

LINCOLN NATIONAL CORP  
Form 11-K  
March 31, 2011

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS  
AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2010

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 1-6028

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY AGENTS'  
SAVINGS AND PROFIT-SHARING PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Lincoln National Corporation  
150 N. Radnor Chester Road  
Radnor, PA 19087



REQUIRED INFORMATION

Financial statements and schedule for The Lincoln National Life Insurance Company Agents' Savings and Profit-Sharing Plan, prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974, are contained in this Annual Report on Form 11-K.

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Audited Financial Statements and Supplemental Schedule

The Lincoln National Life Insurance Company Agents' Savings and Profit-Sharing Plan

As of December 31, 2010 and 2009, and for the Three Years Ended December 31, 2010, 2009 and 2008

With Report of Independent Registered Public Accounting Firm



The Lincoln National Life Insurance Company  
Agents' Savings and Profit-Sharing Plan

Audited Financial Statements  
and Supplemental Schedule

As of December 31, 2010 and 2009, and for the  
Three Years Ended December 31, 2010, 2009 and 2008

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Report of Independent Registered Public Accounting Firm

Lincoln National Corporation Plan Administrator  
Lincoln National Corporation

We have audited the accompanying statements of net assets available for benefits of The Lincoln National Life Insurance Company Agents' Savings and Profit-Sharing Plan as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2010, and 2009, and the changes in net assets available for benefits for each of the three years in the period ended December 31, 2010, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2010, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP  
Philadelphia, Pennsylvania  
March 31, 2011

The Lincoln National Life Insurance Company  
Agents' Savings and Profit-Sharing Plan

Statements of Net Assets Available for Benefits

	As of December 31,	
	2010	2009
Assets		
Investments:		
Mutual funds (cost: 2010 - \$56,241,358; 2009 - \$55,756,924)	\$67,303,010	\$59,306,285
Collective investment trusts (cost: 2010 - \$23,500,126; 2009 - \$23,740,582)	30,839,384	27,479,065
Common stock - Lincoln National Corporation (cost: 2010 - \$20,582,923; 2009 - \$22,476,633)	26,755,825	27,268,473
Investment contracts - The Lincoln National Life Insurance Company	36,183,046	35,474,845
Wilmington Trust money market fund	1,054,789	996,740
Brokerage account (cost: 2010 - \$2,126,815)	2,176,011	-
Total investments	164,312,065	150,525,408
Notes receivable from participants	3,875,700	3,706,594
Accrued interest receivable	65,454	122,128
Contributions receivable from Sponsor company	205,463	190,446
Total assets	168,458,682	154,544,576
Liabilities		
Due to (from) broker	238,401	232,549
Total liabilities	238,401	232,549
Net assets available for benefits	\$168,220,281	\$154,312,027

See accompanying notes to Financial Statements



The Lincoln National Life Insurance Company  
Agents' Savings and Profit-Sharing Plan

Statements of Changes in Net Assets Available for Benefits

	For the Years Ended December 31,		
	2010	2009	2008
Investment income:			
Cash dividends	\$1,283,770	\$1,033,993	\$2,480,552
Interest	1,606,174	1,728,784	1,091,696
Total investment income	2,889,944	2,762,777	3,572,248
Net realized gain (loss) on sale and distributions of investments:			
Mutual funds	925,684	(2,592,510 )	(2,203,395 )
Collective investment trusts	1,116,307	(597,295 )	(760,263 )
Common stock - Lincoln National Corporation	1,931,327	(5,869,682 )	(3,553,903 )
Brokerage account	100,546	-	-
Pooled separate accounts - The Lincoln National Life Insurance Company separate accounts	-	-	16,379,942
Total realized gain (loss)	4,073,864	(9,059,487 )	9,862,381
Net change in unrealized appreciation (depreciation) of investments	12,543,324	40,916,992	(84,114,674 )
Contributions:			
Participants	7,076,063	7,252,863	7,988,435
Sponsor company	2,007,331	1,735,437	3,653,901
Total contributions	9,083,394	8,988,300	11,642,336
Transfers from (to) affiliated plans	1,092,826	97,748	2,511,221
Distributions to participants	(15,772,704 )	(18,114,613 )	(17,704,133 )
Administrative expenses	(2,394 )	(869 )	(88,650 )
Total distributions and expenses	(15,775,098 )	(18,115,482 )	(17,792,783 )
Net increase (decrease) in net assets available for benefits	13,908,254	25,590,848	(74,319,271 )
Net assets available for benefits at beginning-of-year	154,312,027	128,721,179	203,040,450
Net assets available for benefits at end-of-year	\$168,220,281	\$154,312,027	\$128,721,179

See accompanying notes to Financial Statements

The Lincoln National Life Insurance Company  
 Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements

1. Description of the Plan

The following description of The Lincoln National Life Insurance Company Agents' Savings and Profit-Sharing Plan ("Plan") is a summary only and a detailed Plan document can be obtained from Human Resources. The Plan is intended to be qualified under Internal Revenue Code section 401(a) by the terms and provisions of the Plan document and in operation.

The Plan is a contributory, defined contribution plan that covers eligible full-time agents of The Lincoln National Life Insurance Company ("LNL" or "Plan Sponsor"), Lincoln Financial Advisors Corporation ("LFA"), Jefferson-Pilot Corporation ("JP") and Lincoln Life & Annuity Company of New York.

Participants are permitted to make pre-tax contributions or elect to reduce their compensation to make Roth 401(k) contributions at a combined rate of at least 1% but not more than 50% of eligible earnings (10% for highly compensated agents, as defined in the Plan, beginning January 1, 2008), up to a maximum annual amount as determined under applicable law. Roth 401(k) contributions are includable in a participant's gross income at the time of deferral and must be irrevocably designated as Roth 401(k) contributions. The Plan, although not subject to the Employee Retirement Income Security Act of 1974, as amended, ("ERISA"), is administered in accordance with the provisions of ERISA.

Plan Sponsor matching contributions are made to the participants' accounts in accordance with the Plan. The Plan Sponsor matching contribution for eligible participants is equal to 50% of each participant's contributions, not to exceed 6% of eligible earnings. In addition, the Plan Sponsor may contribute an additional discretionary match to eligible LFA participants. The Plan Sponsor discretionary match is an amount determined by the sole discretion of the Lincoln National Corporation ("LNC") Board of Directors. One requirement for eligibility for the discretionary match is that the participant must have an agent relationship with LNL or an affiliate as of the last day of the year or have died, retired or became disabled during the year. The amount of the Plan Sponsor discretionary matching contribution varies according to whether LFA has met certain performance-based criteria, as determined by the Compensation Committee of LNC's Board of Directors.

Participants' contributions and any earnings thereon are fully vested at all times. Plan Sponsor contributions vest based upon years of service as defined in the Plan document as follows:

Years of Service	Percent Vested
1	0%
2	50%
3 or more	100%

Participants direct the Plan to invest their contributions, the basic Plan Sponsor matching contributions, and the Plan Sponsor discretionary matching contribution in any combination of the investment options offered under the Plan.

The Plan Sponsor has the right to discontinue contributions at any time and terminate the Plan in accordance with the provisions of ERISA. In the event of Plan termination, all non-vested amounts allocated to participant accounts will become fully vested.

The Plan may make loans to participants in amounts up to 50% of the vested account value to a maximum of \$50,000 reduced by the highest outstanding loan balance in the previous 12-month period. Interest charged on new loans to participants is established monthly based upon the prime rate plus 1%. Interest income credited on loans was \$218,998, \$238,346 and \$284,652 in 2010, 2009 and 2008, respectively. Loans may be repaid over any period selected by the participant up to a maximum repayment period of 5 years except that the maximum repayment period may be 20 years for the purchase of a principal residence.

Upon termination of service, retirement or disability, a participant may elect to receive either a lump-sum amount equal to the entire value of the participant's vested account or an installment option if certain criteria are met. In cases of death, the participant's beneficiary makes that election. Vested account balances less than \$1,000 are immediately distributable as a lump-sum under the terms of the Plan without the participant's consent, unless the participant has made a timely election of rollover to an Individual Retirement Account or other qualified arrangement.

Each participant's account is credited with the participant's contributions, Plan Sponsor contributions and applicable investment earnings thereon, and is charged with an allocation of administrative expenses and applicable investment losses. Forfeited non-vested amounts are used to reduce future Plan Sponsor contributions. Forfeitures of \$5,281 and \$11,141 were used to offset contributions in 2010 and 2009, respectively.

## 2. Summary of Significant Accounting Policies

### Investments Valuation and Income Recognition

As of January 1, 2010, the TD Ameritrade broker investments (“brokerage account”) were added to the Plan’s investment options available to the participants. The brokerage account is administered by TD Ameritrade and allows participants to self-direct their contributions into mutual funds and securities within the brokerage account. The brokerage account primarily consists of mutual funds, securities and a money market account, which are stated at fair value as discussed below.

As of October 1, 2008, Wilmington Trust (“Trustee”) became the trustee for the Plan and Lincoln Alliance (“Recordkeeper”) assumed responsibility as the recordkeeper for the Plan. Prior to that date, Wells Fargo Bank (“WFB”) acted as the Plan’s trustee and recordkeeper. Assets transferred from WFB to the Trustee on October 1, 2008, totaled \$162,671,965.

As of December 31, 2010, the assets of the Plan consisted primarily of mutual funds, collective investment trusts, LNC common stock, investment contracts issued by LNL, Wilmington Trust money market fund (“money market fund”), brokerage account, and notes receivable from participants. Marketable securities are stated at fair value based on quoted market prices in an active market at the Plan’s year end. The investment in LNC common stock is valued at the closing sales price reported on the New York Stock Exchange Composite Listing on the last business day of the Plan year. Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the Plan year. The fair value of ownership interest of the collective investment trusts is established by the Trustee based on the quoted redemption values of the underlying investments on the last business day of the Plan year. The money market fund, which approximates fair value, is also utilized by the Trustee to hold money that has been removed from the participants’ funds and is waiting for distribution to participants.

Prior to October 1, 2008, the Plan’s assets consisted of LNC common stock, pooled separate account investment contracts underwritten by LNL, investment contracts underwritten by LNL, WFB Short-Term Investment Account and notes receivable from participants. The WFB Short-Term Investment Account, which was invested in the common stock fund, was valued at cost, which approximated fair value. The fair value of participation units in the pooled separate accounts estimated by LNL was based on quoted redemption value of the underlying investments on the last business day of the Plan year.

As described in Financial Accounting Standards Board (“FASB”) Accounting Standards Codification™ (“ASC”) Fully Benefit-Responsive Investment Contracts Topic, investment contracts held by a defined contribution plan that are fully benefit responsive are required to be reported at fair value and an adjustment to total net assets is required to show net assets at contract value. The investment contracts held by the Plan are fully benefit responsive; therefore, contract value reporting is required. In this instance, contract value approximates fair value as a result of current interest rates credited to the contracts. Contract value represents net contributions plus interest at the contract rate.

Notes receivable from participants are valued at unpaid principal balance plus any accrued but unpaid interest.

The cost of investments sold, distributed, or forfeited is determined using the specific identification method. Investment purchases and sales are accounted for on a trade-date basis.

Interest and dividend income are recorded when earned.

### Accounting Estimates and Assumptions

The accompanying financial statements are prepared in accordance with United States generally accepted accounting principles. Management is required to make estimates and assumptions affecting the amounts reported in the financial statements and accompanying notes. Those estimates are inherently subject to change and actual results could differ from those estimates.

#### Fair Value Measurement

The measurement of fair value is based on assumptions used by market participants in pricing the asset. The estimate of an exchange price is the price in an orderly transaction between market participants to sell the asset (“exit price”) in the principal market, or the most advantageous market in the absence of a principal market, for that asset, as opposed to the price that would be paid to acquire the asset (“entry price”). Pursuant to the Fair Value Measurements and Disclosures Topic of the FASB ASC, the financial instruments carried at fair value are categorized into a three-level fair value hierarchy, based on the priority of inputs to the respective valuation technique. The three-level hierarchy for fair value measurement is defined as follows:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 – Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies; and

Level 3 – Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates and assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the fair value hierarchy.

Mutual funds, including those within the brokerage account, are public investment vehicles valued using the Net Asset Value ("NAV") provided by the administrator of the fund and focused on accumulating earnings while maintaining the appropriate level of diversified risk. The NAV is a quoted price in an active market; therefore, the mutual funds are classified within Level 1 of the fair value hierarchy.

Collective investment trusts are public investment vehicles valued using the NAV provided by the Trustee and focused on stability of maintaining principal and a steady growth of earnings while matching the appropriate level of risk to the type of trust. The NAV is based on the value of the underlying assets owned by the trust, minus its liabilities, and then divided by the number of shares outstanding. The NAV is not a quoted price in an active market; therefore, the trusts are classified within Level 2 of the fair value hierarchy.

LNC common stock and common stock within the brokerage account are valued at the closing price reported on the New York Stock Exchange Composite Listing and is classified within Level 1 of the fair value hierarchy.

The Plan invests in an Unallocated Group Fixed Annuity Contract issued by LNL, who guarantees a fixed interest rate. The NAV for the investment contracts is \$1. The investment contracts are classified within Level 3 of the fair value hierarchy.

The money market fund, including the money market fund within the brokerage account, is a public investment vehicle valued using \$1 for the NAV. The money market fund is classified within Level 2 of the fair value hierarchy.

See "Fair Value of Financial Investments, Carried at Fair Value" in Note 5 for additional fair value disclosures.

#### Adoption of New Accounting Standards

In February 2008, the FASB amended the Fair Value Measurements and Disclosures Topic of the FASB ASC in order to delay the effective date of fair value measurement for non-financial assets and non-financial liabilities to fiscal years beginning after November 15, 2008, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). We applied fair value measurement to non-financial assets and non-financial liabilities beginning on January 1, 2009. The application did not have a material impact on the Plan's financial statements.

In April 2009, the FASB amended the Fair Value Measurements and Disclosures Topic to provide additional guidance on estimating fair value when the volume and level of activity for an asset or liability have significantly decreased in relation to normal market activity for the asset or liability and additional guidance on circumstances that may indicate a transaction is not orderly. The FASB provided illustrative examples of key considerations when applying fair value measurement principles to estimate fair value in non-active markets when there has been a significant decrease in the

volume and level of activity for the asset. Additional financial statement disclosures are also required about an entity's fair value measurements in annual and interim reporting periods. Any changes in valuation techniques resulting from the adoption of this amended guidance are accounted for as a change in accounting estimate in accordance with the FASB ASC guidance related to accounting changes and error corrections. As permitted under the transition guidance, we adopted these amendments to the Fair Value Measurements and Disclosures Topic effective January 1, 2009. The adoption did not have a material impact on the Plan's financial statements.

In August 2009, the FASB issued ASU No. 2009-05, "Measuring Liabilities at Fair Value" ("ASU 2009-05") which amends the Fair Value Measurements and Disclosures Topic of the FASB ASC to provide further guidance on the application of fair value measurements, due to the general lack of observable market information available for liabilities. These amendments to the Fair Value Measurements and Disclosures Topic identify valuation techniques which can be used to measure the fair value of a liability when a quoted price in an active market is not available. In addition, the amendments clarify that an entity is not required to include a separate input or adjustment to other inputs related to a restriction that prevents the transfer of the liability and clarifies when a quoted price for a liability would be considered a Level 1 input. ASU 2009-05 is effective for the reporting period ending December 31, 2009. Any revisions resulting from a change in a valuation technique, or its application, must be accounted for as a change in accounting estimate and the specified disclosure for a change in accounting estimate must be included in the notes to

the financial statements. We adopted these amendments to the Fair Value Measurements and Disclosures Topic effective January 1, 2009. The adoption did not have a material impact on the Plan's financial statements.

In May 2009, the FASB updated the Subsequent Events Topic of the FASB ASC in order to establish standards of accounting for the disclosure of events that take place after the balance sheet date, but before the financial statements are issued. The effect of all subsequent events that existed as of the balance sheet date must be recognized in the financial statements. For those events that did not exist as of the balance sheet date, but arose after the balance sheet date and before the financial statements are issued, recognition is not required, but depending on the nature of the event, disclosure may be required in order to keep the financial statements from being misleading. We adopted these provisions, prospectively, as of December 31, 2009. The adoption of these amendments to the Subsequent Event Topic did not have a material impact on the Plan's financial statements.

In September 2009, the FASB issued ASU No. 2009-12, "Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)" ("ASU 2009-12"), which amends the Fair Value Measurements and Disclosures Topic of the FASB ASC to permit the use of net asset value per share, without further adjustment, to estimate the fair value of investments in investment companies that do not have readily determinable fair values. The net asset value per share must be calculated in a manner consistent with the measurement principles of the Financial Services – Investment Companies Topic of the FASB ASC and can be used by investors in investments such as hedge funds, private equity funds, venture capital funds and real estate funds. If it is probable the investment will be sold for an amount other than net asset value, the investor would be required to estimate the fair value of the investment considering all of the rights and obligations of the investment and any other market available data. In addition, the amendments require enhanced disclosure for the investments within the scope of this accounting update. The accounting guidance in ASU 2009-12 is effective for periods ending after December 15, 2009, and early adoption is permitted. We adopted these amendments effective January 1, 2009. The adoption did not have an impact on the Plan's financial statements.

In January 2010, the FASB issued ASU No. 2010-06, "Improving Disclosures about Fair Value Measurements" ("ASU 2010-06"), which requires additional disclosure related to the three-level fair value hierarchy. Entities are required to disclose significant transfers in and out of Levels 1 and 2 of the fair value hierarchy. We adopted the amendments in ASU 2010-06 effective January 1, 2010, and have prospectively included the required disclosures in Note 5.

In January 2010, the FASB issued ASU No. 2010-25, "Plan Accounting – Defined Contribution Pension Plans" ("ASU 2010-25"), which requires disclosure and measurement changes related to participant loans. For reporting purposes, participant loans shall be classified as notes receivable from participants and are no longer subject to fair value measurement disclosure requirements. In addition, notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. We adopted the amendments in ASU 2010-25 effective January 1, 2010, and have retrospectively applied throughout the Plan's financial statements.

#### Future Adoption of Accounting Standards

In January 2010, the FASB issued ASU No. 2010-06, which requires additional disclosure related to the three-level fair value hierarchy. Entities are required to separately present information related to purchases, sales, issuances and settlements in the reconciliation of fair value measurements classified as Level 3. The disclosures related to purchases, sales, issuances and settlements for Level 3 fair value measurements are effective for reporting periods beginning after December 15, 2010. We will adopt this amendment effective January 1, 2011. The new guidance only requires new disclosure; we do not expect the adoption to have a significant impact on the Plan's financial statements.





## 3. Investments

The following is a summary of fair value of assets held for investment:

	As of December 31, 2010			As of December 31, 2009		
	Number of Shares, Units or Par Value	Net Asset Value Per Unit	Fair Value	Number of Shares, Units or Par Value	Net Asset Value Per Unit	Fair Value
Mutual funds:						
Columbia Acorn Z Delaware Foundation® Conservative Allocation Fund	408,884.266	\$30.19	\$12,344,216 *	417,820.137	\$24.68	\$10,311,801 *
Delaware Foundation® Moderate Allocation Fund	112,110.833	9.84	1,103,171	75,686.744	9.48	717,510
Delaware Foundation® Growth Allocation Fund	278,779.346	10.87	3,030,331	257,807.620	9.99	2,575,498
Delaware Mid Cap Value I	223,236.938	9.90	2,210,046	208,031.898	8.99	1,870,207
Dodge & Cox International Stock American Fund Growth	269,332.458	9.32	2,510,178	216,120.992	7.31	1,579,844
Fund of America R-5 Harbor International Growth Institutional	280,238.171	35.71	10,007,305 *	291,340.723	31.85	9,279,202 *
Vanguard Institutional Index	423,783.248	30.39	12,878,773 *	423,271.268	27.28	11,546,840 *
Vanguard Extended Market Index Institutional	663,556.602	12.37	8,208,195	724,883.549	11.07	8,024,461 *
Total mutual funds	94,505.708	115.01	10,869,101 *	98,671.854	101.98	10,062,556 *
Collective investment trusts:						
Delaware Large Cap Value Trust	100,356.034	41.27	4,141,694	102,153.188	32.68	3,338,366
Delaware International Equity Trust	599,432.165	11.99	7,187,192	611,806.584	10.39	6,356,670
Delaware Small Cap Growth Trust	77,191.410	8.01	618,303	74,713.483	7.44	555,868
Delaware Diversified Income Trust	534,074.523	14.56	7,776,125	549,145.242	10.33	5,672,670
Delaware Large Cap Growth Trust	710,455.865	14.01	9,953,487 *	771,788.691	12.93	9,979,228 *
Total collective investment trusts	415,695.727	12.76	5,304,277	439,591.149	11.18	4,914,629
			30,839,384			27,479,065

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Common stock - LNC	962,093.671	27.81	26,755,825 *	1,095,999.719	24.88	27,268,473 *
Contract Value (approximates fair value):						
Investment contracts - LNL	36,183,046	1.00	36,183,046 *	35,474,845	1.00	35,474,845 *
Wilmington Trust money market fund	1,054,789	1.00	1,054,789	996,740	1.00	996,740
Brokerage account	2,176,011	1.00	2,176,011	-	-	-
Total investments			\$164,312,065			\$150,525,408

\*Investments that represent 5% or more of the fair value of net assets available for benefits as of the end of the year, respectively.

Net realized gain (loss) on sale and distribution of investments is summarized as follows:

	For the Years Ended December 31,		
	2010	2009	2008
Mutual funds			
Proceeds from disposition of units	\$13,661,847	\$19,232,229	\$6,146,376
Cost of units disposed	12,736,163	21,824,739	8,349,771
Net realized gain (loss) on sale and distribution of mutual funds	\$925,684	\$(2,592,510)	\$(2,203,395)
Collective investment trusts			
Proceeds from disposition of units	\$6,644,723	\$9,479,171	\$3,682,194
Cost of units disposed	5,528,416	10,076,466	4,442,457
Net realized gain (loss) on sale and distribution of collective investment trusts	\$1,116,307	\$(597,295)	\$(760,263)
Common stock - LNC			
Proceeds from disposition of stock	\$9,120,522	\$14,919,052	\$4,366,742
Cost of stock disposed	7,189,195	20,788,734	7,920,645
Net realized gain (loss) on sale and distribution of common stock - LNC	\$1,931,327	\$(5,869,682)	\$(3,553,903)
Brokerage account			
Proceeds from disposition of units	\$290,345	\$-	\$-
Cost of units disposed	189,799	-	-
Net realized gain (loss) on sale and distribution of brokerage account	\$100,546	\$-	\$-
Pooled separate accounts			
Proceeds from disposition of units	\$-	\$-	\$135,008,487
Cost of units disposed	-	-	118,628,545
Net realized gain (loss) on sale and distribution of pooled separate accounts	\$-	\$-	\$16,379,942
Total realized gain (loss) on sale and distribution of investments	\$4,073,864	\$(9,059,487)	\$9,862,381

The net change in unrealized appreciation (depreciation) of investments in total and by investment classification as determined by fair value is summarized as follows:

	For the Years Ended December 31,		
	2010	2009	2008
Fair value in excess of (less than) cost:			
Balance at beginning-of-year	\$ 12,079,684	\$(28,837,308)	\$55,277,366
Balance at end-of-year	24,623,008	12,079,684	(28,837,308)
Change in net unrealized appreciation (depreciation) of investments	\$ 12,543,324	\$40,916,992	\$(84,114,674)
Mutual funds	\$7,512,291	\$17,935,166	\$(14,385,805)
Collective investment trusts	3,600,775	6,849,449	(3,110,966)
Common stock - LNC	1,381,062	16,132,377	(24,931,330)
Brokerage account	49,196	-	-
Pooled separate accounts - LNL	-	-	(41,686,573)
Change in net unrealized appreciation (depreciation) of investments	\$ 12,543,324	\$40,916,992	\$(84,114,674)

The Plan holds investments in investment contracts. Since October 1, 2008, the Plan invested in the Lincoln Stable Value Fund (“Investment Contracts – LNL”), which has a credited interest rate that is based upon the three-year average of the Barclays rate plus 20 basis points and can be changed quarterly. For fourth quarter 2009, the average crediting rate was 4.70% (annualized), and for 2010 the average crediting rate was approximately 3.92%. Interest is credited at the same rate for the entire contract value. The guaranteed minimum interest rate (“GMIR”) is 3.00%. The guarantee is based on LNL’s ability to meet its financial obligations from the general assets of LNL.

Prior to October 1, 2008, the Plan invested in the LNL Guaranteed Account (“Guaranteed Account”), which earned an average interest rate of approximately 4.0% (annualized) in the first three quarters of 2008. The credited interest rates for new contributions, which approximated current market rates, were 4.0% for the first three quarters of 2008. The rate on new contributions was guaranteed through the three succeeding calendar year quarters. The credited interest rates for the remaining contract value balance, which approximated current market rates, were 4.0% (annualized) at September 30, 2008, and were determined based upon the performance of LNL’s general account. The credited interest rates could be changed quarterly for the Guaranteed Account. The GMIR was 3.5% through September 30, 2008. The guarantee was based on LNL’s ability to meet its financial obligations from the general assets of LNL.

For both the Investment Contract – LNL and the Guaranteed Account, restrictions apply to the aggregate movement of funds to other investment options. The fair value of the investment contracts approximate contract value. Participants are allocated interest on the investment contracts based on the average rate earned on all Plan investments in the investment contracts.

4. Investment Options

The detail of the net assets available for benefits by investment option as of December 31, 2010, was as follows:

	Investment Options					
	Total	1.A	2.A	3.A	4.A	5.A
Assets						
Investments:						
Mutual funds	\$ 67,303,010	\$ 12,344,216	\$ 1,103,171	\$ 3,030,331	\$ 2,210,046	\$ 2,510,178
Collective investment trusts	30,839,384	-	-	-	-	-
Common stock - LNC	26,755,825	-	-	-	-	-
Investment contracts - LNL	36,183,046	-	-	-	-	-
Wilmington Trust money market fund	1,054,789	-	-	-	-	-
Brokerage account	2,176,011	-	-	-	-	-
Total investments	164,312,065	12,344,216	1,103,171	3,030,331	2,210,046	2,510,178
Notes receivable from participants	3,875,700	-	-	-	-	-
Accrued interest receivable	65,454	-	-	-	-	-
Contributions receivable from Sponsor company	205,463	15,860	896	6,070	4,361	3,656
Total assets	168,458,682	12,360,076	1,104,067	3,036,401	2,214,407	2,513,834
Liabilities						
Due to (from) broker	238,401	8,059	1,090	6,727	4,705	1,944
Total liabilities	238,401	8,059	1,090	6,727	4,705	1,944
Net assets available for benefits	\$ 168,220,281	\$ 12,352,017	\$ 1,102,977	\$ 3,029,674	\$ 2,209,702	\$ 2,511,890
Number of participants selecting investment options		691	59	210	152	227

	Investment Options					
	6.A	7.A	8.A	9.A	10.A	11.A
Assets						
Investments:						
Mutual funds	\$ 10,007,305	\$ 12,878,773	\$ 8,208,195	\$ 10,869,101	\$ 4,141,694	\$ -
	-	-	-	-	-	7,187,192

Collective investment trusts						
Common stock - LNC	-	-	-	-	-	-
Investment contracts - LNL	-	-	-	-	-	-
Wilmington Trust money market fund	-	-	-	-	-	-
Brokerage account	-	-	-	-	-	-
Total investments	10,007,305	12,878,773	8,208,195	10,869,101	4,141,694	7,187,192
Notes receivable from participants	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-
Contributions receivable from Sponsor company	17,604	25,190	16,566	16,050	5,674	13,065
Total assets	10,024,909	12,903,963	8,224,761	10,885,151	4,147,368	7,200,257
Liabilities						
Due to (from) broker	13,284	17,901	13,271	11,432	4,665	8,653
Total liabilities	13,284	17,901	13,271	11,432	4,665	8,653
Net assets available for benefits	\$ 10,011,625	\$ 12,886,062	\$ 8,211,490	\$ 10,873,719	\$ 4,142,703	\$ 7,191,604
Number of participants selecting investment options	78	625	557	529	320	500

	Investment Options					
	12.A	13.A	14.A	15.A	16.A	17.A
Assets						
Investments:						
Mutual funds	\$-	\$-	\$-	\$-	\$-	\$-
Collective investment trusts	618,303	7,776,125	9,953,487	5,304,277	-	-
Common stock - LNC	-	-	-	-	26,755,825	-
Investment contracts - LNL	-	-	-	-	-	36,183,046
Wilmington Trust money market fund	-	-	-	-	800,332	-
Brokerage account	-	-	-	-	-	-
Total investments	618,303	7,776,125	9,953,487	5,304,277	27,556,157	36,183,046
Notes receivable from participants						
Accrued interest receivable	-	-	-	-	-	106,111
Contributions receivable from Sponsor company						
	1,403	9,462	12,925	8,626	25,880	22,175
Total assets	619,706	7,785,587	9,966,412	5,312,903	27,582,037	36,311,332
Liabilities						
Due to (from) broker	3,794	6,558	10,056	8,241	-	118,021
Total liabilities	3,794	6,558	10,056	8,241	-	118,021
Net assets available for benefits	\$615,912	\$7,779,029	\$9,956,356	\$5,304,662	\$27,582,037	\$36,193,311
Number of participants selecting investment options	398	617	449	332	934	580

	Investment Options				
	18.A	19.A	20.A	Loans	Short Term
Assets					
Investments:					
Mutual funds	\$ -	\$ -	\$ -	\$ -	\$ -
Collective investment trusts	-	-	-	-	-
Common stock - LNC	-	-	-	-	-
Investment contracts - LNL	-	-	-	-	-
Wilmington Trust money market fund	-	-	-	-	254,457
Brokerage account	523,036	740,910	912,065	-	-
Total investments	523,036	740,910	912,065	-	254,457
Notes receivable from participants					
	-	-	-	3,875,700	-



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Accrued interest receivable	(25,041 )	-	-	-	(15,616 )
Contributions receivable from Sponsor company	-	-	-	-	-
Total assets	497,995	740,910	912,065	3,875,700	238,841
Liabilities					
Due to (from) broker	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net assets available for benefits	\$ 497,995	\$ 740,910	\$ 912,065	\$ 3,875,700	\$ 238,841
Number of participants selecting investment options	4	6	7	291	NA

The detail of the net assets available for benefits by investment option as of December 31, 2009, was as follows:

	Total	1.A	2.A	Investment Options		
				3.A	4.A	5.A
Assets						
Investments:						
Mutual funds	\$ 59,306,285	\$ 10,311,801	\$ 717,510	\$ 2,575,498	\$ 1,870,207	\$ 1,579,844
Collective investment trusts	27,479,065	-	-	-	-	-
Common stock - LNC	27,268,473	-	-	-	-	-
Investment contracts - LNL	35,474,845	-	-	-	-	-
Wilmington Trust money market fund	996,740	-	-	-	-	-
Total investments	150,525,408	10,311,801	717,510	2,575,498	1,870,207	1,579,844
Notes receivable from participants	3,706,594	-	-	-	-	-
Accrued interest receivable	122,128	-	-	-	-	-
Contributions receivable from Sponsor company	190,446	14,948	589	5,842	3,374	3,142
Total assets	154,544,576	10,326,749	718,099	2,581,340	1,873,581	1,582,986
Liabilities						
Due to (from) broker	232,549	(61,608 )	341	6,312	2,766	1,766
Total liabilities	232,549	(61,608 )	341	6,312	2,766	1,766
Net assets available for benefits	\$ 154,312,027	\$ 10,388,357	\$ 717,758	\$ 2,575,028	\$ 1,870,815	\$ 1,581,220
		778	35	137	146	203

Number of  
participants  
selecting investment  
options

12

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	Investment Options					
	6.A	7.A	8.A	9.A	10.A	11.A
Assets						
Investments:						
Mutual funds	\$9,279,202	\$11,546,840	\$8,024,461	\$10,062,556	\$3,338,366	\$-
Collective investment trusts	-	-	-	-	-	6,356,670
Common stock - LNC	-	-	-	-	-	-
Investment contracts - LNL	-	-	-	-	-	-
Wilmington Trust money market fund	-	-	-	-	-	-
Total investments	9,279,202	11,546,840	8,024,461	10,062,556	3,338,366	6,356,670
Notes receivable from participants	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	-
Contributions receivable from Sponsor company	14,053	23,067	17,114	15,993	5,280	13,608
Total assets	9,293,255	11,569,907	8,041,575	10,078,549	3,343,646	6,370,278
Liabilities						
Due to (from) broker	47,550	7,449	24,177	143,987	2,226	14,718
Total liabilities	47,550	7,449	24,177	143,987	2,226	14,718
Net assets available for benefits	\$9,245,705	\$11,562,458	\$8,017,398	\$9,934,562	\$3,341,420	\$6,355,560
Number of participants selecting investment options	620	680	663	668	338	573

	Investment Options					
	12.A	13.A	14.A	15.A	16.A	17.A
Assets						
Investments:						
Mutual funds	\$-	\$-	\$-	\$-	\$-	\$-
Collective investment trusts	555,868	5,672,670	9,979,228	4,914,629	-	-
Common stock - LNC	-	-	-	-	27,268,473	-
Investment contracts - LNL	-	-	-	-	-	35,474,845
Wilmington Trust money market fund	-	-	-	-	793,624	-
Total investments	555,868	5,672,670	9,979,228	4,914,629	28,062,097	35,474,845
Notes receivable from participants	-	-	-	-	-	-
Accrued interest receivable	-	-	-	-	-	131,640
Contributions receivable from Sponsor company	456	8,259	10,599	8,820	26,775	18,527
Total assets	556,324	5,680,929	9,989,827	4,923,449	28,088,872	35,625,012

Liabilities						
Due to (from) broker	34,534	9,947	6,405	33,532	-	(41,553 )
Total liabilities	34,534	9,947	6,405	33,532	-	(41,553 )
Net assets available for benefits	\$521,790	\$5,670,982	\$9,983,422	\$4,889,917	\$28,088,872	\$35,666,565
Number of participants selecting investment options	45	469	480	369	791	396

	Investment Options	
	Loans	Short Term
Assets		
Investments:		
Mutual funds	\$ -	\$ -
Collective investment trusts	-	-
Common stock - LNC	-	-
Investment contracts - LNL	-	-
Wilmington Trust money market fund	-	203,116
Total investments	-	203,116
Notes receivable from participants		
	3,706,594	-
Accrued interest receivable	-	(9,512 )
Contributions receivable from Sponsor company	-	-
Total assets	3,706,594	193,604
Liabilities		
Due to (from) broker	-	-
Total liabilities	-	-
Net assets available for benefits	\$ 3,706,594	\$ 193,604
Number of participants selecting investment options	290	NA

The detail of the changes in net assets available for benefits by investment option for the year ended December 31, 2010, was as follows:

	Total	Investment Options				
		1.A	2.A	3.A	4.A	5.A
<b>Investment income:</b>						
Cash dividends	\$1,283,770	\$352,331	\$59,181	\$64,915	\$38,248	\$10,892
Interest	1,606,174	-	-	-	-	-
Total investment income	2,889,944	352,331	59,181	64,915	38,248	10,892
<b>Net realized gain (loss) on sale and distribution of investments:</b>						
Mutual funds	925,684	241,320	17,579	61,533	28,782	49,746
Collective investment trusts	1,116,307	-	-	-	-	-
Common stock - LNC	1,931,327	-	-	-	-	-
Brokerage account	100,546	-	-	-	-	-
Total net realized gain (loss)	4,073,864	241,320	17,579	61,533	28,782	49,746
<b>Net change in unrealized appreciation of investments</b>						
	12,543,324	2,025,738	10,006	187,291	145,256	448,721
<b>Contributions:</b>						
Participant	7,076,063	523,051	41,041	218,578	163,709	121,595
Sponsor company	2,007,331	154,699	8,998	59,088	43,276	35,960
Total contributions	9,083,394	677,750	50,039	277,666	206,985	157,555
<b>Transfers from (to) affiliated plans</b>						
	1,092,826	(19,633 )	333	6,687	10,716	4,701
<b>Intra-Plan transfers</b>						
	-	(484,576 )	274,612	(13,476 )	3,110	363,260
<b>Distributions to participants</b>						
Administrative expenses	(15,772,704 )	(829,270 )	(26,531 )	(129,970 )	(94,210 )	(104,205 )
Total distributions and expenses	(2,394 )	-	-	-	-	-
	(15,775,098 )	(829,270 )	(26,531 )	(129,970 )	(94,210 )	(104,205 )
<b>Net increase (decrease) in net assets available for benefits</b>						
	13,908,254	1,963,660	385,219	454,646	338,887	930,670
<b>Net assets available for benefits at beginning-of-year</b>						
	154,312,027	10,388,357	717,758	2,575,028	1,870,815	1,581,220
<b>Net assets available for benefits at end-of-year</b>						
	\$168,220,281	\$12,352,017	\$1,102,977	\$3,029,674	\$2,209,702	\$2,511,890



	Investment Options					
	6.A	7.A	8.A	9.A	10.A	11.A
Investment income:						
Cash dividends	\$136,570	\$141,661	\$148,254	\$205,265	\$42,352	\$-
Interest	-	-	-	-	-	-
Total investment income	136,570	141,661	148,254	205,265	42,352	-
Net realized gain (loss) on sale and distribution of investments:						
Mutual funds	93,825	210,271	71,614	22,392	128,622	-
Collective investment trusts	-	-	-	-	-	97,559
Common stock - LNC	-	-	-	-	-	-
Brokerage account	-	-	-	-	-	-
Total net realized gain (loss)	93,825	210,271	71,614	22,392	128,622	97,559
Net change in unrealized appreciation of investments	959,988	1,105,330	783,064	1,167,651	679,246	874,149
Contributions:						
Participant	577,090	841,155	565,542	504,444	203,599	408,528
Sponsor company	174,244	246,376	160,081	155,682	55,415	126,142
Total contributions	751,334	1,087,531	725,623	660,126	259,014	534,670
Transfers from (to) affiliated plans	142,143	95,349	100,763	146,422	34,506	79,301
Intra-Plan transfers	(386,683 )	(596,041 )	(958,310 )	(420,248 )	(17,247 )	(194,449 )
Distributions to participants	(931,257 )	(720,497 )	(674,866 )	(842,451 )	(325,210 )	(555,186 )
Administrative expenses	-	-	(2,050 )	-	-	-
Total distributions and expenses	(931,257 )	(720,497 )	(676,916 )	(842,451 )	(325,210 )	(555,186 )
Net increase (decrease) in net assets available for benefits	765,920	1,323,604	194,092	939,157	801,283	836,044
Net assets available for benefits at beginning-of-year	9,245,705	11,562,458	8,017,398	9,934,562	3,341,420	6,355,560
Net assets available for benefits at end-of-year	\$10,011,625	\$12,886,062	\$8,211,490	\$10,873,719	\$4,142,703	\$7,191,604

	Investment Options					
	12.A	13.A	14.A	15.A	16.A	17.A
Investment income:						
Cash dividends	\$-	\$-	\$-	\$-	\$41,448	\$-
Interest	-	-	-	-	-	1,368,954
Total investment income	-	-	-	-	41,448	1,368,954
Net realized gain (loss) on sale and distribution of investments:						
Mutual funds	-	-	-	-	-	-
Collective investment trusts	25,971	209,584	621,690	161,503	-	-
Common stock - LNC	-	-	-	-	1,931,327	-
Brokerage account	-	-	-	-	-	-
Total net realized gain (loss)	25,971	209,584	621,690	161,503	1,931,327	-
Net change in unrealized appreciation of investments	13,270	2,027,763	221,444	464,148	1,381,062	-
Contributions:						
Participant	59,941	283,685	522,112	251,386	801,210	844,025
Sponsor company	14,548	92,952	127,652	83,444	250,047	218,659
Total contributions	74,489	376,637	649,764	334,830	1,051,257	1,062,684
Transfers from (to) affiliated plans	33,832	71,955	135,100	93,556	225,243	(59,611 )
Intra-Plan transfers	80,539	174,116	(896,955 )	(104,066 )	(2,875,632 )	4,203,093
Distributions to participants	(133,979 )	(752,008 )	(758,109 )	(535,226 )	(2,261,540 )	(6,048,374 )
Administrative expenses	-	-	-	-	-	-
Total distributions and expenses	(133,979 )	(752,008 )	(758,109 )	(535,226 )	(2,261,540 )	(6,048,374 )
Net increase (decrease) in net assets available for benefits	94,122	2,108,047	(27,066 )	414,745	(506,835 )	526,746
Net assets available for benefits at beginning-of-year	521,790	5,670,982	9,983,422	4,889,917	28,088,872	35,666,565
Net assets available for benefits at end-of-year	\$615,912	\$7,779,029	\$9,956,356	\$5,304,662	\$27,582,037	\$36,193,311





	18.A	19.A	Investment Options 20.A	Loans	Short-term
Investment income:					
Cash dividends	\$ 29,917	\$ -	\$ 12,736	\$ -	\$ -
Interest	-	18,221	-	218,999	-
Total investment income	29,917	18,221	12,736	218,999	-
Net realized gain (loss) on sale and distribution of investments:					
Mutual funds	-	-	-	-	-
Collective investment trusts	-	-	-	-	-
Common stock - LNC	-	-	-	-	-
Brokerage account	36,645	-	63,901	-	-
Total net realized gain (loss)	36,645	-	63,901	-	-
Net change in unrealized appreciation of investments	17,930	-	31,267	-	-
Contributions:					
Participant	24,068	34,095	41,972	-	45,237
Sponsor company	16	23	29	-	-
Total contributions	24,084	34,118	42,001	-	45,237
Transfers from (to) affiliated plans	(54,738 )	59,021	(12,820 )	-	-
Intra-Plan transfers	444,423	629,550	774,980	-	-
Distributions to participants	78	-	-	(49,893 )	-
Administrative expenses	(344 )	-	-	-	-
Total distributions and expenses	(266 )	-	-	(49,893 )	-
Net increase (decrease) in net assets available for benefits	497,995	740,910	912,065	169,106	45,237
Net assets available for benefits at beginning-of-year	-	-	-	3,706,594	193,604
	\$ 497,995	\$ 740,910	\$ 912,065	\$ 3,875,700	\$ 238,841

Net assets available for  
benefits at end-of-year

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The detail of the changes in net assets available for benefits by investment option for the year ended December 31, 2009, was as follows:

	Total	1.A	2.A	Investment Options		
				3.A	4.A	5.A
<b>Investment income:</b>						
Cash dividends	\$ 1,033,993	\$ 20,690	\$ 20,778	\$ 61,177	\$ 41,484	\$ 11,823
Interest	1,728,784	-	-	-	-	-
Total investment income	2,762,777	20,690	20,778	61,177	41,484	11,823
<b>Net realized gain (loss) on sale and distribution of investments:</b>						
Mutual funds	(2,592,510 )	(490,033 )	39,682	56,628	(25,848 )	(96,507 )
Collective investment trusts	(597,295 )	-	-	-	-	-
Common stock - LNC	(5,869,682 )	-	-	-	-	-
Total net realized gain (loss)	(9,059,487 )	(490,033 )	39,682	56,628	(25,848 )	(96,507 )
<b>Net change in unrealized appreciation of investments</b>	40,916,992	3,437,414	138,879	565,366	335,931	458,593
<b>Contributions:</b>						
Participant	7,252,863	558,161	30,394	220,932	143,420	112,862
Sponsor company	1,735,437	128,695	6,219	59,703	29,751	27,585
Total contributions	8,988,300	686,856	36,613	280,635	173,171	140,447
<b>Transfers from (to) affiliated plans</b>	97,748	5,279	193	(2,419 )	76,852	3,217
<b>Distributions to participants</b>	(18,114,613 )	(680,357 )	(553,435 )	(745,880 )	(79,754 )	(177,806 )
Administrative expenses	(869 )	-	-	-	-	-
Intra-Plan transfers	-	(822,334 )	153,632	(93,952 )	(67,321 )	(169,079 )
Total distributions and expenses	(18,115,482 )	(1,502,691 )	(399,803 )	(839,832 )	(147,075 )	(346,885 )
<b>Net increase (decrease) in net assets available for benefits</b>	25,590,848	2,157,515	(163,658 )	121,555	454,515	170,688
	128,721,179	8,230,842	881,416	2,453,473	1,416,300	1,410,532

Net assets available  
for benefits at  
beginning-of-year  
Net assets available  
for benefits at  
end-of-year

\$ 154,312,027	\$ 10,388,357	\$ 717,758	\$ 2,575,028	\$ 1,870,815	\$ 1,581,220
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	Investment Options					
	6.A	7.A	8.A	9.A	10.A	11.A
Investment income:						
Cash dividends	\$ 124,050	\$ 121,842	\$ 74,820	\$ 239,152	\$ 38,965	\$-
Interest	-	-	-	-	-	-
Total investment income	124,050	121,842	74,820	239,152	38,965	-
Net realized gain (loss) on sale and distribution of investments:						
Mutual funds	(370,753 )	(453,803 )	(523,575 )	(671,376 )	(56,925 )	-
Collective investment trusts	-	-	-	-	-	(451,894 )
Common stock - LNC	-	-	-	-	-	-
Total net realized gain (loss)	(370,753 )	(453,803 )	(523,575 )	(671,376 )	(56,925 )	(451,894 )
Net change in unrealized appreciation of investments	3,057,901	3,298,952	2,801,619	2,777,012	1,063,498	1,256,331
Contributions:						
Participant	518,166	867,793	650,900	601,454	212,830	485,605
Sponsor company	124,566	220,199	109,772	150,965	44,466	122,384
Total contributions	642,732	1,087,992	760,672	752,419	257,296	607,989
Transfers from (to) affiliated plans	383	3,319	9,167	4,372	1,926	622
Distributions to participants	(846,857 )	(1,033,691 )	(1,047,051 )	(966,263 )	(221,157 )	(644,683 )
Administrative expenses	-	-	(869 )	-	-	-
Intra-Plan transfers	535,469	(238,947 )	(1,442,900)	(2,157,357)	2,498	(1,359,549)
Total distributions and expenses	(311,388 )	(1,272,638 )	(2,490,820)	(3,123,620)	(218,659 )	(2,004,232)
Net increase (decrease) in net assets						
available for benefits	3,142,925	2,785,664	631,883	(22,041 )	1,086,101	(591,184 )
Net assets available for benefits at beginning-of-year	6,102,780	8,776,794	7,385,515	9,956,603	2,255,319	6,946,744
Net assets available for benefits at end-of-year	\$9,245,705	\$ 11,562,458	\$ 8,017,398	\$ 9,934,562	\$ 3,341,420	\$ 6,355,560

	Investment Options					
	12.A	13.A	14.A	15.A	16.A	17.A
Investment income:						
Cash dividends	\$-	\$-	\$-	\$-	\$ 279,212	\$-

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Interest	-	-	-	-	-	1,490,438
Total investment income	-	-	-	-	279,212	1,490,438
Net realized gain (loss) on sale and distribution of investments:						
Mutual funds	-	-	-	-	-	-
Collective investment trusts	8,400	(341,312 )	428,406	(240,895 )	-	-
Common stock - LNC	-	-	-	-	(5,869,682 )	-
Total net realized gain (loss)	8,400	(341,312 )	428,406	(240,895 )	(5,869,682 )	-
Net change in unrealized appreciation of investments	72,449	2,275,560	1,547,204	1,697,907	16,132,376	-
Contributions:						
Participant	22,949	289,011	409,938	270,082	941,727	916,639
Sponsor company	5,851	75,176	109,976	79,012	226,287	214,830
Total contributions	28,800	364,187	519,914	349,094	1,168,014	1,131,469
Transfers from (to) affiliated plans	94	(1,257 )	(14,455 )	(341 )	(158,029 )	168,825
Distributions to participants	(78,037 )	(516,979 )	(2,136,649)	(264,789 )	(2,211,312 )	(5,543,115 )
Administrative expenses	-	-	-	-	-	-
Intra-Plan transfers	432,348	(309,297 )	1,407,084	(543,077 )	(3,969,860 )	8,642,642
Total distributions and expenses	354,311	(826,276 )	(729,565 )	(807,866 )	(6,181,172 )	3,099,527
Net increase (decrease) in net assets						
available for benefits	464,054	1,470,902	1,751,504	997,899	5,370,719	5,890,259
Net assets available for benefits at beginning-of-year	57,736	4,200,080	8,231,918	3,892,018	22,718,153	29,776,306
Net assets available for benefits at end-of-year	\$521,790	\$5,670,982	\$9,983,422	\$4,889,917	\$28,088,872	\$35,666,565

	Investment Options	
	Loans	Short-term
Investment income:		
Cash dividends	\$ -	\$ -
Interest	238,346	-
Total investment income	238,346	-
Net realized gain (loss) on sale and distribution of investments:		
Mutual funds	-	-
Collective investment trusts	-	-
Common stock - LNC	-	-
Total net realized gain (loss)	-	-
Net change in unrealized appreciation of investments	-	-
Contributions:		
Participant	-	-
Sponsor company	-	-
Total contributions	-	-
Transfers from (to) affiliated plans	-	-
Distributions to participants	(104,089 )	(262,709)
Administrative expenses	-	-
Intra-Plan transfers	-	-
Total distributions and expenses	(104,089 )	(262,709)
Net increase (decrease) in net assets		



available for benefits	134,257	(262,709)
Net assets available for benefits at beginning-of-year	3,572,337	456,313
Net assets available for benefits at end-of-year	\$ 3,706,594	\$ 193,604

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The detail of the changes in net assets available for benefits by investment option for the year ended December 31, 2008, was as follows:

	Total	Investment Options				
		1	2	3	4	5
<b>Investment income:</b>						
Cash dividends	\$2,480,552	\$992,652	\$-	\$-	\$-	\$-
Interest	1,091,696	27,789	430,879	-	-	-
Total investment income	3,572,248	1,020,441	430,879	-	-	-
<b>Net realized gain (loss) on sale and distribution of investments:</b>						
Mutual funds	(2,203,395 )	-	-	-	-	-
Collective investment trusts	(760,263 )	-	-	-	-	-
Common stock - LNC	(3,553,903 )	(2,038,638 )	-	-	-	-
Pooled separate accounts - LNL	16,379,942	-	-	7,113,263	4,053,768	744,210
Total net realized gain (loss)	9,862,381	(2,038,638 )	-	7,113,263	4,053,768	744,210
<b>Net change in unrealized appreciation (depreciation) of investments</b>						
	(84,114,674 )	(10,333,659 )	-	(8,978,006 )	(5,961,467 )	(525,325 )
<b>Contributions:</b>						
Participant	7,988,435	769,366	157,742	370,605	258,035	170,287
Sponsor company	3,653,901	236,797	60,617	102,816	74,379	43,389
Total contributions	11,642,336	1,006,163	218,359	473,421	332,414	213,676
<b>Transfers from (to) affiliated plans</b>						
Transfer from Wells Fargo to Wilmington Trust	-	(35,061,561 )	(15,463,946 )	(8,194,643 )	(6,640,307 )	(13,015,959 )
<b>Distributions to participants</b>						
Administrative expenses	(17,704,133 )	(3,277,477 )	(1,675,195 )	(377,312 )	(576,982 )	(2,468,824 )
Intra-Plan transfers	(88,650 )	(20,967 )	(7,071 )	(4,695 )	(4,092 )	(5,809 )
Total distributions and expenses	-	(3,719,409 )	1,840,959	(680,818 )	(825,747 )	3,632,107
Total distributions and expenses	(17,792,783 )	(7,017,853 )	158,693	(1,062,825 )	(1,406,821 )	1,157,474

Net increase (decrease) in net assets available for benefits	(74,319,271 )	(51,294,105)	(14,649,028)	(10,609,087)	(9,500,756)	(11,120,554)
Net assets available for benefits at beginning-of-year	203,040,450	51,294,105	14,649,028	10,609,087	9,500,756	11,120,554
Net assets available for benefits at end-of-year	\$128,721,179	\$-	\$-	\$-	\$-	\$-

	Investment Options					
	6	7	8	9	10	11
Investment income:						
Cash dividends	\$-	\$-	\$-	\$-	\$-	\$-
Interest	-	-	-	-	-	-
Total investment income	-	-	-	-	-	-
Net realized gain (loss) on sale and distribution of investments:						
Mutual funds	-	-	-	-	-	-
Collective investment trusts	-	-	-	-	-	-
Common stock - LNC	-	-	-	-	-	-
Pooled separate accounts - LNL	418,130	2,283,053	107,728	214,579	864,849	725,242
Total net realized gain (loss)	418,130	2,283,053	107,728	214,579	864,849	725,242
Net change in unrealized appreciation (depreciation) of investments	(611,969 )	(4,332,528 )	(664,197 )	(523,738 )	(2,733,998 )	(1,810,140 )
Contributions:						
Participant	171,628	350,072	190,840	138,493	314,623	277,280
Sponsor company	61,374	111,167	169,658	39,382	88,078	75,704
Total contributions	233,002	461,239	360,498	177,875	402,701	352,984
Transfers from (to) affiliated plans	40,626	90,242	(6,334 )	2,305	135,018	16,608
Transfer from Wells Fargo to Wilmington Trust	(4,881,347)	(5,550,836)	(3,162,482)	(3,311,855)	(6,481,657)	(4,935,869)
Distributions to participants	(733,699 )	(476,163 )	(134,855 )	(179,449 )	(497,293 )	(273,905 )
Administrative expenses	(2,485 )	(3,370 )	(1,720 )	(1,754 )	(3,748 )	(2,705 )
Intra-Plan transfers	575,998	(226,856 )	(265,899 )	(168,290 )	(432,887 )	(102,334 )
Total distributions and expenses	(160,186 )	(706,389 )	(402,474 )	(349,493 )	(933,928 )	(378,944 )
Net increase (decrease) in net assets available for benefits	(4,961,744)	(7,755,219)	(3,767,261)	(3,790,327)	(8,747,015)	(6,030,119)
Net assets available for benefits at beginning-of-year	4,961,744	7,755,219	3,767,261	3,790,327	8,747,015	6,030,119
Net assets available for benefits at end-of-year	\$-	\$-	\$-	\$-	\$-	\$-



	Investment Options					
	12	13	14	15	16	17
Investment income:						
Cash dividends	\$-	\$-	\$-	\$-	\$-	\$-
Interest	-	-	-	-	-	-
Total investment income	-	-	-	-	-	-
Net realized gain (loss) on sale and distribution of investments:						
Mutual funds	-	-	-	-	-	-
Collective investment trusts	-	-	-	-	-	-
Common stock - LNC	-	-	-	-	-	-
Pooled separate accounts - LNL	1,589,539	(6,597 )	(131,835 )	(608,123 )	(44,433 )	(16,452 )
Total net realized gain (loss)	1,589,539	(6,597 )	(131,835 )	(608,123 )	(44,433 )	(16,452 )
Net change in unrealized appreciation (depreciation) of investments	(4,753,882 )	(114,086 )	(255,465 )	(378,654 )	(967,450 )	(3,186,406 )
Contributions:						
Participant	466,763	23,460	153,926	255,751	215,050	643,901
Sponsor company	127,511	5,207	45,488	79,116	63,036	229,654
Total contributions	594,274	28,667	199,414	334,867	278,086	873,555
Transfers from (to) affiliated plans	144,734	3,263	(11,252 )	32,118	27,961	152,108
Transfer from Wells Fargo to Wilmington Trust	(8,132,281 )	(1,083,294)	(1,849,835)	(3,309,397)	(4,234,028)	(9,684,047 )
Distributions to participants	(688,884 )	(12,840 )	(64,232 )	(227,887 )	(482,087 )	(760,650 )
Administrative expenses	(4,945 )	(572 )	(891 )	(1,992 )	(2,291 )	(5,562 )
Intra-Plan transfers	(599,948 )	157,225	296,098	(293,110 )	290,449	444,704
Total distributions and expenses	(1,293,777 )	143,813	230,975	(522,989 )	(193,929 )	(321,508 )
Net increase (decrease) in net assets available for benefits	(11,851,393)	(1,028,234)	(1,817,998)	(4,452,178)	(5,133,793)	(12,182,750)
Net assets available for benefits at beginning-of-year	11,851,393	1,028,234	1,817,998	4,452,178	5,133,793	12,182,750
Net assets available for benefits at end-of-year	\$-	\$-	\$-	\$-	\$-	\$-



	Investment Options					
	18	19	20	21	22	23
Investment income:						
Cash dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-
Total investment income	-	-	-	-	-	-
Net realized gain (loss) on sale and distribution of investments:						
Mutual funds	-	-	-	-	-	-
Collective investment trusts	-	-	-	-	-	-
Common stock - LNC	-	-	-	-	-	-
Pooled separate accounts - LNL	118,793	6,846	(136,428 )	(3,509 )	76,068	(111,706 )
Total net realized gain (loss)	118,793	6,846	(136,428 )	(3,509 )	76,068	(111,706 )
Net change in unrealized appreciation (depreciation) of investments	(561,468 )	(275,292 )	(1,497,242)	(1,407,719)	(424,814 )	(75,562 )
Contributions:						
Participant	117,216	57,866	368,324	290,319	196,013	40,047
Sponsor company	35,026	15,949	103,100	93,514	60,356	10,960
Total contributions	152,242	73,815	471,424	383,833	256,369	51,007
Transfers from (to) affiliated plans	5,567	11,893	79,171	26,729	6,911	4,133
Transfer from Wells Fargo to Wilmington Trust	(1,905,571)	(1,527,681)	(5,058,443)	(4,577,803)	(2,923,155)	(915,695 )
Distributions to participants	(338,714 )	(125,226 )	(579,689 )	(352,713 )	(222,741 )	(78,689 )
Administrative expenses	(1,135 )	(797 )	(3,274 )	(2,582 )	(1,533 )	(466 )
Intra-Plan transfers	(216,254 )	46,487	(387,366 )	226,394	(89,435 )	381,176
Total distributions and expenses	(556,103 )	(79,536 )	(970,329 )	(128,901 )	(313,709 )	302,021



Net increase (decrease) in net assets available for benefits	(2,746,540)	(1,789,955)	(7,111,847)	(5,707,370)	(3,322,330)	(745,802 )
Net assets available for benefits at beginning-of-year	2,746,540	1,789,955	7,111,847	5,707,370	3,322,330	745,802
Net assets available for benefits at end-of-year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

		Investment Options				
	24	1.A	2.A	3.A	4.A	5.A
Investment income:						
Cash dividends	\$ -	\$ 55,268	\$ 25,018	\$ 62,766	\$ 47,588	\$ 9,312
Interest	-	-	-	-	-	-
Total investment income	-	55,268	25,018	62,766	47,588	9,312
Net realized gain (loss) on sale and distribution of investments:						
Mutual funds	-	(268,126 )	(18,231 )	(82,740 )	(82,213 )	(96,790 )
Collective investment trusts	-	-	-	-	-	-
Common stock - LNC	-	-	-	-	-	-
Pooled separate accounts - LNL	(877,043 )	-	-	-	-	-
Total net realized gain (loss)	(877,043 )	(268,126 )	(18,231 )	(82,740 )	(82,213 )	(96,790 )
Net change in unrealized appreciation (depreciation) of investments	(1,647,165)	(2,600,638 )	(60,279 )	(265,308 )	(228,061 )	(333,958 )
Contributions:						
Participant	472,982	122,571	6,625	37,608	29,244	23,886
Sponsor company	153,014	132,340	3,735	39,628	28,919	27,180
Total contributions	625,996	254,911	10,360	77,236	58,163	51,066
Transfers from (to) affiliated plans	144,701	-	-	-	-	-
Transfer from Wells Fargo to Wilmington Trust	(6,685,857)	11,218,110	1,083,294	3,162,482	1,849,835	1,905,571
Distributions to participants	(601,557 )	(122,380 )	(2,812 )	(5,087 )	(12,618 )	(9,561 )
Administrative expenses	(4,194 )	-	-	-	-	-
Intra-Plan transfers	116,756	(306,303 )	(155,934 )	(495,876 )	(216,394 )	(115,108 )
Total distributions and expenses	(488,995 )	(428,683 )	(158,746 )	(500,963 )	(229,012 )	(124,669 )

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