



## *MoneyGuard*<sup>®</sup> Reserve

Yours today for tomorrow

- ◆ Get more for your long-term care dollar
- ◆ Get your money back if you don't need to use your policy
- ◆ Be tax-smart about long-term care

## A key challenge to your retirement income security

As Americans continue to live longer, we have a greater chance of eventually needing care. At least 60% of people over age 65 will require some long-term care services at some point in their lives.<sup>1</sup>

60%

### So what are your options?

The cost for long-term care continues to rise. In 2006, the average cost of nursing home care in the state of New York was:

- \$285.13 per day or \$104,072.45 per year for a semi-private room<sup>1</sup>
- \$297.60 per day or \$108,624 per year for a private room<sup>1</sup>
- For full-time (12 hours a day) care by a home health aide in 2006, the average cost in New York was: \$270 per day or \$98,550 per year.<sup>1</sup>

Long-term care costs can be a key challenge to your retirement income security.

At least 60% of people over age 65 will require some long-term care services at some point in their lives

Until now, there were really only two ways to prepare for long-term care needs:

- **Traditional long-term care insurance**—premium payments can be expensive, and if you never need care, the money you've paid into the policy is typically lost forever.
- **Self insuring**—requires you to set aside significant liquid assets and risk depleting your long-term care assets too quickly, forcing you to rely on others.

Long-term care challenges are considerable—many people do nothing to address the need.

**But if you are not prepared, you're self insuring.**

## Now there's *MoneyGuard*<sup>®</sup> Reserve

A universal life insurance policy from **Lincoln Life & Annuity Company of New York**, *MoneyGuard* Reserve provides benefits you can tap into to reimburse qualified long-term care costs, protecting assets you've set aside for retirement. It offers a simple solution that makes sense for today and for tomorrow.

*MoneyGuard* Reserve provides three key benefits:

### 1 Get more for your long-term care dollar—free up other assets

Leverage assets you've set aside for long-term care. Why allocate more than you need to for long-term care costs when your assets can work three, four, even five times harder for you? This allows you to free up additional assets you'd targeted for long-term care, because they will no longer be needed for that purpose.

### 2 Money back guarantee—should you change your mind

If you fund your policy with a single premium payment, you can get back the money you paid into the policy. Note that a portion of the money you get back may have tax implications. This and all guarantees are backed by the claims-paying ability of Lincoln Life & Annuity Company of New York.

### 3 Be tax-smart about long-term care—income tax-free benefits

The money you receive from *MoneyGuard* Reserve to reimburse long-term care costs is income tax-free. And if you never need the benefits for long-term care, they are passed to your family through an income tax-free death benefit. Any money borrowed or withdrawn from the policy will reduce the death benefit and may have tax implications.

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

<sup>1</sup>U.S. Department of Health and Human Services—National Clearinghouse for LTC Information, [www.longtermcare.gov](http://www.longtermcare.gov).



Nancy

## MoneyGuard® Reserve is smart planning that counts.

Let's take a look at a hypothetical example using Nancy, a hypothetical client. Nancy's been saving money for a long time...for retirement, for a rainy day, and now for long-term care. But she realizes that with today's medical costs, even \$300,000 may be gone in less than two years.

- 65 years old
- Nonsmoking female in good health
- \$300,000 reserved for long-term care



Nancy transitions assets to a *MoneyGuard Reserve* policy with a single payment of \$100,000 and allocates the other \$200,000 for other needs. **Through *MoneyGuard Reserve*, she is prepared for three possibilities. And all of the outcomes are fully guaranteed by the claims-paying ability of Lincoln Life & Annuity Company of New York.**

### 1 Long-term care coverage



Reimbursement for long-term care  
\$83,203 X 6 years = \$499,218

If Nancy needs long-term care, she'll get up to \$83,203 each year for six years to reimburse monthly long-term care costs (that's a maximum of \$6,934 per month). And she'll receive these benefits—up to a total of \$499,218—income tax-free. That's nearly 500% of her original premium payment.

### 2 Money back guarantee



\$100,000 paid to you

If Nancy decides she wants her money back, she only needs to notify us in writing, and we'll mail her a check for her original payment, no questions asked. The amount received is adjusted for loans and withdrawals and a portion of the money returned may have tax implications.

### 3 Income tax-free death benefit



\$166,406 paid to your beneficiaries

If Nancy never needs long-term care, *MoneyGuard Reserve* will provide her loved ones with a \$166,406 income tax-free death benefit. If she uses only a portion of the death benefit for long-term care, *MoneyGuard Reserve* passes the remaining portion income tax-free to her beneficiaries (less any loans or withdrawals she's taken).

Nancy's policy included the four-year extension of benefits option and Nonforfeiture Benefit Rider. If your age, gender, or health are different from Nancy's, your actual benefit amount will also differ.

Nancy receives long-term care reimbursements income tax-free under IRC Section 104(a)(3). Her beneficiaries can receive an income tax-free death benefit under IRC Section 101(a)(1).



Here's how *MoneyGuard*<sup>®</sup> Reserve works now...and in the future

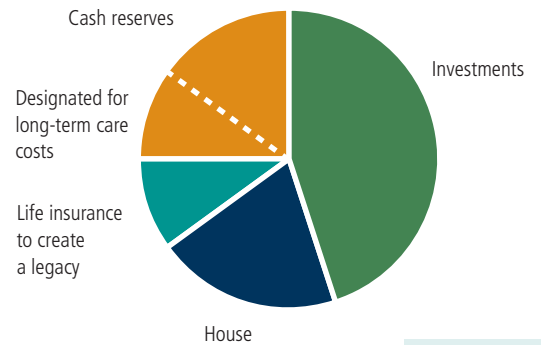
***MoneyGuard* Reserve is a universal life insurance policy that helps give you retirement income security whether you face long-term care costs, need access to your assets, or pass assets to your heirs.**

- **Pays for long-term care.** Your specified amount of death benefit is used to reimburse long-term care costs. Should you need care for an extended period, an optional benefit can provide coverage for a specified number of years beyond the depletion of your death benefit. The cost for benefits is deducted from the policy's account value.
- **Includes a money back guarantee.** If you fund your *MoneyGuard* Reserve policy with a single premium payment, you can request a return of your money at any time. The amount returned will be adjusted for any loans, loan interest, withdrawals, or benefits paid. Guarantees are backed by the claims-paying ability of Lincoln Life & Annuity Company of New York.
- **Helps you leave money to your loved ones.** If it isn't used to pay for long-term care, the guaranteed death benefit will pass to your beneficiaries income tax-free and will not be subject to probate if someone other than your estate is named beneficiary.
- **Helps you maintain control of your other assets.** By repositioning some of your assets into a *MoneyGuard* Reserve policy, you free up other assets, because you won't have to earmark them for long-term care.
- **Protects your assets now and in the future.** *MoneyGuard* Reserve offers an optional benefit that can help protect you from rising long-term care costs and inflation. You can elect to have your long-term care benefit increase on each policy anniversary. These increases apply to the Extension of Benefits Rider, but do not apply to the death benefit.

# One simple solution

How you prepare for the possibility of long-term care directly impacts the security of your entire portfolio and can pose a potential challenge to your retirement income. Even if you're still saving for retirement, you should consider your future long-term care needs.

In addition to your home, a typical portfolio consists of investments for growth and income; life insurance to efficiently provide for your heirs; and assets reserved for financial emergencies, including medical or long-term care costs.



## How *MoneyGuard*<sup>®</sup> Reserve helps

By simply repositioning the cash reserves designated for long-term care into a *MoneyGuard* Reserve policy, you immediately help increase the protection for the rest of your portfolio from the challenge of those costs. One simple solution—it's there if you need it, and you can get it back if you don't.



### 1 If you need long-term care

*MoneyGuard* Reserve, in many cases, can provide you with up to five times the dollars you can use to reimburse long-term care costs, significantly increasing your capacity.

### 2 If you need it back

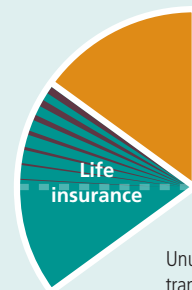
*MoneyGuard* Reserve provides a money back guarantee on policies funded with single premiums that will return your original single premium payment any time you request it.



Original single premium payment returned to you for cash reserves

### 3 If you never need long-term care

*MoneyGuard* Reserve provides not only income tax-free long-term care reimbursements, but also efficiently passes any unused portion income tax-free to your beneficiaries through a death benefit.



Unused portion transferred to beneficiaries



*A Lincoln*®

## 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 are a proven industry leader in identifying and delivering 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.

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	Lincoln Life & Annuity Company of New York
A.M. Best	<b>A+</b> (2nd highest of 16)
Fitch	<b>AA</b> (3rd highest of 24)
Moody’s	<b>Aa3</b> (4th highest of 21)
Standard & Poor’s	<b>AA</b> (3rd highest of 21)

These ratings apply only to the company’s claims-paying ability and do not imply approval of the product. As of July 25, 2007, 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.

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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### Important disclosures. Please read.

*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) is included at issue (single premium only). The cost for these riders will be deducted from the policy account value. **Guarantees are backed by the claims-paying ability of the issuer and are subject to policy terms and conditions.** The policy and riders have exclusions, limitations, and/or reductions.

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*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 (CCBR) on Rider Form LR851 (8/05), an Extension of Benefits Rider (EOBR) on Rider Form LR852 (8/05), a Terminal Illness Accelerated Death Benefit Rider on Rider Form LR853 (8/05), and a Return of Premium Rider (ROPR), on Rider Form LR850 (8/05). **Contractual obligations are backed by the claims-paying ability of Lincoln Life & Annuity Company of New York.**



Hello future.™