



*Lincoln OptiChoice*SM fixed indexed annuity

Navigating you towards retirement
is in our nature

- ▶ **Growth potential** with multiple interest crediting accounts
- ▶ **Wealth preservation** through “locked-in” interest earnings and protection from losses
- ▶ **Income options**, including one guaranteed to last a lifetime
- ▶ **Protection** of a death benefit



*Lincoln OptiChoice*SM flexible premium
fixed indexed annuity

Available for qualified (IRA and Roth
IRA) and nonqualified money

Minimum initial premium:
\$5,000 nonqualified
\$2,000 qualified

Maximum premium without prior
home office approval:
\$2,000,000

Withdrawals from the contract (also
known as policy) are subject to
surrender charges (9% maximum)
and a Market Value Adjustment.
See the current *Lincoln OptiChoice
Facts-At-A-Glance* for details

Provides a Guaranteed Minimum
Cash Surrender Value

Three indexed interest accounts and
a fixed account available

Nursing home and terminal illness
benefits available

Purchase of the contract through a
qualified plan does not provide any
additional tax deferral benefits beyond
those already provided through the
plan. If you are purchasing the contract
through a plan, you should consider
purchasing it for its death benefit,
annuity options and other non-tax
related benefits.

The nature of retirement and fixed indexed annuities

The concept of retirement is changing. Individuals are living longer, facing increasing costs, and addressing new challenges. Today's retirees are relying less on traditional retirement income sources than in the past and instead planning and creating their own retirement savings plan. A fixed indexed annuity can help address some of the challenges facing retirees by providing greater potential growth than many types of fixed interest products, yet with less risk than investment vehicles based on equities. By their very nature, fixed indexed annuities offer many advantages as a retirement savings vehicle.

What should you know about fixed indexed annuities?

A fixed indexed annuity is intended for retirement and other long-term financial needs. It's designed for individuals who have enough cash or other liquid assets to cover living expenses and unexpected emergencies, such as medical expenses.

Since a fixed indexed annuity is not a registered security and does not participate directly in the stock market or any index, it is not an investment. Interest rates, caps, and/or spreads for fixed indexed annuities are based on contract features, additional rider benefits, and the death benefit. All contract guarantees are backed by the claims-paying ability of The Lincoln National Life Insurance Company. A fixed indexed annuity is an insurance product designed to help you prepare for your future.

Growth potential

How can tax deferral help?

*Lincoln OptiChoice*SM is a tax-deferred fixed indexed annuity, which allows for greater growth potential than a similar taxable fixed product. Your assets earn interest and do not impact your tax bill until they are withdrawn. With tax deferral:

- Your principal earns interest, and
- All of your interest earns interest

These advantages may help you achieve your retirement goals. Withdrawals are subject to income taxes and, if withdrawn before age 59½, may be subject to a 10% federal penalty tax. Withdrawals during the surrender charge period are also subject to surrender charges and a Market Value Adjustment.

What are my account choices?

Lincoln OptiChoice offers you multiple accounts with different interest crediting methods. You may choose how your money is allocated between four interest accounts:¹

- Fixed Account, offering a one-year fixed interest rate guarantee period
- 1-Year Point-to-Point Indexed Account
- 1-Year Monthly Cap Indexed Account
- 1-Year Monthly Average Indexed Account

¹Indexed interest rates, caps, and spreads are declared by The Lincoln National Life Insurance Company at its discretion. Subsequent indexed interest rates, caps, and spreads may be higher or lower than the initial and may differ from those used for new contracts issued at different times during the surrender charge period. During the surrender charge period, we reserve the right not to offer any one of the indexed accounts, leaving at least two indexed accounts available. After the surrender charge period, Lincoln reserves the right not to offer any of the indexed accounts.



Fixed Account

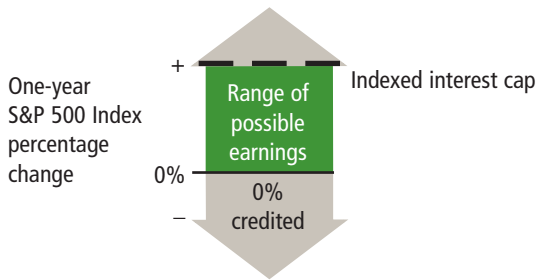
The Fixed Account offers a fixed interest rate guaranteed for the first contract year. With the Fixed Account, you will always know the rate you're earning in advance. The rate will never be less than the guaranteed minimum fixed interest rate applicable for the contract year. Fixed interest is credited and compounded daily. A new fixed rate is declared annually for each upcoming contract year.

1-Year Point-to-Point Indexed Account

- Provides growth potential, up to a cap
- Protects principal

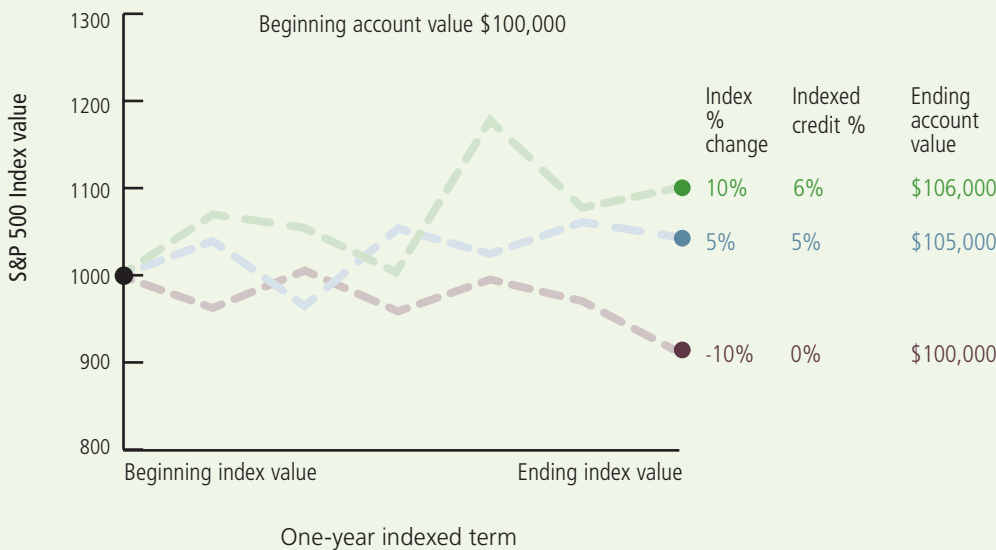
Growth potential.

With the 1-Year Point-to-Point Indexed Account, the value at the end of the one-year indexed term is compared to the value at the beginning of the indexed term. The percentage change of those two values determines what the account earns. If the percentage change is positive, the account will earn the full percentage change, up to an indexed interest cap.



Wealth preservation.

If, at the end of the one-year indexed term, the percentage change is negative, the account is credited at 0%, protecting your principal. In addition, with each indexed term, any interest earnings are locked in. Because you do not participate directly in the S&P 500 Index, your account value will not be eroded by any subsequent negative index declines. This means you will not need to rebound from poor index performance before you can benefit from positive index performance during subsequent indexed terms.



This hypothetical example assumes:²

- An indexed interest cap of 6%,
- A \$100,000 account value at the beginning of the indexed term
- A beginning index value of 1000
- No withdrawals taken

Indexed interest is credited at the end of the indexed term and compounded each year. A new indexed interest cap, which can never be less than 2.5%, is declared for each one-year indexed term.

²These rates are hypothetical and for illustration purposes only. Past performance of the S&P 500 Index is no guarantee of future changes in the S&P 500 Index or of future indexed interest earnings of *Lincoln OptiChoice*SM.

➤ 1-Year Monthly Cap Indexed Account

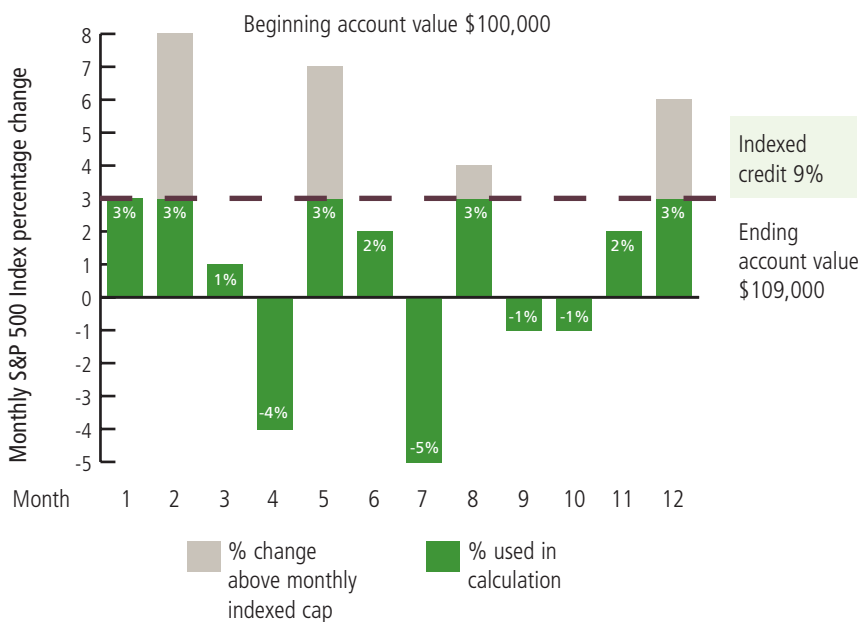
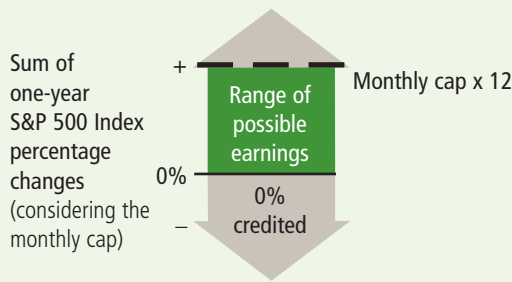
- Protects principal
- Credits the sum of the percentage changes over the two-year indexed term

Growth potential.

The 1-Year Monthly Cap Indexed Account calculates the percentage change (either positive or negative) of the S&P 500 Index for each month during the one-year indexed term. The percentage change, which has no minimum but cannot be higher than the monthly indexed cap, will be recorded for each of the 12 months in the one-year indexed term. At the end of the indexed term, the percentages are totaled. If the sum is positive, the full percentage is credited to the account.

Wealth preservation.

If at the end of the one-year indexed term the sum of the 12 percentage changes is negative, the account is credited at 0%, protecting your principal. In addition, with each indexed term, any interest earnings are locked in. Because you do not participate directly in the S&P 500 Index, your account value will not be eroded by any subsequent index declines. This means you will not need to rebound from poor index performance before you can benefit from positive index performance during subsequent indexed terms.



This hypothetical example assumes:²

- A monthly indexed cap of 3% for the 1-Year Monthly Cap Indexed Account
- A \$100,000 account value at the beginning of the indexed term
- No withdrawals taken

The indexed credit percentage for the one-year indexed term equals the sum of the 12 monthly change percentages, whether positive (up to the cap), zero, or negative. However, the indexed credit percentage for the one-year term will never be less than 0%.

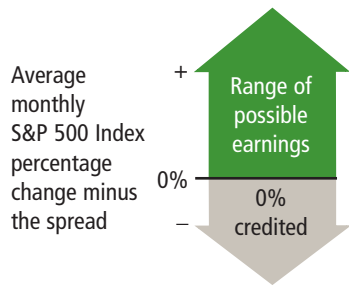
Indexed interest is credited at the end of the indexed term and compounded every year. A new monthly indexed cap, which can never be less than 1.0%, is declared for each one-year indexed term.

1-Year Monthly Average Indexed Account

- Protects principal
- Provides full growth potential, minus the indexed interest spread

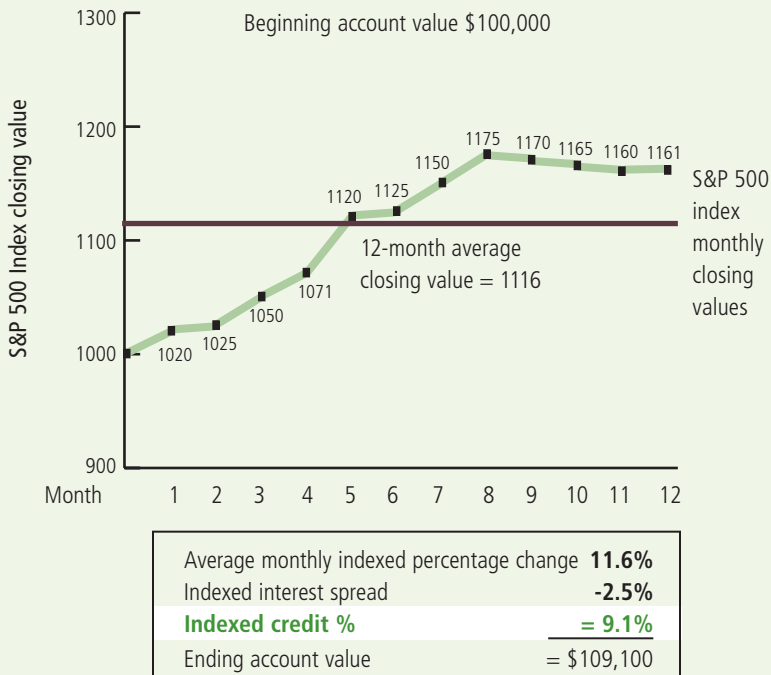
Growth potential.

The 1-Year Monthly Average Indexed Account provides indexed interest linked to the percentage change in the average monthly S&P 500 Index value from the beginning of the one-year indexed term over the index value at the beginning of that indexed term. Indexed interest is credited to this account by calculating the average monthly percentage change and then subtracting the indexed interest spread.



Wealth preservation.

Indexed interest credited at the end of an indexed term will not be less than 0%, regardless of what happens to the S&P 500 Index, therefore protecting your principal. In addition, with each indexed term, any interest earnings are locked in. Because you do not participate directly in the S&P 500 Index, your account value will not be eroded by any subsequent index declines. This means you will not need to rebound from poor index performance before you can benefit from positive index declines during subsequent indexed terms.



Hypothetical example.²

This chart demonstrates how the 1-Year Monthly Average Indexed Account works. The indexed credit percentage calculation is based on the following assumptions:

- The S&P 500 Index closing value on the first day of the contract year is 1000.
- The S&P 500 Index closing values on the same day each month for each of the next 12 months are 1020, 1025, 1050, 1071, 1120, 1125, 1150, 1175, 1170, 1165, 1160, and 1161. The average of these closing values is 1116.
- The indexed interest spread for the contract year is 2.5%.
- A \$100,000 account value at the beginning of the indexed term.
- No withdrawals taken

Indexed interest is credited at the end of the indexed term and compounded every year. A new indexed interest spread, which can never be greater than 9%, is declared for each one-year indexed term.

²These rates are hypothetical and for illustration purposes only. Past performance of the S&P 500 Index is no guarantee of future changes in the S&P 500 Index or of future indexed interest earnings of *Lincoln OptiChoice*SM.

Is there opportunity for growth if the indexed accounts repeatedly earn 0%?

The Guaranteed Minimum Cash Surrender Value (GMCSV) is additional protection when you have minimal or no gains in your contract value (also known as accumulation value). If you surrender your contract, you will receive the greater of your actual contract value, less any applicable surrender charge and Market Value Adjustment, or the GMCSV. Withdrawals and surrender charges will affect the GMCSV and can result in the GMCSV being less than your premium. The GMCSV is based on a guaranteed minimum fixed interest rate, which ranges from 1% – 3% and varies by contract year. So as long as you leave your money in the contract until the end of the surrender charge period, you are guaranteed to receive no less than your premium³ with interest at the guaranteed minimum fixed interest rate, even if the indexed accounts repeatedly earn 0%.

Income options

What if I need to access my money?

There are several options available for you to take income from your *Lincoln OptiChoice*SM contract.

Annual free withdrawal

*Lincoln OptiChoice*SM offers a withdrawal provision in the event that you need access to your money: 10% of your contract value is available to you each contract year during the surrender charge period, without incurring charges. This is referred to as the 10% annual free withdrawal.

Systematic withdrawals

You have the option of taking your systematic withdrawals either annually, semiannually, quarterly, or monthly. Any systematic withdrawals must be taken from the Fixed Account.

Annuitization

You can annuitize your *Lincoln OptiChoice*SM contract after the fifth contract year, converting it to an income stream backed by The Lincoln National Life Insurance Company. You can annuitize a contract purchased in Florida after the first contract year. There are several annuitization options available, including one providing income for your lifetime.

*Lincoln Living Income*SM Advantage

*Lincoln Living Income*SM Advantage is an optional benefit that provides more than an income stream from your annuity. It automatically guarantees lifelong income payments, provides flexibility on how you

receive those payments, and allows you to enjoy all of the other benefits of your annuity. *Lincoln Living Income*SM Advantage is available for an annual charge of 0.40% of your contract value. Please keep in mind that any unscheduled payments will reduce your scheduled payments proportionally.

What is the difference between the options?

- The free withdrawal provision is intended to be used on an as-needed basis. Systematic withdrawals are meant to be used on an ongoing basis, although you may cancel them at any time.
- Annuitization options provide payments for either a certain amount of time or for life—but it is irrevocable, and payments are tax-advantaged, in that each payment is part principal, part earnings.
- *Lincoln Living Income*SM Advantage, the optional feature, is like annuitization, but it also offers continued access to the contract value as well as flexibility to start and stop payments; it allows the contractowner to continue to allocate among the indexed accounts; and payments are taxed upon withdrawal.

NOTE: If you are considering taking your 10% annual free withdrawal, you should place that portion of your money in the Fixed Account. Amounts withdrawn from an indexed account before the end of a term will not receive any interest for that term. Any withdrawals in excess of the 10% annual free withdrawal (or for *Lincoln Living Income*SM Advantage, in excess of the scheduled payment) will be subject to applicable surrender charges and a Market Value Adjustment. Withdrawals are subject to income taxes and, if withdrawn before age 59½, a 10% federal penalty tax may apply.

³Reduced by any applicable premium tax.



Market Value Adjustment

What is it and when does it apply?

If you access more than the 10% annual free withdrawal before the end of the surrender charge period, it may be subject to surrender charges and a Market Value Adjustment (MVA). The MVA is a positive or negative adjustment, based on the current interest rate environment at the time of the surrender. The MVA does not apply to: withdrawals after the surrender charge period, 10% annual free withdrawals, the death benefit, annuitized contracts, and contracts issued in the states of Minnesota, Oregon, and Utah.

Protection

Does *Lincoln OptiChoice*SM offer death benefit protection?

Yes. *Lincoln OptiChoice* offers a death benefit, available before the contract is annuitized. Upon the death of a contractowner or annuitant, beneficiaries may receive the greater of the:

- Contract value; or
- Premiums paid, minus any prior surrenders and surrender charges, accumulated at the guaranteed minimum fixed interest rate. This is also known as the Guaranteed Minimum Non-Surrender Value.

The death benefit is payable directly to the contract beneficiaries, which avoids the possible delays of probate. The death benefit is subject to any applicable taxes.

Can I access my money if my health becomes a concern?

Yes. *Lincoln OptiChoice* features nursing home and terminal illness benefits (provided through riders). These benefits offer access to your money without charges after the first contract year, if a contractowner meets one of the following conditions:

- First diagnosed with a terminal illness after the contract issue date; or
- Confined to a nursing home or hospital for at least 30 consecutive days, beginning after the first contract anniversary.

See the Disclosure Statement for necessary requirements and additional details. The nursing home benefit is not available for contracts issued in the state of Massachusetts.

Other *Lincoln OptiChoice*SM Information

Contract issue: *Lincoln OptiChoice* fixed indexed annuity is issued four times a month. Interest is calculated and credited beginning on the date the contract is issued. No interest is credited between the date the premium is received and the date the contract is issued.

Allocations: When you purchase *Lincoln OptiChoice*, you can decide what whole percentages of your money to place in each account. Any additional premiums you pay after opening your contract will be allocated to the fixed account. You can choose to move your money to other accounts during the annual 25-day reallocation period.

After the contract anniversary date, a 25-day reallocation period opens. At that time, you will be sent a Reallocation Notice along with your annual Statement of Account. Your Reallocation Notice will include the fixed interest rate, specified rate, indexed interest cap, monthly indexed cap, and indexed interest spread for each of the accounts available during the year. When you receive your notice, after the end of the indexed term, you may move your money between the available accounts prior to the end of the 25-day reallocation period. The reallocation will be effective as of the contract anniversary date.

Withdrawals: When you access money, withdrawals and any charges are deducted first from the Fixed Account. Any withdrawals taken from the Fixed Account will reduce the actual amount of interest credited. After the Fixed Account is exhausted, withdrawals and any charges are deducted pro-rata from the indexed interest accounts. If withdrawals are taken from an indexed interest account, the amount withdrawn will not receive any indexed interest for that term.

Right to cancel: You have a right to cancel your *Lincoln OptiChoice* annuity contract within 20 days after you receive your contract (state variations apply). To cancel your contract, send a written request for cancellation to The Lincoln National Life Insurance Company's home office. We will return your premium paid upon receipt of your written request. Canceling your contract voids it from the beginning. If you cancel your contract, you will not be permitted to purchase another Lincoln fixed annuity product for a period of six months.

A tradition of integrity

At Lincoln Financial Group, we have a 100-year heritage of helping people find solutions to their financial challenges—with the same honesty, integrity, and responsibility that you'd expect from our namesake. It's a legacy that we proudly and respectfully continue each day. We believe our continued commitment to strength and stability is indispensable to who we are and critical to your confidence in us. We pride ourselves on being able to identify and deliver sophisticated financial strategies and product solutions for the creation, protection, and enjoyment of wealth. We are committed to helping clients redefine their retirement because we don't believe retirement is an end—it's an opportunity for everyone to start doing what they were meant for all along.

The stability of The Lincoln National Life Insurance Company

A company's promises are only as strong as its reputation, integrity, and financial strength. The Lincoln National Life Insurance Company has consistently received high marks from independent evaluators including A.M. Best, Fitch, Moody's, and Standard & Poor's.

A.M. Best	A+ (2nd highest of 16)
Fitch	AA (3rd highest of 21)
Moody's	Aa3 (4th highest of 21)
Standard & Poor's	AA (3rd highest of 21)

These ratings apply only to the company's claims-paying ability. The ratings do not imply approval of the product. As of December 16, 2008, these ratings represent the most recently affirmed ratings by the respective agencies. Individual issuing companies are separately responsible for satisfying their own financial and contractual obligations. All ratings are subject to revision or withdrawal at any time by the rating agencies, and therefore, no assurance can be given that these ratings will be maintained.

Important disclosures. Please read.

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A fixed indexed annuity is intended for retirement or other long-term needs. It is intended for a person who has sufficient cash or other liquid assets for living expenses and other unexpected emergencies, such as medical expenses. A fixed annuity is not a registered security or stock market investment and does not directly participate in any stock or equity investments, or index. The index used is a price index and does not reflect dividends paid on the underlying stocks.

The exact terms of the annuity are contained in the contracts and any attached riders, which will control the appropriate issuing company's contractual obligations. For more information about the annuity, please also read the Illustration and Disclosure, Facts-At-A-Glance, or contact your Lincoln representative.

Income taxes are due upon withdrawal and if withdrawn before age 59½, a 10% federal penalty tax may apply. Withdrawals and surrenders may be subject to surrender charges and a market value adjustment.

Lincoln OptiChoice™ flexible premium deferred annuity (contract form 05-606, or state variation) issued by The Lincoln National Life Insurance Company, Fort Wayne, IN, and distributed by Lincoln Financial Distributors, Inc., a broker/dealer. **The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so. Contractual obligations are backed by the claims-paying ability of The Lincoln National Life Insurance Company.**

Contract may be referred to as "certificate" in certain states. The certificate is a group annuity certificate issued under a group annuity contract issued by The Lincoln National Life Insurance Company to a group annuity trust.

Product and features are subject to state availability. Limitations and exclusions may apply.

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The S&P 500 Index is a price index and does not reflect dividends paid on the underlying stocks. It is not possible to invest directly in an index.

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Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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