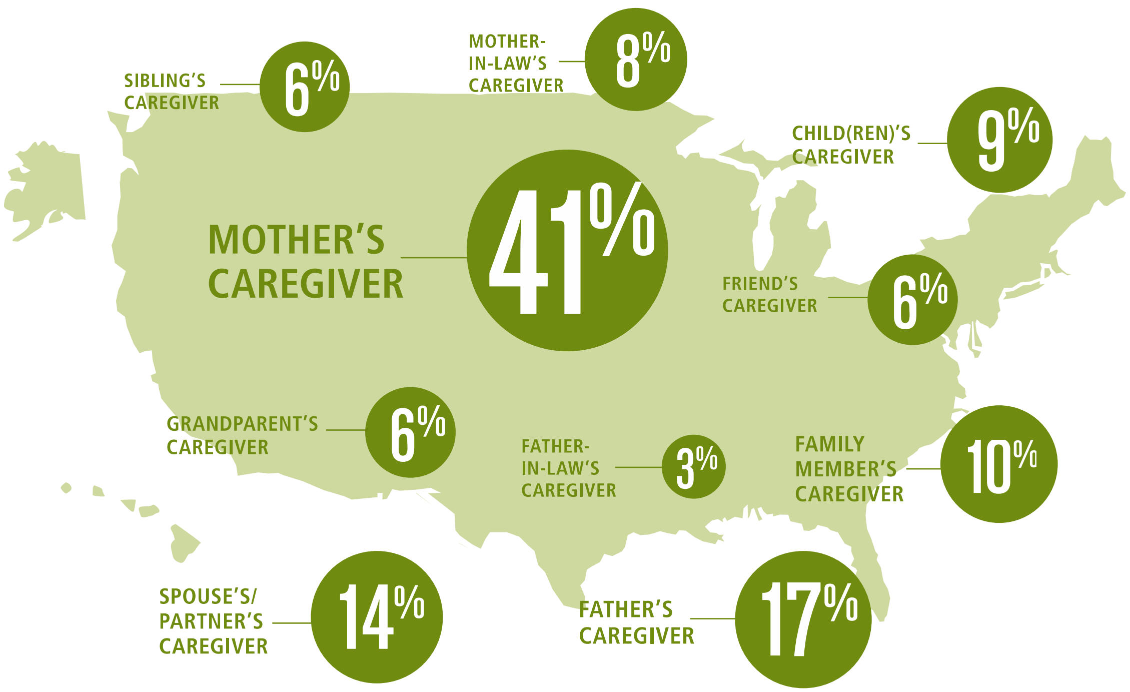
THE FACTS ABOUT LONG-TERM CARE

3. Long-term care could affect your loved ones

Percentages of those who currently or previously provided care for a relative or close friend



Source: The Associated Press-NORC Center for Public Affairs Research, "Long-term Care in America: Expectations and Reality," http://www.longtermcarepoll.org/PDFs/LTC%202014/AP-NORC-Long-Term%20Care%20in%20America_FINAL%20WEB.pdf, May 2014.

WHAT TO KNOW ABOUT SELF-INSURING

- **Some individuals have assets and investments, but see long-term care as just another potential expense.**
- **By self-insuring they have**
  - Control over their assets
  - No ongoing premium costs
  - Assets for beneficiaries if they don't need care

"Wait and see"

WHAT TO KNOW ABOUT SELF-INSURING

- Costs vary and can far exceed expectations
- The market doesn't care when you need long-term care
- Stress, impact spousal income, family dynamics

Challenge

What are my other options?

- **Asset control**
- **More for your long-term care dollars**
- **Benefits whether or not you need long-term care**

Advantages

A smarter alternative to self-insuring®

$100,000 purchase

CD

- Control
- No additional premiums
- Assets for children
- Can pay for any type of expense
- Will this be enough to pay for her long-term care expenses?

Lincoln *MoneyGuard®* Reserve policy

- Control
- No additional premiums (for a one-time payment policy only)
- Assets for children
- For qualified long-term care expenses
- LTC benefits worth multiple times her premium payment — will this be enough?

Figures based on 60-year-old female, healthy, nonsmoker.

A smarter alternative to self-insuring®

Purchase a Lincoln *MoneyGuard®* Reserve policy.

Premium

Long-term care benefits[1]
Income tax-free reimbursements for qualified long-term care expenses

Death benefit[2]
Income tax-free death benefit for beneficiaries

Return of premium[3]

[1]Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3).
[2]Beneficiaries can receive an income tax-free death benefit under IRC Section 101(a)(1).
[3]Through the Return of Premium Rider (ROPR) available at issue on one-time payment policies for issue ages 30–69. Return of Premium option is not available for flexible premium policies.

A smarter alternative to self-insuring®

Your policy remains an asset in your portfolio, and it offers you:

Long-term care benefits[1]

If you need long-term care, your policy can provide income tax-free reimbursements for qualified long-term care expenses.

OR

An income tax-free death benefit[2]

If you die, your policy pays an income tax-free death benefit to your beneficiaries. This benefit will be adjusted for any long-term care benefits received.

OR

A return of premium[3]

At any time, you can request a return of your premium paid. The amount you receive will be adjusted for any loans, withdrawals or benefits paid, and may have tax implications.

[1]Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3).
[2]Beneficiaries can receive an income tax-free death benefit under IRC Section 101(a)(1).
[3]Through the Return of Premium Rider (ROPR) available at issue on one-time payment policies for issue ages 30–69.

A smarter alternative to self-insuring®

CD / LTC

Lincoln *MoneyGuard*® Reserve / LTC

$100,000

2.8% after-tax return
over 18 years

1. Control
2. No additional premium
3. $ to children

$164,390 (30% tax bracket)

Policy purchased with a one-time payment of $100,000

1. Control
2. No additional premium
3. $ to children as beneficiaries of the death benefit

$164,910
Income tax-free death benefit for beneficiaries

OR

$494,730
Income tax-free, long-term care reimbursements
$6,871/month
$82,455/year

You're In Charge®

A smarter alternative to self-insuring®

- The policy is an asset in your portfolio.
- You can get more for your LTC dollars.
- You can receive benefits whether or not you need long-term care.
- You have a return of premium option.*

*Through the Return of Premium Rider (ROPR) available at issue on one-time payment policies for ages 30–69.

Lincoln Financial Group®
You're In Charge®

A smarter alternative to self-insuring®

Premiums never increase

Provided all premiums are paid as planned, and no loans, surrenders or withdrawals are taken.

Tax advantages

Choice of care setting

ELIGIBILITY FOR REIMBURSEMENT OF QUALIFIED LONG-TERM CARE EXPENSES

Reimbursement for qualified long-term care expenses is made when

- The insured is certified as chronically ill by a Licensed Health Care Practitioner*
- Care is provided under a care plan prescribed by a Licensed Health Care Practitioner (LHCP)
- The initial 90-day deductible period applicable for most expenses has been met, and
- Reimbursement is for covered expenses up to the maximum benefit specified in the policy

*Unable to perform at least two of the 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. Certification must be reconfirmed by a LHCP every 12 months for reimbursement eligibility.

HYPOTHETICAL CASE STUDIES

Jeffrey and Anne
"We want to protect our retirement income."

Gloria
"I'd like to get more for my long-term care dollars."

Dan
"I'd like to plan ahead to keep pace with rising long-term care costs."

Nancy
"I want to protect my portfolio even if I need long-term care."

HYPOTHETICAL CASE STUDY: PROTECTING RETIREMENT INCOME

- Jeffrey, age 64 and Anne, age 62, healthy, nonsmokers
- Financially secure because of Jeffrey's retirement income
- $150,000 set aside for LTC

Concern

- Jeffrey wants to help protect Anne's retirement income should he need long-term care.

Approach taken

- Jeffrey purchases a $150,000 one-time payment policy with a two-year Convalescent Care Benefits Rider (CCBR) and a four-year Extension of Benefits Rider (EOBR).

The values of benefits shown in the example are hypothetical. Please request a personalized Projection of Values from a licensed insurance agent/representative.

HYPOTHETICAL CASE STUDY: PROTECTING RETIREMENT INCOME

$150,000
Premium

$586,014
Income tax-free reimbursements for qualified long-term care expenses care[1]

$195,338
Income tax-free death benefit for beneficiaries[2]

$150,000
Return of premium[3]

[1]Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3). Benefit amounts vary by age, health status, and gender. His maximum available benefit is $97,669 per year for six years ($8,139 per month).

[2]Beneficiaries can receive an income tax-free death benefit under IRC Section 101(a)(1).

[3]Through the Return of Premium Rider (ROPR) available at issue on one-time payment policies for issue ages 30–69.

HYPOTHETICAL CASE STUDY: GETTING MORE FOR THE LTC DOLLAR

- Gloria, age 62, healthy, nonsmoker
- $7 million retirement portfolio
- Leverages $300,000 for long-term care

Concern

- Gloria wants to maintain her lifestyle, leave money to her beneficiaries, and establish a scholarship.

Approach taken

- Gloria purchases a $300,000 one-time pay policy with a two-year Convalescent Care Benefits Rider (CCBR) and a four-year Extension of Benefits Rider (EOBR).

The values of benefits shown in the example are hypothetical. Please request a personalized Projection of Values from a licensed insurance agent/representative.

HYPOTHETICAL CASE STUDY: GETTING MORE FOR THE LTC DOLLAR

$300,000
Premium

$1,378,041
Income tax-free reimbursements for qualified long-term care expenses care[1]

$459,347
Income tax-free death benefit for beneficiaries[2]

$300,000
Return of premium[3]

[1]Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3). Benefit amounts vary by age, health status, and gender. Her maximum available benefit is $229,673 per year for six years $19,139 per month).
[2]Beneficiaries can receive an income tax-free death benefit under IRC Section 101(a)(1).
[3]Through the Return of Premium Rider (ROPR) available at issue on one-time payment policies for issue ages 30–69.

HYPOTHETICAL CASE STUDY: PLANNING AHEAD FOR INFLATION

- Dan, age 55, healthy, nonsmoker
- Financially secure
- Leverages $100,000 for long-term care

Concern

- Dan wants to protect his children from the stress of managing his LTC expenses.

Approach taken

- Dan purchases a $100,000 one-pay policy with a two-year Convalescent Care Benefits Rider (CCBR) and a four-year Extension of Benefits Rider (EOBR).
- Dan adds the 3% Simple Inflation Option to the EOBR to help keep pace with rising LTC costs.

The values of benefits shown in the example are hypothetical. Please request a personalized Projection of Values from a licensed insurance agent/representative.

HYPOTHETICAL CASE STUDY: PLANNING AHEAD FOR INFLATION

$100,000
Premium

$496,568
Income tax-free reimbursements for qualified long-term care expenses care[1]

$154,694
Income tax-free death benefit for beneficiaries[2]

$100,000
Return of premium[3]

[1]Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3). Benefit amounts vary by age, health status, and gender. His maximum available initial benefit is $77,352 per year, or $6,446 per month, for 6 years).
[2]Beneficiaries can receive an income tax-free death benefit under IRC Section 101(a)(1).
[3]Through the Return of Premium Rider (ROPR) available at issue on one-time payment policies for issue ages 30–69.

HYPOTHETICAL CASE STUDY: HELPING TO PROTECT THE PORTFOLIO

- Nancy, age 60, healthy, nonsmoker
- Sufficient assets and retirement income
- Leverages $100,000 for long-term care

Concern

- Nancy is concerned that she may need long-term care in a few years, but she thinks she has enough set aside to cover costs.

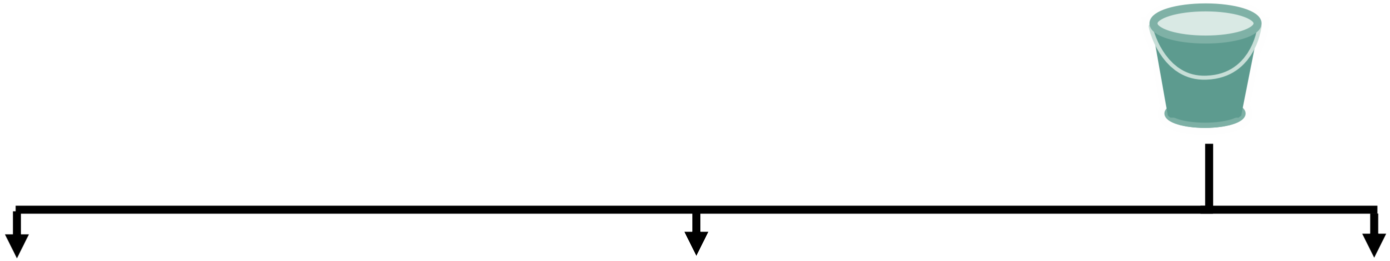
Approach taken

- Nancy purchases a $100,000 one-time payment policy with a two-year Convalescent Care Benefits Rider (CCBR) and a four-year Extension of Benefits Rider (EOBR).

The values of benefits shown in the example are hypothetical. Please request a personalized Projection of Values from a licensed insurance agent/representative.

HYPOTHETICAL CASE STUDY: HELPING TO PROTECT THE PORTFOLIO

$100,000
Premium



$494,730
Income tax-free reimbursements for qualified long-term care expenses care[1]

$164,910
Income tax-free death benefit for beneficiaries[2]

$100,000
Return of premium[3]

[1]Long-term care reimbursements are generally income tax-free under IRC Section 104(a)(3). Benefit amounts vary by age, health status, and gender. Her maximum available benefit is $82,455 per year for six years $6,871 per month).

[2] If Nancy doesn't need long-term care, her policy provides a $164,910 income tax-free death benefit. If she uses a portion of the death benefit for long-term care expense reimbursements, the remaining portion will pass to her beneficiaries, income tax-free, minus any loans or withdrawals.

[3]If Nancy changes her mind, she can request a return of her $100,000 premium. The money returned will be adjusted for any loans, withdrawals, or benefits paid, and may have tax implications.

Why Lincoln *MoneyGuard*® Reserve

Easy application process

Experience in claims paying

Experience of Lincoln

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NEXT STEPS

- **Make long-term care planning part of your overall financial strategy.**
- **Talk with a licensed insurance agent/representative.**
- **When you consider a funding solution, make sure it has the features you need.**

IMPORTANT INFORMATION

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

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 – 69. 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. 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), a Right to Purchase a Long-Term Care Policy on Endorsement Form LR856 (8/05), and a Nonforfeiture Benefit Rider on Rider Form LR855 (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.

IMPORTANT INFORMATION, CONT'D.

General exclusions and limitations

The LTC riders will not provide benefits for: a. care provided in facilities operated primarily for the treatment of mental or nervous disorders. This exclusion does not apply to qualifying stays or care resulting from a clinical diagnosis of Alzheimer's Disease or demonstrable organic brain disease; b. 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); c. treatment arising out of an attempt (while sane) at suicide or an intentionally self-inflicted injury; d. 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; e. 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; f. confinement or care received outside the United States, g. services provided by a facility or an agency that does not meet this rider definition for such facility or agency; and h. services provided by a member of the Insured's Immediate Family or for which no charge is normally made in the absence of insurance.

9/16 **Z01**
Order code: MGR-NY-PPT002

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		

THANK YOU

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