

SERFF Tracking Number: LCNC-127627712 State: Arkansas
Filing Company: The Lincoln National Life Insurance Company State Tracking Number: 49921
Company Tracking Number: LR795
TOI: L06I Individual Life - Variable Sub-TOI: L06I.002 Single Life - Flexible Premium
Product Name: Alternate Surrender Value Rider (Volatility Reduction Rider)
Project Name/Number: LR795, Alternate Surrender Value Rider (Volatility Reduction Rider)/LR795

Filing at a Glance

Company: The Lincoln National Life Insurance Company

Product Name: Alternate Surrender Value Rider SERFF Tr Num: LCNC-127627712 State: Arkansas

(Volatility Reduction Rider)

TOI: L06I Individual Life - Variable

SERFF Status: Closed-Approved- State Tr Num: 49921
Closed

Sub-TOI: L06I.002 Single Life - Flexible
Premium

Co Tr Num: LR795 State Status: Approved-Closed

Filing Type: Form

Reviewer(s): Linda Bird

Authors: Raymond Fortier, Anabela Disposition Date: 10/06/2011

Tavares, Lori Saltmarsh, Renee

Gardner, Randi Johnson

Date Submitted: 09/29/2011

Disposition Status: Approved-
Closed

Implementation Date Requested: On Approval

Implementation Date:

State Filing Description:

General Information

Project Name: LR795, Alternate Surrender Value Rider (Volatility
Reduction Rider)

Status of Filing in Domicile: Pending

Project Number: LR795

Date Approved in Domicile:

Requested Filing Mode: Review & Approval

Domicile Status Comments:

Explanation for Combination/Other:

Market Type: Individual

Submission Type: New Submission

Individual Market Type:

Overall Rate Impact:

Filing Status Changed: 10/06/2011

State Status Changed: 10/06/2011

Deemer Date:

Created By: Randi Johnson

Submitted By: Renee Gardner

Corresponding Filing Tracking Number:

Filing Description:

Hon. Jay Bradford, Commissioner of Insurance

Compliance-Life & Health

1200 West Third Street

Little Rock, AR 72201-1904

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Attention: Joe Musgrove

The Lincoln National Life Insurance Company
NAIC #65676
FEIN #35-0472300

Re: New Rider for Use with COLI/BOLI Private Placement VUL
Forms: LR795 - Alternate Surrender Value Rider (Volatility Reduction Rider)

We are submitting the required number of copies of the above referenced forms for your review and approval. These are new forms and will not replace any previously approved forms. This filing is being submitted concurrently to our Home State of Indiana and is pending approval.

The form is an optional rider for use with private placement variable universal flexible premium life insurance policy Form LN940(1-10). The private placement variable universal flexible premium life insurance policy is issued only in the Corporate Owned Life Insurance (COLI)/Bank Owned Life Insurance (BOLI) markets. We do follow COLI Best Practices as required by the PPA. All applicant/owners of the base policy must meet the requirements/definitions an Accredited Investor as defined by the Securities Act of 1933 and a Qualified Purchasers as defined by the 1940 Investment Company Act. Form LN940(1-10) was approved in your jurisdiction on 04/27/2010, SERFF Tracking No. LCNC-126417692, State File No. 45496.

LR795 - Alternate Surrender Value Rider (Volatility Reduction Rider)

The Alternate Surrender Value Rider is an electable benefit that provides protection against volatile market fluctuations that may affect policy values held in the Separate Account(s) and Sub-Accounts. While this Rider is in effect, upon the eligible full surrender of the policy, an alternate surrender value determined using target unit values for the eligible separate/subaccounts under the policy will be payable, subject to the terms of the rider. There is no additional charge for this Rider.

Bracketed language indicates variable language. These items include officer names/signatures and the service office address. Additionally variable rider specification information will be in the rider specifications page of the policy such as rates and factors associated with the election of the above rider. It is our understanding that changes to the bracketed items for new issues will not require a new filing of these forms. No change in the variable areas will be made which will be in conflict with the laws, rules and regulations of your state. In addition, no change in variability will be made which in any way expands the scope of the item being changed. We confirm that the brackets will not actually appear on the forms at issue.

These forms appear in final printed format as issued from a laser printer. We do, however, use different computer

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publishing systems. It is therefore possible that actual issued forms may have a different font style than the submitted forms. As a result, page breaks may occur at different lines, line wording may not match up exactly, and the format may change.

The enclosed forms are exempt from any Flesch readability requirements as they are securities subject to SEC regulation.

The appropriate certification(s), transmittal and filing fee are included, as applicable. To the best of our knowledge and belief, the filing complies with all the laws and regulations of your state. This submission contains no unusual or possibly controversial items from the standpoint of normal company or industry standards.

We trust that the information provided is satisfactory and look forward to your response. Should you require any additional information, please feel free to contact me toll-free at 1-800-258-3648, ext. 5426, or via the fax number or email address shown below. Thank you for your time and consideration.

Sincerely,

Renee Gardner
Product Compliance Analyst
Phone: 860.466.2067
Toll-free: 800.238.6252 ext. 62067
Email: Renee.Gardner@lfg.com

Enclosures

Company and Contact

Filing Contact Information

Renee Gardner, Contract Analyst renee.gardner@lfg.com
350 Church street 860-466-2067 [Phone] 2067 [Ext]
hartford, CT 06103 860-466-1348 [FAX]

Filing Company Information

The Lincoln National Life Insurance Company CoCode: 65676 State of Domicile: Indiana
350 Church Street - MPM1 Group Code: 20 Company Type: Life
Hartford, CT 06103-1106 Group Name: State ID Number:

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(860) 466-2899 ext. [Phone] FEIN Number: 35-0472300

Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation:
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The Lincoln National Life Insurance Company	\$50.00	09/29/2011	52295660

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	10/06/2011	10/06/2011

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Disposition

Disposition Date: 10/06/2011

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		No
Supporting Document	Application		No
Supporting Document	Life & Annuity - Actuarial Memo		No
Supporting Document	Certification		Yes
Form	Alternate Surrender Value Rider (Volatility Reduction Rider)		Yes

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Form Schedule

Lead Form Number: LR795

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
	LR795	Policy/Cont ract/Fraternal Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		58.000	LR795 VRR Final WAM.pdf

ALTERNATE SURRENDER VALUE RIDER (Volatility Reduction Rider)

This Rider is attached to and made a part of the policy to which it is attached. The effective date of the Rider is the Policy Date. In this Rider “We”, “Our” or “Us” means The Lincoln National Life Insurance Company; “You” and “Your” means the Owner of the policy; and “Insured” means the person named in the Policy Specifications whose life is insured under the policy.

Note: This Rider uses terms found in the policy. Those terms have the same meaning as in the policy unless We have indicated a change. The Rider also contains terms that are not used in the policy. Such terms may be defined within the sentences where they appear or they may be found in the Definitions section of this Rider.

What This Rider Provides

This Rider provides for an important benefit. It provides protection against volatile market fluctuations that may affect values held in the policies Separate Account(s) and Sub-Accounts. There is no additional charge for this Rider.

While this Rider is in effect and subject to the provisions of this Rider, You will be eligible to receive the Alternate Surrender Value, as described below, upon the Eligible Surrender of Your policy. An “Eligible Surrender” is a full surrender of Your policy that is not in connection with its replacement by another policy, whether issued by Us or another insurer. The Alternate Surrender Value will be available only at the time of an Eligible Surrender and is not a value used when determining whether a policy will Lapse or in calculating amounts available for policy loans or partial surrenders. If You cancel the policy during the Right To Examine/Cancel period, the Alternate Surrender Value is not payable.

The Alternate Surrender Value under this Rider is an amount received upon an Eligible Surrender in lieu of the Surrender Value the policy otherwise provides. It is calculated taking into consideration the amount of monies You have invested in the Separate Account(s) or Sub-Account(s) under Your policy that have been designated as an “Eligible Account.” The Eligible Account(s) to which You allocated the initial premium, or a portion thereof, on the Policy Date is shown on the Rider Specifications page of Your policy. Any Separate Account or Sub-Account not identified as an Eligible Account is an “Ineligible Account.” In contrast to the Surrender Values of the Ineligible Accounts, the Surrender Value of any particular Eligible Account is determined using Target Unit Values of the Variable Accumulation Units in the Eligible Account instead of the Variable Accumulation Unit Value for that Eligible Account. While the monies invested in the Eligible Account(s) are subject to the same market value fluctuations as any Separate Account or Sub-Account under Your policy, the effect of using Target Unit Values will be to moderate any market value fluctuations.

How We Determine the Alternate Surrender Value

- 1. Determining the Alternate Surrender Value.** While this Rider is in effect, the amount payable upon the Eligible Surrender of Your policy shall be the sum of:
 - a. the Fixed Account Value;
 - b. the Surrender Value of any Ineligible Account;
 - c. the Surrender Value for the Eligible Account(s); and
 - d. the Loan Collateral Account value, less Indebtedness, less any accrued interest on indebtedness not yet charged.

2. **Determining the Surrender Value for an Eligible Account.** While this Rider is in effect, the Surrender Value of an Eligible Account is equal to the number of Variable Accumulation Units credited to that Eligible Account multiplied by the Target Unit Value for that account, determined as described below.
3. **Determining the Target Unit Value.** The Target Unit Value for any given Eligible Account is determined as follows:
 - a. During the first Policy Year: On the date any portion of the initial premium payment is applied to the Eligible Account or on the first date any subsequent payment is applied to an Eligible Account that is unfunded (i.e. has no money in it) the Target Unit Value is equal to the Variable Accumulation Unit Value of that Eligible Account. Thereafter, the Target Unit Value will grow at the Initial Crediting Rate (shown on the Rider Specifications page) for that Eligible Account until the end of the Policy Year.
 - b. In subsequent Policy Years: The Target Unit Value, calculated as of the last Valuation Day of a Policy Month, will be the greater of:
 - (i) The average of the previous 12 Policy Month month-end Variable Accumulation Unit Value increased by the Rider Adjustment Rate, defined below; or
 - (ii) The previous Policy Month's month-end Target Unit Value multiplied by the Floor Factor declared by Us for that Eligible Account.

At any time when there are not 12 previous Policy Month month-end Variable Accumulation Unit Values under this policy from which to calculate an average, We will extrapolate the needed additional month-end Variable Accumulation Unit Values based on the Variable Accumulation Unit Value and Current Crediting Rate for that Eligible Account on the date the premium is allocated to that Eligible Account.

- c. The Target Unit Value on any Valuation Day other than the last Valuation Day of a Policy Month will be interpolated based on the prior Policy Month's month-end Target Unit Value and the projected current Policy Month's month-end Target Unit Value.

Please note, the above describes the calculation of the Target Unit Value based on the allocation of premiums to an Eligible Account. For the determination of Target Unit Values based on transfers among the policy's accounts see "Impact of Transfers" below.

Impact of Transfers

What happens on Transfers between Eligible Accounts:

1. Any money transferred from an Eligible Account to a new Eligible Account (the "Receiving Account") is first used to calculate the number of Variable Accumulation Units based on the Variable Accumulation Unit Value then applicable for the Receiving Account. Next, We will set the Target Unit Value of the Receiving Account so that the aggregate Surrender Values of all the Eligible Accounts (calculated under the terms of this Rider) which have been funded (i.e. have money in them) are the same after the transfer as it was before the transfer.
2. If the transfer occurs during the first Policy Year and the Receiving Account is unfunded, the Target Unit Value for the Receiving Account will be calculated as described under paragraph 1 of this section above, but will grow at the Current Crediting Rate for the remainder of the first Policy Year. However, if the transfer is to a Receiving Account that had prior money in it, the new Target Unit Value will grow at the Initial Crediting Rate established for the Receiving Account for the remainder of the Policy Year.

3. If the transfer occurs any time after the first Policy Year from an Eligible Account or from the Fixed Account to an Eligible Account, the Target Unit Value for the Receiving Account will be calculated as described under paragraph 1 of this section, above, and will grow at the Current Crediting Rate but only for the remainder of the current Policy Month. Thereafter, the Target Unit Value will be determined as described pursuant to paragraph 3b under “Determining the Target Unit Value” above, except that in lieu of the extrapolated Policy Month month-end Unit Values We will use Normalized Month-End Unit Values. “Normalized Month-End Unit Values” are calculated pursuant to a formula on file with the state in which the policy is issued or issued for delivery.

We calculate these values, which take into consideration the performance experience of the Eligible Accounts involved in a transfer, such that the performance of any one of these Eligible Accounts does not create an excessive distortion in the calculation of the Target Unit Values after such transfer.

What happens on Transfers between an Eligible Account and an Ineligible Account or the Fixed Account:

1. Any amount transferred to a Receiving Account which is an Eligible Account is first used to calculate the number of Variable Accumulation Units based on the Variable Accumulation Unit Value then applicable for the Receiving Account. Next, We will set the Target Unit Value of the Receiving Account so that the Alternate Surrender Value of the policy, calculated as described in “Determining the Alternate Surrender Value” above, is the same after the transfer as it was before the transfer.
2. If the transfer occurs after the first Policy Year and is from an Ineligible Account or the Fixed Account to an Eligible Account, the new Target Unit Value then will grow at the Current Crediting Rate but only for the remainder of the current Policy Month. Thereafter, the Target Unit Value will be determined as described pursuant to paragraph 3b under “Determining the Target Unit Value”, above, except that in lieu of the extrapolated Policy Month month-end Unit Values We will use Normalized Month-End Unit Values.
3. The values determined under this Rider will not apply to any transfer from an Eligible Account to an Ineligible Account or to the Fixed Account. Any such transfer will be valued in accordance with the terms of the policy and without regard to the calculations described above. Please note: Such a transfer will not be permitted if the prior Valuation Day’s closing Variable Accumulation Unit Value for the Eligible Account is greater than its prior Valuation Day’s closing Target Unit Value.

Definitions

Crediting Rate. A rate, expressed as a percentage, established by Us to be used in the determination of Target Unit Value for an Eligible Account. As of the Policy Date or the date We declare an additional Eligible Account, an “**Initial Crediting Rate**” will be established for each available Eligible Account. This rate may vary between the different Eligible Accounts. The Initial Crediting Rate on the Policy Date for any portion of the initial Premium Payment allocated to an Eligible Account(s) is shown on the Rider Specifications page of Your policy and remains in effect until the end of the first Policy Year. We will also declare a “Current Crediting Rate.” Current Crediting Rates may differ by Eligible Account and remain in effect from the date established to the end of the Policy Month. Any Crediting Rate that may be declared by Us is guaranteed to be within the Crediting Rate Range shown of the Rider Specifications page of Your policy. Crediting Rates are determined based on present and future economic assumptions and policy and Rider expenses associated with offering this benefit.

Rider Adjustment Rate. A rate, expressed as a percentage, established by Us to be used in the determination of Target Unit Values for an Eligible Account in Policy Year two and thereafter. The annual Rider Adjustment Rate on the Policy Date is shown on the Rider Specification page of Your policy. The Rider Adjustment Rate is subject to change as determined by Us, based on current and future market expectations. Any change to this rate is guaranteed to be within the Rider Adjustment Rate Range shown on the Rider Specification page of Your policy. This rate is currently set on a Policy Year basis and applies to all policies under the Case. We reserve the right to change the rate during a Policy Year should economic conditions make it impossible for Us to cover Rider expenses with out doing so.

Floor Factor. A factor used in the determination of Target Unit Values for an Eligible Account. It is used to establish the minimum amount by which the Target Unit Value of an Eligible Account will change. The Floor Factor will be as determined by Us and is subject to change as determined by Us, based on present and future economic assumptions and policy and Rider expenses associated with offering this benefit. Any change to the Floor Factor is guaranteed to be within the Floor Factor Range shown on the Rider Specification page of Your policy.

General Provisions

Effect on Policy Death Benefit Proceeds. If the Insured dies while this Rider is In Force, We will pay Death Benefit Proceeds equal to the greater of:

1. the amount determined under the Death Benefit Option in effect at the time of the Insured's death less any Indebtedness and overdue deductions calculated as of the Insured's date of death; or
2. an amount equal to the greater of the Accumulation Value of the policy or the Alternate Surrender Value under this Rider on the date of death, multiplied by the applicable percentage shown in the Corridor Percentages Table in the Policy Specifications, less any Indebtedness and overdue deductions as of the Insured's date of death.

Reinstatement. If the policy to which this Rider is attached should Lapse and is reinstated pursuant to the Reinstatement provision of the policy, this Rider will not be reinstated.

Additional Terms and Conditions. The following terms and conditions may impact the timing and amount received of any full surrender request while this Rider is In Force:

1. The Alternate Surrender Value calculated under this Rider is subject to the Deferment of Payments provision of the policy to which this Rider is attached.
2. Additional Insureds may not be added to an existing "Case". A Case is all In Force life insurance policies issued by Us having the same Case Name and Case Number. The Case Number is shown on the Rider Specifications page of Your policy.
3. If the Adjustable Benefit Enhancement Rider and the Alternate Surrender Value Rider (Volatility Reduction Rider) are attached to Your policy; the Adjustable Benefit Enhancement provided under the Adjustable Benefit Enhancement Rider will be added to the Alternate Surrender Value of this Rider, subject to the provisions of both riders.
4. You are required to provide Us with 6 months advance notice In Writing prior to requesting a full surrender.
5. The Alternate Surrender Value will not be available if:
 - a. You were compelled to Surrender Your policy by the FDIC or other such regulatory body; or
 - b. there has been a material tax-related regulatory change, whether by statutory enactment, publication of regulations or formal IRS guidance. Such material tax-related regulatory changes include, but are not limited to, a change that:
 - (i) eliminates the federal income tax on corporations;
 - (ii) eliminates, directly or indirectly, the current tax exemptions with respect to any part or all of Your policy's Net Accumulation Value;
 - (iii) causes a reduction of corporate federal marginal income tax rates to less than 25%;
 - (iv) imposes a tax liability with respect to all or a part of Your policy's death benefit; or,
 - (v) eliminates or limits Your ability to take deductions for interest on Indebtedness because of Your direct or indirect ownership of Your policy.

Termination. This Rider will terminate on whichever of the following first occurs:

1. the full surrender, Lapse or any other termination of the policy except for the benefits provided by the Change of Insured Rider; or
2. the death of the Insured; or
3. upon the Maturity Date of the policy to which this Rider is attached (this Rider may not be continued under the Continuation of Coverage provision of the policy); or
4. the Rider is terminated pursuant to the Owner's notice to the Company In Writing.

Issued by The Lincoln National Life Insurance Company.

The Lincoln National Life Insurance Company

A handwritten signature in black ink that reads "Dennis R. Glass". The signature is written in a cursive style with a large initial "D".

Dennis Glass, President

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Supporting Document Schedules

	Item Status:	Status Date:
Bypassed - Item: Flesch Certification		
Bypass Reason: The enclosed forms are exempt from any Flesch readability requirements as they are securities subject to SEC regulation.		
Comments:		

	Item Status:	Status Date:
Bypassed - Item: Application		
Bypass Reason: Not required for this type of filing.		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: Life & Annuity - Actuarial Memo		
Comments:		
Attachment: Actuarial Memo - Confidential.pdf		

	Item Status:	Status Date:
Satisfied - Item: Certification		
Comments:		
Attachment: AR_Cert. of Compliance_UL_VUL_Term ..pdf		

ARKANSAS

CERTIFICATE OF COMPLIANCE

The Lincoln National Life Insurance Company

RE: Form(s): LR795 – Alternate Surrender Value Rider (Volatility Reduction Rider)

To the best of my knowledge and belief, the policy form listed above complies with the provisions of Rule and Regulation 19, as well as, all applicable requirements of the Arkansas Insurance department.

To the best of my knowledge and belief we are in compliance with the requirements of Arkansas Code Ann. 23-79-138. We provide a document entitled which contains the required information.

To the best of my knowledge and belief we are in compliance with the requirements of Regulation 49 and we provide the required Guaranty Association notice.



Pamela M. Telfer, VP
Product Compliance

Date: September 28, 2011