
A Split Annuity Policy Illustration

Single Premium Deferred Annuity
with Market Value Adjustment

Lincoln ClassicSM 7

and

Single Premium Immediate Annuity

Designed for

**Mildred Jones
TX**

Presented by

**Andy Agent CLU
TX**

August 1, 2007

This Illustration is intended to show how the Lincoln Split Annuity policy works.

The Lincoln ClassicSM 7 Annuity is a fixed indexed annuity intended for retirement or other long-term needs. A fixed annuity provides a guaranteed minimum interest rate, tax-deferred accumulation of your money subject to a surrender charge schedule and Market Value Adjustment (MVA), a wide range of income payment options including an income you cannot outlive, and a death benefit. It is intended for a person who has sufficient cash or other liquid assets for living expenses and unexpected emergencies, such as medical expenses.

Please also read the Client Brochure, Client Guide and Disclosure Statement for the Lincoln ClassicSM 7 Annuity, which contain complete information about the annuity, including costs and details of coverage.

The Lincoln National Life Insurance Company

Designed for
Mildred Jones
 Age: 65, Sex: Male

Split Annuity Supplement
 Lincoln ClassicSM 7 - Single Premium Deferred Annuity
 with Market Value Adjustment
 Non-Qualified Single Premium Immediate Annuity

Single Premium: \$300,000.00 Monthly Income: \$1,233.96 Income Period: 7 years

Deferred Annuity (Lincoln ClassicSM 7)

Values Assuming the Policy Guaranteed Renewal Interest Rate(s) Values Assuming a Non-Guaranteed Renewal Interest Rate of 4.75%

End of Year	Age	Immediate Annuity			Premium	Values Assuming the Policy Guaranteed Renewal Interest Rate(s)		Values Assuming a Non-Guaranteed Renewal Interest Rate of 4.75%	
		Premium	Monthly Income	Cum. Income		#Accum Value	#Cash Value*	#Accum Value	#Cash Value*
1	66	\$89,244	\$1,233.96	\$14,808	\$210,756	\$227,090	\$208,695	\$227,090	\$208,695
2	67		1,233.96	29,615		237,876	220,749	237,876	220,749
3	68		1,233.96	44,423		249,175	233,477	249,175	233,477
4	69		1,233.96	59,230		261,011	246,917	261,011	246,917
5	70		1,233.96	74,038		273,409	261,106	273,409	261,106
6	71		1,233.96	88,845		286,396	276,086	286,396	276,086
7	72		1,233.96	103,653		300,000	291,900	300,000	291,900

This quote is valid from August 1, 2007 through August 8, 2007.

Rates and factors are subject to change without notice. This quote assumes funds are received at the Home Office within the effective period of the prevailing rate scale. Please submit a copy of this illustration and the accompanying deferred annuity and immediate annuity policy illustrations with the application. Each quote must be approved by The Lincoln National Life Insurance Company. Please verify with the Home Office that this is the correct rate scale and current software version.

* The cash surrender values do not reflect any MVA and the actual cash surrender values that you receive may be more or less favorable than the cash surrender values illustrated here.

Does not reflect any MVA. The MVA may either increase or decrease the accumulation value surrendered before the application of surrender charges.

The premium is paid at the beginning of policy year one.

Cash Surrender Values and Accumulation Values are as of the end of the policy year.

This illustration assumes the non-guaranteed elements will continue unchanged for all policy years shown. This is not likely to occur, and actual results may be higher or lower than illustrated.

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 Age: 65, Sex: Male

Split Annuity Supplement
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 Non-Qualified Single Premium Immediate Annuity

	VS	Single Premium Immediate Annuity \$89,244.07 Premium	Split Annuity \$300,000.00 Premium	Deferred Annuity Lincoln Classic SM 7 \$210,755.93 Premium
Bank CD \$300,000.00 Premium @ 5.00% Annual Effective		Gross Monthly Income \$1,233.96/Month Guaranteed for 7 Years		
Gross Monthly Income \$1,222.24/Month * (Interest Only)		Exclusion Ratio 86.10% ** Tax-Free Amount \$1,062.44/Month Amount Taxable \$171.52/Month		
100% Taxable Tax-Free Amount \$0.00/Month Amount Taxable \$1,222.24/Month		Taxes Payable \$48.03/Month Assuming a 28% Tax Bracket		
Taxes Payable \$342.23/Month Assuming a 28% Tax Bracket		\$1,185.93 Net Spendable Monthly Income! 34.76% More Spendable Income!		\$300,000 Guaranteed accumulation value at the end of policy year 7 assuming a base interest rate of 4.75% for the first 7 years and 1.00% thereafter.
\$880.01 Net Spendable Monthly Income! Only a 3.58% After Tax Return!		The Alternative Investment would need to Earn an Annual Effective Interest Rate of 6.79% to Equal!		\$300,000 Non-guaranteed accumulation value at the end of policy year 7 assuming a base interest rate of 4.75% for the first 7 years and 4.75% thereafter.
\$300,000 Value after 7 Years				

* Assumes a 0.00% sales charge on the Bank CD.

** Please see the Single Premium Immediate Annuity illustration for assumptions used in exclusion ratio calculation. Any cost basis is split pro-rata based on premium between the immediate and deferred annuities.

The annuity values illustrated as non-guaranteed are hypothetical and are for illustrative purposes only. Actual interest rates, monthly income and other product features may be more or less favorable. Income taxes are paid when interest is withdrawn from the annuity. Withdrawals made from the tax-deferred annuity prior to age 59½ may also be subject to a 10% Federal penalty tax. Withdrawals made from an annuity during the surrender charge period may be subject to a MVA and a surrender charge. The annuity values in the tax-deferred annuity illustrated do not reflect any withdrawals being made or deductions for any premium taxes. The Lincoln National Life Insurance Company and its affiliates do not give tax advice and urge you to seek the counsel of a qualified tax advisor regarding taxation and how it applies to you specifically.

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 Age: 65, Sex: Male

Policy Disclosure
 Lincoln ClassicSM 7 - Single Premium Deferred Annuity
 with Market Value Adjustment

	<p>Explanation of Terms used in the illustration:</p>																		
End Of Yr	The end of the policy year or duration since issue of the policy.																		
Age	The owner and annuitant's age as of the last birthday prior to the policy's issue date plus the number of years since issue.																		
Premium For Year	The single premium is assumed to be paid at the beginning of policy year one. No subsequent premium payments are allowed.																		
Partial Withdrawal	<p>The total partial withdrawal for the policy year. Partial withdrawals are made at the end of each annual period. Accumulation Values reflect any surrender charges applicable to the withdrawals illustrated. Withdrawals are referred to as surrenders in the policy.</p> <p>Surrenders in the first seven policy years are subject to a surrender charge. Surrender charges are expressed as a percentage of the policy's accumulation value after application of any MVA. The surrender charge schedule is as follows:</p> <table style="margin-left: auto; margin-right: auto; border: none;"> <tr> <td style="padding-right: 10px;">Policy Year:</td> <td style="padding-right: 10px;">1</td> <td style="padding-right: 10px;">2</td> <td style="padding-right: 10px;">3</td> <td style="padding-right: 10px;">4</td> <td style="padding-right: 10px;">5</td> <td style="padding-right: 10px;">6</td> <td style="padding-right: 10px;">7</td> <td style="padding-right: 10px;">8+</td> </tr> <tr> <td>Surrender Charge:</td> <td>9.00%</td> <td>8.00%</td> <td>7.00%</td> <td>6.00%</td> <td>5.00%</td> <td>4.00%</td> <td>3.00%</td> <td>0.00%</td> </tr> </table> <p>Each policy year you may take free partial surrenders of up to 10% of the policy's Accumulation Value without an MVA or surrender charge, but any amount in excess of 10% is subject to an MVA and surrender charge. The remaining Accumulation Value after any partial surrender must be at least \$5,000. Surrenders and partial withdrawals made from your policy may be subject to Federal and state income taxes, including a 10% Federal penalty tax on certain distributions before age 59½. Contact your personal tax advisor for information on tax-related issues. Due to surrender charges, you may receive less than your premium payment if you surrender the policy in the early years.</p>	Policy Year:	1	2	3	4	5	6	7	8+	Surrender Charge:	9.00%	8.00%	7.00%	6.00%	5.00%	4.00%	3.00%	0.00%
Policy Year:	1	2	3	4	5	6	7	8+											
Surrender Charge:	9.00%	8.00%	7.00%	6.00%	5.00%	4.00%	3.00%	0.00%											
Interest Rate	<p>The interest rate illustrated is 4.75% and is guaranteed for the first seven policy years. The actual interest rate will be the interest rate in effect as of the date the premium is received. After the seventh policy year the renewal interest rate will be declared annually at the Company's discretion, subject to a 1.00% minimum guarantee. Each annual renewal interest rate will be guaranteed for that year. The non-guaranteed renewal interest rate illustrated is 4.75%. This renewal interest rate is not guaranteed, nor an estimate of future interest rates, and the illustrated Cash Surrender Values and Accumulation Values that are based on this interest rate are neither guaranteed nor an estimate of future results. All interest rates are expressed as annual effective interest rates.</p> <p>Under current company practice, which may change, a 3.00% first year interest rate bonus is added in the first policy year. The first year interest rate bonus applies only to the first policy year and is not credited beyond the end of the first policy year.</p>																		
Accumulation Value	The Accumulation Value is the premium(s) paid plus credited interest, less any previous deductions for premium taxes, surrenders, market value adjustments and surrender charges. Interest is credited daily at the declared annual effective interest rate.																		
Cash Surrender Value	The Cash Surrender Value is the Accumulation Value less any Market Value Adjustment, less any applicable surrender charge, and less any taxes payable by the Company not previously deducted.																		

