

Accelerated Benefit Rider For Chronic Illness and Terminal Illness Disclosure *Lincoln LifeEnhance*® Accelerated Benefits Rider

This Disclosure provides a summary of the important features of this rider. It does not alter any of the rider's provisions. Eligibility and receipt of benefits provided by the rider will be governed in full by the actual terms and provisions set forth in the rider. Benefits may be taxable as income and assistance should be sought from a personal tax advisor. Benefits are not subject to approval of receipts for reimbursement and there is no waiting period. Receipt of an accelerated death benefit payment may adversely affect your eligibility for Medicaid or other government benefits and entitlements.

Tax Qualification

The benefits paid under this rider are intended to be treated as accelerated death benefits under section 101(g)(1) of the Internal Revenue Code of 1986, as amended (the "Code"). The Company considers the benefits paid under this rider to be eligible for exclusion from income under section 101(a) of the Code to the extent that all applicable qualification requirements under the Code are met (and, for any monthly Chronic Illness Benefit Payments, that such payments do not exceed the Per Diem Limit as prescribed by law). If Chronic Illness benefits are paid in excess of the applicable Per Diem Limit, or if benefits are paid and all applicable qualification requirements are not met, the benefits may constitute taxable income to the recipient. This rider is not intended to be a qualified long-term care insurance contract under section 7702B(b) of the Code. The tax treatment of the accelerated death benefits may change, and you should always consult and rely on the advice of a qualified tax advisor.

1. What is an accelerated benefit?

- An accelerated death benefit is all or a portion of the policy's death benefit that we will pay in advance when (a) the Insured has been certified by a Licensed Health Care Practitioner as being Chronically Ill or (b) the Insured has been certified by a Physician as Terminally Ill AND
- all of the Conditions for Eligibility for Benefit Payments have been satisfied.

2. When am I eligible for Benefit Payments?

- You are eligible to receive a benefit if the policy and rider are in force when all the Conditions for Eligibility for Benefit Payments have been satisfied.

3. What amount can I accelerate?

- Your Original Benefit Amount will equal the Death Benefit of the policy (including any benefit provided by a Supplemental Term Insurance Rider on Primary Insured) at the time that we received all requested paperwork properly completed (for the one-time lump sum option it is the date of claim approval). Any acceleration of benefits will reduce your Original Benefit Amount and what is left to be accelerated will be known as the Remaining Benefit Amount. The Original Benefit Amount cannot be changed in any way after acceleration.

4. What are the payment options and what will the different benefit amounts be?

If you are certified as having a Chronic Illness, you will have two benefit payment options: one-time lump sum and monthly.

The one-time lump sum will terminate the policy and may result in taxable income.

- The benefit will be the calculated using the Original Benefit Amount or Remaining Benefit Amount (depending on whether you have received a previous benefit under the rider), discounted by a factor based on the Insured's age and the interest rate in effect at the time of claim.

The Maximum Monthly Benefit Amount is equal to the lesser of:

- The Original Benefit Amount multiplied by 2%; or
- The monthly equivalent of the Per Diem Limit, as declared by the Internal Revenue Service, that is in effect at the start of any 12-month benefit period. The amount for each month is dependent on the number of days in that month.

The Maximum Monthly Benefit Amount is calculated at the start of each Benefit Period and remains fixed during that Benefit Period. There may be a small variance from month to month if the Maximum Monthly Benefit amount is based on the Per Diem Limit as the number of days in any month will determine the exact amount that can be distributed. You can choose to take less than the Maximum Monthly Benefit Amount, but the remaining portion cannot be added to future payments.

If you are certified as having a Terminal Illness, you will have only one benefit payment option:

- The terminal illness benefit is a lump sum benefit to exceed no more than 50% of the Original Benefit Amount (Remaining Benefit Amount if you have received a previous benefit under this rider) or \$250,000, whichever is less, discounted by a factor based on the Insured's age and the interest rate in effect at the time of claim.

Whether certified under Chronic Illness or Terminal Illness, if there is Debt, a portion of the benefit amount will be used to pay down the Debt as provided in your rider.

5. What is the administrative expense fee?

There is no administrative expense fee. There is a cost for the rider as disclosed in your policy.

6. How will accelerations impact my policy and riders?

- The Chronic Illness one-time lump sum will terminate the policy.
- For the Chronic Illness Monthly Benefit and the Terminal Illness Benefit, any benefit payment will reduce the policy values listed below. The new values can be calculated by multiplying the values in effect immediately prior to a payment by a Reduction Ratio equivalent to $(B-A) / B$ where A is the amount accelerated and B is the Remaining Benefit Amount immediately prior to payment.

The policy's values that are reduced based on the Reduction Ratio described above include the following:

1. Specified Amount;
2. The death benefit of any Supplemental Term Insurance Rider on Primary Insured, if attached to the Policy;
3. Policy Value;

We will send you monthly reports showing impact to some of these values.

Example of Chronic Illness Maximum Monthly Benefit Payment and its impact on policy values:

- Original Benefit Amount is \$500,000
- Benefit Period starting 4/14/15
- Maximum Benefit for the month is equal to the lesser of:
 - $2\% \times \$500,000 = \$10,000$
 - IRS Per Diem Limit = $\$300 \times \text{number of days in April (30)} = \9000
- Determine Reduction Ratio: $(500,000 - 9,000) / 500,000 = 0.982$
- Apply Reduction Ratio to impacted values:
 - Specified amount = $500,000 \times 0.982 = 491,000$
 - Account Value = $20,000 \times 0.982 = 19,640$
 - Remaining Benefit Amount = $500,000 \times 0.982 = 491,000$

7. What is the premium due once acceleration has begun?

Zero. If net policy values are insufficient to satisfy monthly deductions, we will waive the deductions to keep the policy from defaulting in all months after initial acceleration, even if no additional accelerations are processed. If you take a loan or withdrawal at any time after initial acceleration, even if the policy is not currently being accelerated, the rider and lapse protection will terminate.

8. What is the death benefit after acceleration has begun?

If the Insured's death occurs after acceleration, we will pay out the Death Benefit at the time of death, reduced for any acceleration payments made after the date of death. The Remaining Benefit Amount is not paid upon death of the Insured.

Definitions

Activities of Daily Living ("ADLs") The 6 basic functional abilities which measure the Insured's ability for self care and ability to live independently without Substantial Assistance from another individual. They are: Bathing – The Insured's ability to wash himself or herself by sponge bath, or in either a tub or shower, including the task of getting into or out of the tub or shower; Continence – The Insured's ability to maintain control of bowel or bladder function, or, when unable to maintain control of bowel or bladder function, the ability to perform associated personal hygiene (including caring for a catheter or colostomy bag); Dressing – The Insured's ability to put on and take off all items of clothing and any necessary braces, fasteners or artificial limbs; Eating – The Insured's ability to feed himself or herself by getting food into the body from a receptacle (such as a plate, cup, or table) or by a feeding tube or intravenously; Toileting – The Insured's ability to get to and from the toilet, getting on and off the toilet, and performing associated personal hygiene; Transferring – The Insured's ability to move into or out of a bed, chair or wheelchair.

Benefit Period A period of time not to exceed twelve consecutive months. Such period begins on the Monthly Anniversary Day after our receipt of all documentation provided by you necessary to satisfy all Conditions for Eligibility for Benefit Payments. A new Benefit Period will begin no earlier than the end of the current Benefit Period.

Chronically III (Chronic Illness) The Insured has been certified, within the preceding 12 months, by a Licensed Health Care Practitioner as:

1. Needing Services pursuant to a Licensed Health Care Practitioner's Plan of Care as set forth in Written Certification or Written Re-certification, specifying such Services are likely to be needed for the rest of the Insured's life; AND
2. Either:
 - a. Being unable to perform (without Substantial Assistance from another individual) at least 2 Activities of Daily Living for a period of at least 90 days due to a loss of functional capacity; or
 - b. Requiring Substantial Supervision from another individual to protect the Insured from threats to health and safety due to Severe Cognitive Impairment.

If the Licensed Health Care Practitioner certifies that the Insured will need Services for the rest of the Insured's life due to the Insured's inability to perform (without Substantial Assistance from another individual) at least 2 Activities of Daily Living, the 90 day requirement noted in 2a. above is satisfied.

Conditions for Eligibility for Benefit Payments

You are eligible to receive an accelerated benefit payment if the Policy and this rider are in force when all of the following requirements are met:

1. Our receipt and approval of the following documentation provided by you:
 - a. Certification of either:
 - i. For Chronic Illness, Written Certification or Written Re-certification by a Licensed Health Care Practitioner, independent of Us, that the Insured is a Chronically III individual; or
 - ii. For Terminal Illness, Terminally III Certification by a Physician that the Insured is Terminally III.
 - b. Our receipt of consent to make such payment, In Writing, of any assignee of record named under the Policy or any irrevocable beneficiary named under the Policy.
2. We complete, at our discretion and expense, a personal interview with, and an assessment of, the Insured, including examination or tests by a Licensed Health Care Practitioner of our choice for the Chronic Illness Qualifying Event or by a Physician of Our choice for the Terminal Illness Qualifying Event; and our receipt of copies of any relevant medical records from a health care provider involved in the Insured's care; and
3. The Insured is living at the time all of the above requirements are met.

Licensed Health Care Practitioner A Physician, a registered professional nurse, licensed social worker, or other individual whom the United States Secretary of Treasury may prescribe by regulation. The Licensed Health Care Practitioner (a) must be acting within the scope of his or her license in the state of licensure when providing Written Certification or Written Re-certification required by this rider; (b) may not be you, the Insured, or your or the Insured's immediate family; and (c) must be licensed in the United States.

Maintenance or Personal Care Services Any care for which the primary purpose is the needed assistance with any of the disabilities resulting from the Insured being Chronically III (including the protection from threats to health and safety due to Severe Cognitive Impairment).

Per Diem Limit The maximum daily benefit used in determining the Chronic Illness Maximum Monthly Benefit. The Internal Revenue Service establishes this limit annually on January 1st. We will use the limit in effect at the beginning of each Benefit Period for the entire Benefit Period.

Physician An individual as defined in Section 1861(r)(1) of the Social Security Act. The Physician (a) must be acting within the scope of his or her license in the state of licensure when providing Written Certification or Written Re-certification required by this Rider; (b) may not be You, the Insured, or Your or the Insured's immediate family; and (c) must be licensed in the United States.

Plan of Care A written document signed by a Licensed Health Care Practitioner which outlines the individualized medical treatment and non-medical assistance and Services which are prescribed because the Insured suffers from loss of functional capacity or from a Severe Cognitive Impairment. The plan must specify where the care is to be provided; the type, frequency, and duration of all medication, therapy, and Services required. It must also describe the likelihood of improvement or deterioration of the Insured's condition within the next 12 months from the date the Plan of Care was prepared and must also describe the supporting evidence upon which the Licensed Health Care Practitioner has based his or her conclusions and prognosis. Such supporting evidence may include either documents or information relevant to the assessment of loss of functional capacity or to the assessment of Severe Cognitive Impairment, or both.

Remaining Benefit Amount The Original Benefit Amount less the amount of all Chronic Illness Monthly Benefit Amounts paid and, if applicable, less the Terminal Illness benefit paid divided by the applicable Terminal Illness actuarial discount factor.

Services The necessary diagnostic, preventive, therapeutic, curing, treating, mitigating and rehabilitative services, and Maintenance or Personal Care Services required by a Chronically III Insured and provided pursuant to a Plan of Care as prescribed by a Licensed Health Care Practitioner.

Severe Cognitive Impairment Deterioration or loss in the Insured's intellectual capacity that is:

- a. comparable to (and includes) Alzheimer's disease and similar forms of irreversible dementia; and
- b. measured and confirmed by clinical evidence and standardized tests that reliably measure impairment in the following areas:
 - 1. the Insured's short-term or long-term memory;
 - 2. the Insured's orientation as to person (such as who they are), place (such as their location), and time (such as day, month, and year); and
 - 3. the Insured's deductive or abstract reasoning, including judgment as it relates to safety awareness.

Substantial Assistance Hands-on assistance or the presence of another person within arm's reach that is necessary to prevent, by physical intervention, injury to the Insured while the Insured is performing the Activities of Daily Living.

Substantial Supervision Continual supervision (which may include cueing by verbal prompting, gestures, or other demonstrations) by another person that is necessary to protect the Insured from threats to his or her health or safety (such as may result from wandering) due to Severe Cognitive Impairment.

Terminally Ill (Terminal Illness) The Insured's life expectancy is reduced to 12 months or less.

Terminally Ill (Terminal Illness) Certification Before any benefit can be paid for Terminal Illness, you must furnish evidence satisfactory to us. Such evidence must include a certification of the Insured's medical condition from a Physician. The certification must state that in the Physician's opinion the Insured has an illness or physical condition which has reduced the Insured's life expectancy to 12 months or less.

Written Certification Written documentation required in a form satisfactory to us completed by a Licensed Health Care Practitioner, at your or the Insured's expense, certifying that the Insured is Chronically Ill as defined herein, including a Plan of Care, and specifying that Services are likely to be needed for the rest of the Insured's Life.

Written Re-certification Written Certification that we must receive and approve prior to the start of each Benefit Period following the initial Benefit Period in order for you to be eligible for Chronic Illness Monthly Benefit Amounts in such subsequent Benefit Period, provided all other Conditions for Eligibility for Benefit Payments are met.

I have received and read a copy of this disclosure.

Signed in _____, this _____ day of _____ (state) (month) (year)

Signature of Owner

Signature of Agent/Producer

Signature of Owner

Signature of Owner

Signature of Owner