

December 31, 2008

Financial strength is the core of Lincoln Financial Group® affiliates

Having comprehensive products and services is important, but it doesn't mean much without the financial strength to support them. Lincoln Financial Group and its affiliates have more than a century-long history of delivering on our promises.

Lincoln Financial Group has long been recognized for its disciplined financial and risk management. Throughout our history—and through vastly changing economic climates—this approach has served us well and has never been more critical than it is today.

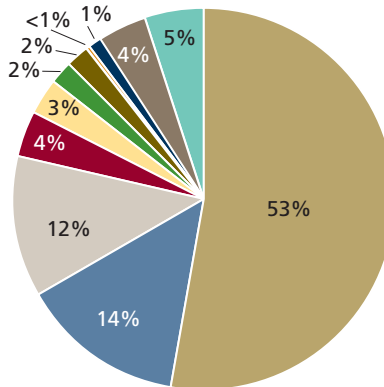
Balance sheet strength

General account assets are managed by Delaware Investments, the company's investment management group. Delaware employs a bottom-up investment style in which in-depth fundamental research is the cornerstone of the investment process.

All information as of December 31, 2008, except where noted. Lincoln National Corporation does not undertake to update this document after that date. More recent information about Lincoln Financial may be found in our SEC filings and new releases available on our Web site at www.LincolnFinancial.com/investor.

The Lincoln National Life Insurance Company profile of total invested assets as of December 31, 2008

Average bond rating: "A"¹



- Corporate bonds³ 53%
- RMBS⁴ 14%
- Commercial mortgages 12%
- CMBS 4%
- U.S. Treasury, agency, and municipal securities 3%

Subprime and Alt-A²

Represents 2% of total invested assets
98% fixed rate, 98% first lien

Commercial mortgage-backed securities

92% rate A or better¹
84% 2005 or earlier vintages

Commercial mortgages

59% loan-to-value
1.6x debt services coverage

- Hybrid/preferred stock 2%
- Asset-backed securities and collateralized debt obligations 2%
- Real estate <1%
- Alternative investments 1%
- Trading securities 4%
- Other⁵ 5%

¹Based on the middle ratings from the three rating agencies (S&P, Moody's, and Fitch) and vary slightly from the NAIC ratings.

²Alt-A loans are loans to borrowers with prime-type credit scores but no income verification. Alt-A loans fall between prime and subprime loans.

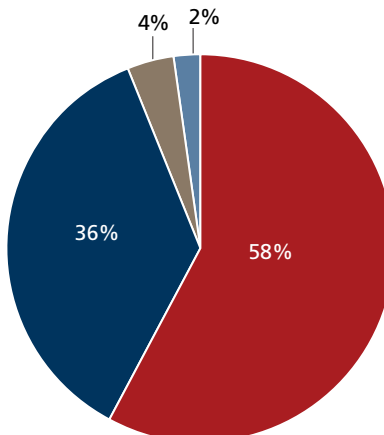
³Corporate bonds include the following industry sectors: financial services, basic industry, capital goods, communications, consumer cyclical and non-cyclical, energy, technology, transportation, industrial other, and utilities.

⁴RMBS (residential mortgage-backed securities) includes collateralized mortgage obligations (CMOs), mortgage pass-throughs, and home equity.

⁵Other includes equity securities, policy loans, derivative instruments, and other investments.

Credit rating distribution of fixed-maturity securities

(based on ratings as of December 31, 2008)



- ◆ NAIC 1 — AAA/AA/A 58%
- ◆ NAIC 2 — BBB 36%
- ◆ NAIC 3 — BB 4%
- ◆ NAIC 4 — B 2%
- ◆ NAIC 5 — CCC or lower 0%
- ◆ NAIC 6 — In or Near Default 0%

NAIC ratings are issued by the National Association of Insurance Commissioners and are similar to the rating agency designations of the Nationally Recognized Organizations for marketable bonds. NAIC ratings 1 and 2 include bonds generally considered investment grade by such ratings organizations. NAIC ratings 3 through 6 include bonds generally considered below investment grade.

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Please note: On Thursday, February 26, 2009, Standard & Poor's downgraded their financial strength rating of Lincoln, along with several other insurers, but affirmed our stable outlook. On February 10, 2009, Moody's Investors Service placed the Aa3 insurance financial strength ratings of Lincoln's key insurance subsidiaries under review for possible downgrade. On February 20, 2009, A.M. Best affirmed the above ratings, but revised its outlook for the insurance subsidiaries from stable to negative.

The Lincoln National Life Insurance Company

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- (4th highest of 21)

These ratings apply only to the claims-paying ability of The Lincoln National Life Insurance Company. The ratings do not imply approval of the product and do not refer to the performance of the underlying investment options. As of February 26, 2009, 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. For more information on ratings, see www.LincolnFinancial.com.

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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Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates.

Affiliates are separately responsible for their own financial and contractual obligations.

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LFG-FIN-FLI457_Z04
08-6993

POD 3/09 Z04

Order code: LFG-FIN-FLI457

Lincoln
Financial Group®

Hello future.®

Important disclosures. Please read.

Variable insurance company products are sold by prospectus. Investors should consider the investment objectives, risks, and charges and expenses of the investment company carefully before investing. A prospectus contains this and other important information about the investment. To request a prospectus call 877 533-0003 or obtain one from your investment representative. Clients should read it carefully before they invest or send money.

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Lincoln Financial Group is the marketing name for Lincoln National Corporation (NYSE:LNC) and its family of financial services affiliates. Affiliates are separately responsible for their own financial and contractual obligations. The oldest Lincoln Financial affiliate, The Lincoln National Life Insurance Company, was founded in 1905 in Fort Wayne, IN. Lincoln Financial Group includes: Lincoln Life & Annuity Company of New York, Lincoln Financial Advisors, Lincoln Financial Distributors, Lincoln UK, and Delaware Investments.

Life insurance and annuities are issued by The Lincoln National Life Insurance Company, Fort Wayne, IN; First Penn-Pacific Life Insurance Company, Schaumburg, IL; and in New York by Lincoln Life & Annuity Company of New York, Syracuse, NY. Financial planning services are offered through Lincoln Financial Advisors and Sagemark Consulting, a division of Lincoln Financial Advisors, a registered investment advisor. Securities are offered by Lincoln Financial Advisors, a broker/dealer (member SIPC), and distributed by Lincoln Financial Distributors, Inc., a broker/dealer (member SIPC), and Delaware Distributors, L.P. Delaware Investments is the marketing name for Delaware Management Holdings, Inc. and its subsidiaries.

Unless otherwise indicated, credit ratings shown in the document are based on ratings provided by the major credit rating agencies (A.M. Best, Fitch, Moody's, and Standard & Poor's) or are based on internal ratings for those securities where external ratings are not available. For securities where the ratings assigned by the major rating agencies are not equivalent, the second highest of the three ratings assigned is used.

Financial data as of December 31, 2008, and subject to change. For more information about Lincoln Financial Group affiliates, go to www.LincolnFinancial.com.

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