

LINCOLN NATIONAL CORP
Form 11-K
March 31, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11- K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS
AND SIMILARY 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, 2009

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.

AUDITED Financial Statements and Supplemental Schedule

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

As of December 31, 2009 and 2008, and for the Three Years
Ended December 31, 2009, 2008 and 2007

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, 2009 and 2008, and for the
Three Years Ended December 31, 2009, 2008 and 2007

Contents

| | |
|--|----|
| Report of Independent Registered Public Accounting Firm | 1 |
| Audited Financial Statements | |
| Statements of Net Assets Available for Benefits | 2 |
| Statements of Changes in Net Assets Available for Benefits | 3 |
| Notes to Financial Statements | 4 |
| Supplemental Schedule | |
| Schedule H, Line 4i – Schedule of Assets (Held at End of Year) | 30 |

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, 2009 and 2008, and the related statements of changes in net assets available for benefits for each of the three years in the period ended December 31, 2009. 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, 2009, and 2008, and the changes in net assets available for benefits for each of the three years in the period ended December 31, 2009, 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, 2009, 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, 2010

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

Statements of Net Assets Available for Benefits

| | 2009 | December 31, 2008 |
|---|---------------|----------------------|
| Assets | | |
| Investments: | | |
| Mutual funds (cost: 2009 - \$55,756,924; 2008 - \$62,557,165) | \$59,306,285 | \$48,171,602 |
| Collective investment trusts (cost: 2009 - \$23,740,582; 2008 - \$26,174,352) | 27,479,065 | 23,063,386 |
| Common stock - Lincoln National Corporation (cost: 2009 - \$22,476,633; 2008 - \$33,304,906) | 27,268,473 | 21,964,369 |
| Investment contracts - The Lincoln National Life Insurance Company | 35,474,845 | 29,623,868 |
| Wilmington Trust money market fund | 996,740 | 1,003,490 |
| Participant loans | 3,706,594 | 3,572,337 |
| Total investments | 154,232,002 | 127,399,052 |
| Accrued interest receivable | 122,128 | 133,302 |
| Contributions receivable from participant deferrals | - | 40,306 |
| Contributions receivable from Sponsor company | 190,446 | 1,161,189 |
| Total assets | 154,544,576 | 128,733,849 |
| Liabilities | | |
| Due to broker | 232,549 | 12,670 |
| Total liabilities | 232,549 | 12,670 |
| Net assets available for benefits | \$154,312,027 | \$128,721,179 |

See accompanying notes to the financial statements.

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

Statements of Changes in Net Assets Available for Benefits

| | Year ended December 31, | | |
|--|-------------------------|---------------|---------------|
| | 2009 | 2008 | 2007 |
| Investment income: | | | |
| Cash dividends | \$1,033,993 | \$2,480,552 | \$1,336,688 |
| Interest | 1,728,784 | 1,091,696 | 965,603 |
| Total investment income | 2,762,777 | 3,572,248 | 2,302,291 |
| Net realized gain (loss) on sale and distributions of investments: | | | |
| Mutual funds | (2,592,510) | (2,203,395) | - |
| Collective investment trusts | (597,295) | (760,263) | - |
| Common stock - Lincoln National Corporation | (5,869,682) | (3,553,903) | 3,844,371 |
| Pooled separate accounts - The Lincoln National Life Insurance Company separate accounts | - | 16,379,942 | 8,568,425 |
| Total net realized gain (loss) | (9,059,487) | 9,862,381 | 12,412,796 |
| Net change in unrealized appreciation (depreciation) of investments | 40,916,992 | (84,114,674) | (8,070,015) |
| Contributions: | | | |
| Participants | 7,252,863 | 7,988,435 | 8,793,200 |
| Sponsor company | 1,735,437 | 3,653,901 | 4,661,121 |
| Total contributions | 8,988,300 | 11,642,336 | 13,454,321 |
| Transfers to (from) affiliated plans | 97,748 | 2,511,221 | (36,541) |
| Distributions to participants | (18,114,613) | (17,704,133) | (26,167,088) |
| Administrative expenses | (869) | (88,650) | (152,742) |
| Total distributions and expenses | (18,115,482) | (17,792,783) | (26,319,830) |
| Net increase (decrease) in net assets available for benefits | 25,590,848 | (74,319,271) | (6,256,978) |
| Net assets available for benefits at beginning of the year | 128,721,179 | 203,040,450 | 209,297,428 |
| Net assets available for benefits at end of the year | \$154,312,027 | \$128,721,179 | \$203,040,450 |

See accompanying notes to the 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 qualified in its entirety by the terms and provisions of the Plan document.

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 at a 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, and 9% prior to January 1, 2008), up to a maximum annual amount as determined under applicable law. 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 as a standard and in a manner of "best practices."

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 pre-tax contributions, not to exceed 6% of eligible earnings. The Plan Sponsor matching contribution for eligible former JP agents was equal to 10% of each participant's pre-tax contribution 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' 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 would 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 \$238,346, \$284,652 and \$293,769 in 2009, 2008 and 2007, respectively. Loans may be repaid over any

4

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.

2. Summary of Significant Accounting Policies

Investments Valuation and Income Recognition

As of October 1, 2008, Wilmington Trust ("Trustee") became the trustee for the Plan. In addition, Lincoln Alliance ("Recordkeeper") assumed responsibility as the recordkeeper for the Plan as of October 1, 2008. 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, 2009, 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") and participant loans. 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. A 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 the appropriate 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 participant loans. 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 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.

Participant loans are valued at their outstanding balances, which approximate fair value.

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 is recorded when earned.

5

Accounting Estimates and Assumptions

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States. 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

In September 2006, the FASB issued the Fair Value Measurements and Disclosures Topic of the FASB ASC, which defines fair value, establishes a framework for measuring fair value under current accounting pronouncements that require or permit fair value measurement and enhances disclosures about fair value measurements. Effective January 1, 2008, the Plan adopted the Fair Value Measurements and Disclosures Topic. The Fair Value Measurements and Disclosures Topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. Disclosures include a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. Adoption of the Fair Value Measurements and Disclosures Topic did not have a material impact on the Plan's financial statements.

The Fair Value Measurement standard describes three levels of inputs that may be used to measure fair value:

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 are public investment vehicles valued using the Net Asset Value ("NAV") provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within Level 1 of the fair value hierarchy.

Collective investment trusts are public investment vehicles valued using the NAV provided by the Trustee. 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 classified within Level 2 of the fair value hierarchy.

LNC common stock is 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 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.

Participant loans are valued at cost plus accrued interest, which approximates fair value and are classified within Level 3 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 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 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 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.

Future Adoption of Accounting Standards

In January 2010, the FASB issued ASU No. 2010-06, “Improving Disclosures about Fair Value Measurements” (“ASU 2010-06”), which primarily requires new disclosures related to the levels within the fair value hierarchy. An entity will be required to disclose significant transfers in and out of Levels 1 and 2 of the fair value hierarchy, and separately present information related to purchases, sales, issuances and settlements in the reconciliation of fair value measurements classified as Level 3. In addition, ASU 2010-06 will amend the fair value disclosure requirement for pension and postretirement benefit plan assets to require this disclosure at the investment class level. ASU 2010-06 will be effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures related to purchases, sales, issuances and settlements for Level 3 fair value measurements, which are effective for reporting periods beginning after December 15, 2010. We will include the disclosures as required by ASU 2010-06 in the notes to the Plan’s financial statements effective January 1, 2010, except for the disclosures related to Level 3 fair value measurements, which we will include in the notes to the Plan’s financial statements effective January 1, 2011.

3. Investments

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

| | December 31, 2009 | | | December 31, 2008 | | |
|---|--|--------------------------------|-----------------|--|-----------------------------------|----------------|
| | 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 | 417,820.137 | \$ 24.68 | \$ 10,311,801 * | 459,043.245 | \$ 17.71 | \$ 8,129,656 * |
| Delaware Conservative Allocation I | 75,686.744 | 9.48 | 717,510 | 113,085.607 | 7.77 | 878,675 |
| Delaware Moderate Allocation I | 257,807.620 | 9.99 | 2,575,498 | 302,589.806 | 8.01 | 2,423,744 |
| Delaware Aggressive Allocation I | 208,031.898 | 8.99 | 1,870,207 | 199,207.873 | 7.00 | 1,394,455 |
| Delaware Mid Cap Value I | 216,120.992 | 7.31 | 1,579,844 | 245,586.608 | 5.66 | 1,390,020 |
| Dodge & Cox International Stock | 291,340.723 | 31.85 | 9,279,202 * | 274,568.330 | 21.90 | 6,013,046 |
| American Fund Growth Fund of America R-5 | 423,271.268 | 27.28 | 11,546,840 * | 422,607.570 | 20.44 | 8,638,099 * |
| Harbor International Growth | 724,883.549 | 11.07 | 8,024,461 * | 890,942.000 | 8.11 | 7,225,540 * |
| Institutional Vanguard Institutional Index | 98,671.854 | 101.98 | 10,062,556 * | 119,468.046 | 82.54 | 9,860,893 * |
| Vanguard Extended Market Index | 102,153.188 | 32.68 | 3,338,366 | 92,317.823 | 24.02 | 2,217,474 |
| Institutional Total mutual funds | | | 59,306,285 | | | 48,171,602 |
| Collective investment trusts: | | | | | | |
| Delaware Large Cap | | | | | | |

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| | | | | | | | |
|---|---------------|-------|----------------|---------------|-------|----------------|---|
| Value Trust Delaware International Equity Trust | 611,806.584 | 10.39 | 6,356,670 | 781,119.037 | 8.78 | 6,858,225 | * |
| Delaware Small Cap Growth Trust | 74,713.483 | 7.44 | 555,868 | 10,413.875 | 5.46 | 56,860 | |
| Delaware Diversified Income Trust | 549,145.242 | 10.33 | 5,672,670 | 605,693.008 | 6.85 | 4,148,997 | |
| Delaware Large Cap Growth Trust | 771,788.691 | 12.93 | 9,979,228 | 773,847.545 | 10.55 | 8,164,092 | * |
| Total collective investment trusts: | 439,591.149 | 11.18 | 4,914,629 | 492,325.027 | 7.79 | 3,835,212 | |
| | | | 27,479,065 | | | 23,063,386 | |
| Common stock - LNC | 1,095,999.719 | 24.88 | 27,268,473 | 1,165,837.000 | 18.84 | 21,964,369 | * |
| Contract Value (approximates fair value): Investment contracts - LNL | 35,474,845 | 1.00 | 35,474,845 | 29,623,868 | 1.00 | 29,623,868 | * |
| Wilmington Trust money market fund | 996,740 | 1.00 | 996,740 | 1,003,490 | 1.00 | 1,003,490 | |
| Estimated Value: Participants loans | 3,706,594 | 1.00 | 3,706,594 | 3,572,337 | 1.00 | 3,572,337 | |
| Total investments | | | \$ 154,232,002 | | | \$ 127,399,052 | |

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

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

| | Year ended December 31, | | |
|--|-------------------------|---------------|--------------|
| | 2009 | 2008 | 2007 |
| Mutual funds | | | |
| Proceeds from disposition of units | \$19,232,229 | \$6,146,376 | \$- |
| Cost of units disposed | 21,824,739 | 8,349,771 | - |
| Net realized loss on sale and distribution of mutual funds | \$(2,592,510) | \$(2,203,395) | \$- |
| Collective investment trusts | | | |
| Proceeds from disposition of units | \$9,479,171 | \$3,682,194 | \$- |
| Cost of units disposed | 10,076,466 | 4,442,457 | - |
| Net realized loss on sale and distribution of collective investment trusts | \$(597,295) | \$(760,263) | \$- |
| Common stock | | | |
| Proceeds from disposition of stock | \$14,919,052 | \$4,366,742 | \$7,729,845 |
| Cost of stock disposed | 20,788,734 | 7,920,645 | 3,885,474 |
| Net realized gain (loss) on sale and distribution of common stock | \$(5,869,682) | \$(3,553,903) | \$3,844,371 |
| Pooled separate accounts | | | |
| Proceeds from disposition of units | \$- | \$135,008,487 | \$49,126,170 |
| Cost of units disposed | - | 118,628,545 | 40,557,745 |
| Net realized gain on sale and distribution of pooled separate accounts | \$- | \$16,379,942 | \$8,568,425 |
| Total net realized gain (loss) on sale and distribution of investments | \$(9,059,487) | \$9,862,381 | \$12,412,796 |

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

| | Year ended December 31, | | |
|---|-------------------------|----------------|---------------|
| | 2009 | 2008 | 2007 |
| Fair value in excess of (less than) cost: | | | |
| Balance at beginning-of-year | \$(28,837,308) | \$55,277,366 | \$63,347,381 |
| Balance at end-of-year | 12,079,684 | (28,837,308) | 55,277,366 |
| Change in net unrealized appreciation (depreciation) of investments | \$40,916,992 | \$(84,114,674) | \$(8,070,015) |
| Mutual funds | \$17,935,166 | \$(14,385,805) | \$- |
| Other collective investment trusts | 6,849,449 | (3,110,966) | - |
| Common stock - LNC | 16,132,377 | (24,931,330) | (10,211,687) |
| Pooled separate accounts - LNL | - | (41,686,573) | 2,141,672 |

| | | | |
|--|--------------|----------------|----------------|
| Change in net unrealized appreciation (depreciation) of investments | \$40,916,992 | \$(84,114,674) | \$(8,070,015) |
|--|--------------|----------------|----------------|

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 2008, the average crediting rate for the Investment Contract – LNL was 4.95% (annualized), and for 2009 the average crediting rate was approximately 4.70%. 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 and for all of 2007. The credited interest rates for new contributions, which approximated current market rates, were 4.0% for the first three quarters of 2008 and for all of 2007. 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 December 31, 2007, 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, 2009, is as follows:

| | Total | Investment Options | | | | |
|---|----------------------|---------------------|------------------|--------------------|--------------------|--------------------|
| | | 1.A | 2.A | 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 | - | - | - | - | - |
| Participant loans | 3,706,594 | - | - | - | - | - |
| Total investments | 154,232,002 | 10,311,801 | 717,510 | 2,575,498 | 1,870,207 | 1,579,844 |
| 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 |
| Number of participants selecting investment options | | 778 | 35 | 137 | 146 | 203 |

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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 | - | - | - | - | - | - |
| Participant loans | - | - | - | - | - | - |
| Total investments | 9,279,202 | 11,546,840 | 8,024,461 | 10,062,556 | 3,338,366 | 6,356,670 |
| 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 | - |
| Participant loans | - | - | - | - | - | - |
| Total investments | 555,868 | 5,672,670 | 9,979,228 | 4,914,629 | 28,062,097 | 35,474,845 |
| 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) |
| | \$521,790 | \$5,670,982 | \$9,983,422 | \$4,889,917 | \$28,088,872 | \$35,666,565 |

Net assets available for
benefits

| | | | | | | |
|--|----|-----|-----|-----|-----|-----|
| 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 |
| Participant loans | 3,706,594 | - |
| Total investments | 3,706,594 | 203,116 |
| 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 | |

The detail of the net assets available for benefits by investment option as of December 31, 2008, is as follows:

| | Total | Investment Options | | | | |
|---|----------------|--------------------|------------|--------------|--------------|--------------|
| | | 1.A | 2.A | 3.A | 4.A | 5.A |
| Assets | | | | | | |
| Investments: | | | | | | |
| Mutual funds | \$ 48,171,602 | \$ 8,129,656 | \$ 878,675 | \$ 2,423,744 | \$ 1,394,455 | \$ 1,390,020 |
| Collective investment trusts | 23,063,386 | - | - | - | - | - |
| Common stock - LNC | 21,964,369 | - | - | - | - | - |
| Investment contracts - LNL | 29,623,868 | - | - | - | - | - |
| Wilmington Trust money market fund | 1,003,490 | - | - | - | - | - |
| Participant loans | 3,572,337 | - | - | - | - | - |
| Total investments | 127,399,052 | 8,129,656 | 878,675 | 2,423,744 | 1,394,455 | 1,390,020 |
| Accrued interest receivable | 133,302 | - | - | - | - | - |
| Contributions receivable from participant deferrals | 40,306 | 2,734 | - | 582 | 286 | 303 |
| Contributions receivable from Sponsor company | 1,161,189 | 98,660 | 2,741 | 29,147 | 21,559 | 20,209 |
| Total assets | 128,733,849 | 8,231,050 | 881,416 | 2,453,473 | 1,416,300 | 1,410,532 |
| Liabilities | | | | | | |
| Due to (from) broker | 12,670 | 208 | - | - | - | - |
| Total liabilities | 12,670 | 208 | - | - | - | - |
| Net assets available for benefits | \$ 128,721,179 | \$ 8,230,842 | \$ 881,416 | \$ 2,453,473 | \$ 1,416,300 | \$ 1,410,532 |
| Number of participants selecting investment options | | 835 | 56 | 260 | 157 | 248 |

| | Investment Options | | | | | |
|------------------------------|--------------------|-------------|-------------|-------------|-------------|-----------|
| | 6.A | 7.A | 8.A | 9.A | 10.A | 11.A |
| Assets | | | | | | |
| Investments: | | | | | | |
| Mutual funds | \$6,013,046 | \$8,638,099 | \$7,225,540 | \$9,860,893 | \$2,217,474 | \$- |
| Collective investment trusts | - | - | - | - | - | 6,858,225 |
| Common stock - LNC | - | - | - | - | - | - |

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| | | | | | | |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Investment contracts - LNL | - | - | - | - | - | - |
| Wilmington Trust money | | | | | | |
| market fund | - | - | - | - | - | - |
| Participant loans | - | - | - | - | - | - |
| Total investments | 6,013,046 | 8,638,099 | 7,225,540 | 9,860,893 | 2,217,474 | 6,858,225 |
| Accrued interest receivable | - | - | - | - | - | - |
| Contributions receivable from | | | | | | |
| participant deferrals | 899 | 5,988 | 6,001 | 2,336 | 1,998 | 2,042 |
| Contributions receivable from | | | | | | |
| Sponsor company | 89,172 | 130,639 | 150,527 | 92,285 | 35,847 | 84,594 |
| Total assets | 6,103,117 | 8,774,726 | 7,382,068 | 9,955,514 | 2,255,319 | 6,944,861 |
| Liabilities | | | | | | |
| Due to (from) broker | 337 | (2,068) | (3,447) | (1,089) | - | (1,883) |
| Total liabilities | 337 | (2,068) | (3,447) | (1,089) | - | (1,883) |
| Net assets available for benefits | \$6,102,780 | \$8,776,794 | \$7,385,515 | \$9,956,603 | \$2,255,319 | \$6,946,744 |
| Number of participants | | | | | | |
| selecting investment options | 629 | 724 | 793 | 725 | 374 | 654 |

| | Investment Options | | | | | |
|---|--------------------|-------------|-------------|-------------|--------------|--------------|
| | 12.A | 13.A | 14.A | 15.A | 16.A | 17.A |
| Assets | | | | | | |
| Investments: | | | | | | |
| Mutual funds | \$- | \$- | \$- | \$- | \$- | \$- |
| Collective investment trusts | 56,860 | 4,148,997 | 8,164,092 | 3,835,212 | - | - |
| Common stock - LNC | - | - | - | - | 21,964,369 | - |
| Investment contracts - LNL | - | - | - | - | - | 29,623,868 |
| Wilmington Trust money market fund | - | - | - | - | 561,866 | - |
| Participant loans | - | - | - | - | - | - |
| Total investments | 56,860 | 4,148,997 | 8,164,092 | 3,835,212 | 22,526,235 | 29,623,868 |
| Accrued interest receivable | - | - | - | - | - | 118,613 |
| Contributions receivable from participant deferrals | - | 642 | 837 | 629 | 10,975 | 4,054 |
| Contributions receivable from Sponsor company | 1,084 | 50,441 | 51,238 | 55,144 | 180,943 | 66,959 |
| Total assets | 57,944 | 4,200,080 | 8,216,167 | 3,890,985 | 22,718,153 | 29,813,494 |
| Liabilities | | | | | | |
| Due to (from) broker | 208 | - | (15,751) | (1,033) | - | 37,188 |
| Total liabilities | 208 | - | (15,751) | (1,033) | - | 37,188 |
| Net assets available for benefits | \$57,736 | \$4,200,080 | \$8,231,918 | \$3,892,018 | \$22,718,153 | \$29,776,306 |
| Number of participants selecting investment options | 17 | 532 | 498 | 402 | 1267 | 710 |

| | Investment Options | |
|------------------------------------|--------------------|------------|
| | Loans | Short Term |
| Assets | | |
| Investments: | | |
| Mutual funds | \$ - | \$ - |
| Collective investment trusts | - | - |
| Common stock - LNC | - | - |
| Investment contracts - LNL | - | - |
| Wilmington Trust money market fund | - | 441,624 |
| Participant loans | 3,572,337 | - |
| Total investments | 3,572,337 | 441,624 |
| | - | 14,689 |

| | | |
|---|--------------|------------|
| Accrued interest receivable | | |
| Contributions receivable from participant deferrals | - | - |
| Contributions receivable from Sponsor company | - | - |
| Total assets | 3,572,337 | 456,313 |
| | | |
| Liabilities | | |
| Due to (from) broker | - | - |
| Total liabilities | - | - |
| Net assets available for benefits | \$ 3,572,337 | \$ 456,313 |
| Number of participants selecting investment options | 272 | |

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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, is as follows:

| | Total | Investment Options | | | | |
|---|---------------|--------------------|------------|-------------|-------------|-------------|
| | | 1.A | 2.A | 3.A | 4.A | 5.A |
| Investment income: | | | | | | |
| 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 |
| Net realized gain (loss) on sale and distribution of investments: | | | | | | |
| 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) |
| Net change in unrealized appreciation of investments | 40,916,992 | 3,437,414 | 138,879 | 565,366 | 335,931 | 458,593 |
| Contributions: | | | | | | |
| 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 |
| Transfers to (from) affiliated plans | 97,748 | 5,279 | 193 | (2,419) | 76,852 | 3,217 |
| Distributions to participants | (18,114,613) | (680,357) | (553,435) | (745,880) | (79,754) | (177,806) |
| Administrative expenses | (869) | - | - | - | - | - |
| Net 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) |
| Net increase (decrease) in net assets available for benefits | 25,590,848 | 2,157,515 | (163,658) | 121,555 | 454,515 | 170,688 |
| Net assets available for benefits at beginning-of-year | 128,721,179 | 8,230,842 | 881,416 | 2,453,473 | 1,416,300 | 1,410,532 |
| 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 |

| | 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 | \$- |

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| | | | | | | |
|---|-------------|--------------|--------------|-------------|-------------|-------------|
| 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 to (from) 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) | - | - | - |
| Net 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 | \$- |
| 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 to (from) affiliated plans | | | | | | |
| | 94 | (1,257) | (14,455) | (341) | (158,029) | 168,825 |
| Distributions to participants | | | | | | |
| Administrative expenses | (78,037) | (516,979) | (2,136,649) | (264,789) | (2,211,312) | (5,543,115) |
| Net transfers | - | - | - | - | - | - |
| Total distributions and expenses | 432,348 | (309,297) | 1,407,084 | (543,077) | (3,969,860) | 8,642,642 |
| | 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 to (from) affiliated plans | - | - |
| Distributions to participants | (104,089) | (262,709) |
| Administrative expenses | - | - |
| Net 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, is as follows:

| | Total | Investment Options | | | | |
|--|---------------|--------------------|---------------|--------------|--------------|---------------|
| | | 1 | 2 | 3 | 4 | 5 |
| Investment income: | | | | | | |
| 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 | - | - | - |
| Net realized gain (loss) on sale and distribution of investments: | | | | | | |
| 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 |
| Net change in unrealized appreciation (depreciation) of investments | | | | | | |
| | (84,114,674) | (10,333,659) | - | (8,978,006) | (5,961,467) | (525,325) |
| Contributions: | | | | | | |
| 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 |
| Transfers to (from) affiliated plans | | | | | | |
| Transfer from Wells Fargo to Wilmington Trust | - | (35,061,561) | (15,463,946) | (8,194,643) | (6,640,307) | (13,015,959) |
| Distributions to participants | | | | | | |
| Administrative expenses | (17,704,133) | (3,277,477) | (1,675,195) | (377,312) | (576,982) | (2,468,824) |
| Net 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 |

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| | | | | | | |
|--|---------------|--------------|--------------|--------------|-------------|--------------|
| 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 | \$- | \$- | \$- | \$- | \$- |

17

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| | 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 to (from) 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) |
| Net 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 | \$- | \$- | \$- | \$- | \$- | \$- |

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| | | | | | | |
|---|--------------|-------------|-------------|-------------|-------------|--------------|
| 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 to (from) 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) |
| Net 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 | \$- | \$- | \$- | \$- | \$- | \$- |

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| | 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 to (from) 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) |
| Net 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 | - | - | - | - | - | - |

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| | | | | | | |
|---|-------------|--------------|------------|-------------|-------------|-------------|
| 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 to (from) 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) | - | - | - | - | - |
| Net 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) |
| Net increase (decrease) in net assets available for benefits | (8,928,363) | 8,230,842 | 881,416 | 2,453,473 | 1,416,300 | 1,410,532 |
| Net assets available for benefits at beginning-of-year | 8,928,363 | - | - | - | - | - |
| Net assets available for benefits at end-of-year | \$- | \$8,230,842 | \$881,416 | \$2,453,473 | \$1,416,300 | \$1,410,532 |

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| | Investment Options | | | | | |
|---|--------------------|--------------|--------------|--------------|-------------|-------------|
| | 6.A | 7.A | 8.A | 9.A | 10.A | 11.A |
| Investment income: | | | | | | |
| Cash dividends | \$618,418 | \$136,789 | \$82,227 | \$79,056 | \$41,175 | \$- |
| Interest | - | - | - | - | - | - |
| Total investment income | 618,418 | 136,789 | 82,227 | 79,056 | 41,175 | - |
| Net realized gain (loss) on sale and distribution of investments: | | | | | | |
| Mutual funds | (162,497) | (212,853) | (632,974) | (561,201) | (85,770) | - |
| Collective investment trusts | - | - | - | - | - | (246,395) |
| Common stock - LNC | - | - | - | - | - | - |
| Pooled separate accounts - LNL | - | - | - | - | - | - |
| Total net realized gain (loss) | (162,497) | (212,853) | (632,974) | (561,201) | (85,770) | (246,395) |
| Net change in unrealized appreciation (depreciation) of investments | (2,582,426) | (2,361,832) | (2,515,904) | (2,716,893) | (720,506) | (769,543) |
| Contributions: | | | | | | |
| Participant | 114,896 | 173,185 | 203,532 | 119,234 | 53,570 | 113,548 |
| Sponsor company | 120,056 | 175,264 | 203,270 | 125,212 | 48,074 | 115,996 |
| Total contributions | 234,952 | 348,449 | 406,802 | 244,446 | 101,644 | 229,544 |
| Transfers to (from) affiliated plans | - | - | - | - | - | - |
| Transfer from Wells Fargo to Wilmington Trust | 8,132,281 | 10,599,742 | 11,744,300 | 13,956,353 | 2,923,155 | 8,245,267 |
| Distributions to participants | (95,233) | (65,589) | (55,246) | (71,142) | (8,280) | (24,105) |
| Administrative expenses | - | - | - | - | - | - |
| Net transfers | (42,715) | 332,088 | (1,643,690) | (974,016) | 3,901 | (488,024) |
| Total distributions and expenses | (137,948) | 266,499 | (1,698,936) | (1,045,158) | (4,379) | (512,129) |
| Net increase (decrease) in net assets available for benefits | 6,102,780 | 8,776,794 | 7,385,515 | 9,956,603 | 2,255,319 | 6,946,744 |
| Net assets available for benefits at beginning-of-year | - | - | - | - | - | - |
| Net assets available for benefits at end-of-year | \$6,102,780 | \$8,776,794 | \$7,385,515 | \$9,956,603 | \$2,255,319 | \$6,946,744 |

| | Investment Options | | | | | |
|--------------------|--------------------|------|------|-------|-----------|-------|
| | 12.A | 13.A | 14.A | 15.A. | 16.A. | 17.A. |
| Investment income: | | | | | | |
| Cash dividends | \$- | \$- | \$- | \$- | \$330,283 | \$- |

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| | | | | | | |
|---|----------|--------------|-------------|-------------|---------------|--------------|
| Interest | - | - | - | - | - | 348,376 |
| Total investment income | - | - | - | - | 330,283 | 348,376 |
| Net realized gain (loss) on sale and distribution of investments: | | | | | | |
| Mutual funds | - | - | - | - | - | - |
| Collective investment trusts | - | (194,948) | 10,638 | (329,558) | - | - |
| Common stock - LNC | - | - | - | - | (1,515,265) | - |
| Pooled separate accounts - LNL | - | - | - | - | - | - |
| Total net realized gain (loss) | - | (194,948) | 10,638 | (329,558) | (1,515,265) | - |
| Net change in unrealized appreciation (depreciation) of investments | (1,193) | (1,861,251) | 424,173 | (903,152) | (14,597,671) | - |
| Contributions: | | | | | | |
| Participant | 2,437 | 62,044 | 71,893 | 64,096 | 224,744 | 94,733 |
| Sponsor company | 1,495 | 68,413 | 69,857 | 75,044 | 243,949 | 90,177 |
| Total contributions | 3,932 | 130,457 | 141,750 | 139,140 | 468,693 | 184,910 |
| Transfers to (from) affiliated plans | - | - | - | - | - | - |
| Transfer from Wells Fargo to Wilmington Trust | - | 6,481,658 | 8,193,200 | 5,550,835 | 35,061,562 | 28,479,904 |
| Distributions to participants | (208) | (21,182) | 1,354 | 7,505 | (92,569) | (1,667,233) |
| Administrative expenses | - | - | - | - | - | - |
| Net transfers | 55,205 | (334,654) | (539,197) | (572,752) | 3,063,120 | 2,430,349 |
| Total distributions and expenses | 54,997 | (355,836) | (537,843) | (565,247) | 2,970,551 | 763,116 |
| Net increase (decrease) in net assets | | | | | | |
| available for benefits | 57,736 | 4,200,080 | 8,231,918 | 3,892,018 | 22,718,153 | 29,776,306 |
| Net assets available for benefits at beginning-of-year | - | - | - | - | - | - |
| Net assets available for benefits at end-of-year | \$57,736 | \$4,200,080 | \$8,231,918 | \$3,892,018 | \$22,718,153 | \$29,776,306 |

| | Investment Options | |
|---|--------------------|------------|
| | Loans | Short Term |
| Investment income: | | |
| Cash dividends | \$ - | \$ - |
| Interest | 284,652 | - |
| Total investment income | 284,652 | - |
| Net realized gain (loss) on sale and distribution of investments: | | |
| Mutual funds | - | - |
| Collective investment trusts | - | - |
| Common stock - LNC | - | - |
| Pooled separate accounts - LNL | - | - |
| Total net realized gain (loss) | - | - |
| Net change in unrealized appreciation (depreciation) of investments | - | - |
| Contributions: | | |
| Participant | - | - |
| Sponsor company | - | - |
| Total contributions | - | - |
| Transfers to (from) affiliated plans | - | - |
| Transfer from Wells Fargo to Wilmington Trust | - | - |
| Distributions to participants | (708,997) | 456,313 |
| Administrative expenses | - | - |
| Net transfers | - | - |
| Total distributions and expenses | (708,997) | 456,313 |

| | | |
|--|--------------|------------|
| Net increase (decrease) in net assets available for benefits | (424,345) | 456,313 |
| Net assets available for benefits at beginning-of-year | 3,996,682 | - |
| Net assets available for benefits at end-of-year | \$ 3,572,337 | \$ 456,313 |

The detail of the changes in net assets available for benefits by investment option for the year ended December 31, 2007, is as follows:

| | Total | 1 | 2 | Investment Options | | |
|--|---------------|--------------|--------------|--------------------|-------------|--------------|
| | | | | 3 | 4 | 5 |
| Investment income: | | | | | | |
| Cash dividends | \$1,336,688 | \$1,336,688 | \$- | \$- | \$- | \$- |
| Interest | 965,603 | 76,858 | 594,976 | - | - | - |
| Total investment income | 2,302,291 | 1,413,546 | 594,976 | - | - | - |
| Net realized gain on sale and distribution of investments: | | | | | | |
| Common stock | 3,844,371 | 3,844,371 | - | - | - | - |
| Pooled separate accounts - LNL | 8,568,425 | - | - | 664,484 | 561,776 | 457,917 |
| Total net realized gain | 12,412,796 | 3,844,371 | - | 664,484 | 561,776 | 457,917 |
| Net change in unrealized appreciation (depreciation) of investments | (8,070,015) | (10,211,687) | - | (23,248) | 630,889 | 72,885 |
| Contributions: | | | | | | |
| Participant | 8,793,200 | 1,253,272 | 205,334 | 488,649 | 378,949 | 185,822 |
| Sponsor company | 4,661,121 | 2,472,984 | 68,051 | 149,632 | 110,506 | 52,493 |
| Total contributions | 13,454,321 | 3,726,256 | 273,385 | 638,281 | 489,455 | 238,315 |
| Transfers to (from) affiliated plans | (36,541) | (26,046) | 123,769 | (91,474) | (36,589) | 1,148 |
| Distributions to participants | (26,167,088) | (5,292,358) | (2,994,094) | (928,069) | (548,062) | (5,901,943) |
| Administrative expenses | (152,742) | (38,138) | (9,642) | (7,265) | (6,359) | (23,600) |
| Net transfers | - | (3,431,147) | (455,387) | (861,230) | (1,176,110) | 6,503,894 |

| | | | | | | |
|--|---------------|---------------|--------------|--------------|--------------|--------------|
| Total distributions and expenses | (26,319,830) | (8,761,643) | (3,459,123) | (1,796,564) | (1,730,531) | 578,351 |
| Net increase (decrease) in net assets available for benefits | (6,256,978) | (10,015,203) | (2,466,993) | (608,521) | (85,000) | 1,348,616 |
| Net assets available for benefits at beginning-of-year | 209,297,428 | 61,309,308 | 17,116,021 | 11,217,608 | 9,585,756 | 9,771,938 |
| Net assets available for benefits at end-of-year | \$203,040,450 | \$51,294,105 | \$14,649,028 | \$10,609,087 | \$9,500,756 | \$11,120,554 |

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| | Investment Options | | | | | |
|---|--------------------|-------------|-------------|-------------|-------------|-------------|
| | 6 | 7 | 8 | 9 | 10 | 11 |
| Investment income: | | | | | | |
| Cash dividends | \$- | \$- | \$- | \$- | \$- | \$- |
| Interest | - | - | - | - | - | - |
| Total investment income | - | - | - | - | - | - |
| Net realized gain on sale and distribution of investments: | | | | | | |
| Common stock | - | - | - | - | - | - |
| Pooled separate accounts - LNL | 126,139 | 328,624 | 160,650 | 223,727 | 627,301 | 510,207 |
| Total net realized gain | 126,139 | 328,624 | 160,650 | 223,727 | 627,301 | 510,207 |
| Net change in unrealized appreciation (depreciation) of investments | 70,687 | 567,002 | 16,677 | (131,196) | 277,677 | (323,142) |
| Contributions: | | | | | | |
| Participant | 222,521 | 495,873 | 232,621 | 227,386 | 461,880 | 385,416 |
| Sponsor company | 62,216 | 153,408 | 65,594 | 63,133 | 128,953 | 110,044 |
| Total contributions | 284,737 | 649,281 | 298,215 | 290,519 | 590,833 | 495,460 |
| Transfers to (from) affiliated plans | (55,814) | (58,621) | (47,208) | 9,755 | (48,121) | (61,018) |
| Distributions to participants | (241,702) | (643,603) | (230,133) | (426,186) | (824,414) | (535,077) |
| Administrative expenses | (3,031) | (5,356) | (2,150) | (2,737) | (5,918) | (4,329) |
| Net transfers | 272,608 | (1,349,981) | 636,431 | 47,503 | (836,027) | (470,127) |
| Total distributions and expenses | 27,875 | (1,998,940) | 404,148 | (381,420) | (1,666,359) | (1,009,533) |
| Net increase (decrease) in net assets available for benefits | 453,624 | (512,654) | 832,482 | 11,385 | (218,669) | (388,026) |
| Net assets available for benefits at beginning-of-year | 4,508,120 | 8,267,873 | 2,934,779 | 3,778,942 | 8,965,684 | 6,418,145 |
| Net assets available for benefits at end-of-year | \$4,961,744 | \$7,755,219 | \$3,767,261 | \$3,790,327 | \$8,747,015 | \$6,030,119 |

| | Investment Options | | | | | |
|-------------------------|--------------------|-----|-----|-----|-----|-----|
| | 12 | 13 | 14 | 15 | 16 | 17 |
| Investment income: | | | | | | |
| Cash dividends | \$- | \$- | \$- | \$- | \$- | \$- |
| Interest | - | - | - | - | - | - |
| Total investment income | - | - | - | - | - | - |

Net realized gain on sale and distribution of investments:

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| | | | | | | |
|---|--------------|-------------|-------------|-------------|-------------|--------------|
| Common stock | - | - | - | - | - | - |
| Pooled separate accounts - LNL | 1,402,736 | 6,931 | 84,856 | 388,328 | 375,161 | 633,888 |
| Total net realized gain | 1,402,736 | 6,931 | 84,856 | 388,328 | 375,161 | 633,888 |
| Net change in unrealized appreciation (depreciation) of investments | (771,756) | 31,719 | (7,272) | (491,433) | (96,526) | 1,059,176 |
| Contributions: | | | | | | |
| Participant | 673,139 | 31,372 | 167,729 | 397,221 | 327,593 | 773,153 |
| Sponsor company | 186,021 | 8,513 | 47,380 | 123,171 | 94,406 | 229,182 |
| Total contributions | 859,160 | 39,885 | 215,109 | 520,392 | 421,999 | 1,002,335 |
| Transfers to (from) affiliated plans | (31,786) | 2,869 | 19,560 | 19,808 | 126,166 | 54,298 |
| Distributions to participants | (1,532,873) | (39,414) | (257,743) | (517,097) | (577,682) | (1,141,743) |
| Administrative expenses | (8,767) | (593) | (1,075) | (3,661) | (3,428) | (7,445) |
| Net transfers | (1,022,172) | 203,810 | 372,461 | (569,895) | (182,952) | 432,054 |
| Total distributions and expenses | (2,563,812) | 163,803 | 113,643 | (1,090,653) | (764,062) | (717,134) |
| Net increase (decrease) in net assets | | | | | | |
| available for benefits | (1,105,458) | 245,207 | 425,896 | (653,558) | 62,738 | 2,032,563 |
| Net assets available for benefits at beginning-of-year | 12,956,851 | 783,027 | 1,392,102 | 5,105,736 | 5,071,055 | 10,150,187 |
| Net assets available for benefits at end-of-year | \$11,851,393 | \$1,028,234 | \$1,817,998 | \$4,452,178 | \$5,133,793 | \$12,182,750 |

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| | Investment Options | | | | | |
|---|--------------------|-------------|-------------|-------------|-------------|-----------|
| | 18 | 19 | 20 | 21 | 22 | 23 |
| Investment income: | | | | | | |
| Cash dividends | \$- | \$- | \$- | \$- | \$- | \$- |
| Interest | - | - | - | - | - | - |
| Total investment income | - | - | - | - | - | - |
| Net realized gain on sale and distribution of investments: | | | | | | |
| Common stock | - | - | - | - | - | - |
| Pooled separate accounts - LNL | 304,958 | 166,495 | 368,289 | 400,202 | 236,248 | 27,248 |
| Total net realized gain | 304,958 | 166,495 | 368,289 | 400,202 | 236,248 | 27,248 |
| Net change in unrealized appreciation (depreciation) of investments | (209,939) | (108,043) | 478,622 | 569,104 | (302,865) | 45,981 |
| Contributions: | | | | | | |
| Participant | 192,216 | 94,470 | 436,375 | 333,069 | 321,154 | 29,914 |
| Sponsor company | 56,811 | 23,608 | 115,367 | 98,406 | 89,843 | 7,488 |
| Total contributions | 249,027 | 118,078 | 551,742 | 431,475 | 410,997 | 37,402 |
| Transfers to (from) affiliated plans | 13,290 | 4,671 | 26,797 | 10,159 | 19,857 | 4,795 |
| Distributions to participants | (339,021) | (341,781) | (675,586) | (712,486) | (326,627) | (34,679) |
| Administrative expenses | (2,128) | (1,323) | (4,290) | (3,443) | (2,668) | (343) |
| Net transfers | (417,767) | (62,109) | 675,543 | 700,568 | (458,028) | 200,835 |
| Total distributions and expenses | (758,916) | (405,213) | (4,333) | (15,361) | (787,323) | 165,813 |
| Net increase (decrease) in net assets available for benefits | (401,580) | (224,012) | 1,421,117 | 1,395,579 | (423,086) | 281,239 |
| Net assets available for benefits at beginning-of-year | 3,148,120 | 2,013,967 | 5,690,730 | 4,311,791 | 3,745,416 | 464,563 |
| Net assets available for benefits at end-of-year | \$2,746,540 | \$1,789,955 | \$7,111,847 | \$5,707,370 | \$3,322,330 | \$745,802 |

| | Investment Options | |
|-------------------------|--------------------|---------|
| | 24 | Loans |
| Investment income: | | |
| Cash dividends | \$ - | \$ - |
| Interest | - | 293,769 |
| Total investment income | - | 293,769 |

| | | |
|---|--------------|--------------|
| Net realized gain on sale and distribution of investments: | | |
| Common stock | - | - |
| Pooled separate accounts - LNL | 512,260 | - |
| Total net realized gain | 512,260 | - |
| Net change in unrealized appreciation (depreciation) of investments | 786,673 | - |
| Contributions: | | |
| Participant | 478,072 | - |
| Sponsor company | 143,911 | - |
| Total contributions | 621,983 | - |
| Transfers to (from) affiliated plans | (16,806) | - |
| Distributions to participants | (796,203) | (308,512) |
| Administrative expenses | (5,053) | - |
| Net transfers | 1,247,225 | - |
| Total distributions and expenses | 445,969 | (308,512) |
| Net increase (decrease) in net assets available for benefits | 2,350,079 | (14,743) |
| Net assets available for benefits at beginning-of-year | 6,578,284 | 4,011,425 |
| Net assets available for benefits at end-of-year | \$ 8,928,363 | \$ 3,996,682 |

The following investment options are available beginning October 1, 2008:

| Option | Description of Investment Option |
|--------|---|
| 1.A | Columbia Acorn Z is a mutual fund that invests a majority of its net assets in small- and mid-sized companies with market capitalizations under \$5 billion at the time of investment. The fund seeks long-term capital appreciation. |
| 2.A | Delaware Conservative Allocation I is a mutual fund that invests primarily in shares of other Delaware Investments Funds, including fixed income and equity funds. The portfolio seeks a combination of current income and preservation of capital with capital appreciation. |
| 3.A | Delaware Moderate Allocation I is a mutual fund that invests at least 25% of its net assets in equity funds and securities and at least 25% of its net assets in fixed income funds with the flexibility to invest more in equity funds and securities or more in fixed income funds and securities. It will also typically invest between 5% and 20% of its assets in international funds and securities. The portfolio seeks capital appreciation with current income as a secondary objective. |
| 4.A | Delaware Aggressive Allocation I is a mutual fund that invests primarily in shares of international mutual funds, including equity funds and to a lesser extent, fixed income funds. The fund seeks long-term capital growth. |
| 5.A | Delaware Mid Cap Value I is a mutual fund that invests primarily in investments of medium-sized companies whose stock prices appear low relative to their underlying value or future potential. The fund seeks capital appreciation. |
| 6.A | Dodge & Cox International Stock is a mutual fund that invests at least 80% of its total assets in common stocks, preferred stocks, securities convertible into common stocks and securities that carry the right to buy common stocks of non-United States companies excluding non-United States companies included in the Standard & Poor's 500. The fund also invests in American, European and Global Depositary Receipts. The fund seeks long-term growth of principal and income. |
| 7.A | American Fund Growth Fund R5 is a mutual fund that seeks long-term growth by investing primarily in common stocks of companies that appear to offer superior opportunities for growth of capital. |
| 8.A | Harbor International Growth Institutional is a mutual fund that invests primarily in common stocks of foreign companies of any size throughout the world. The fund seeks long-term growth of capital. |
| 9.A | Vanguard Institutional Index is a mutual fund that employs a "passive management" or indexing investment approach designed to track the performance of the Standard & Poor's 500 Index, a widely recognized benchmark of U.S. stock market performance that is dominated by the stocks of large U.S. companies. The fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization stocks. |
| 10.A | Vanguard Extended Market Index Institutional is a mutual fund that employs a "passive management" or indexing investment approach designed to track the performance of the Standard & Poor's Completion Index. The fund seeks to track the performance of a benchmark index that measures the investment return of small- and mid-capitalization stocks. |
| 11.A | Delaware Large Cap Value Trust is a collective investment trust fund that invests mainly in securities of large-capitalization companies. The fund seeks long term capital appreciation. |
| 12.A | Delaware International Equity Trust is a collective investment trust fund that invests mainly in non-U.S. equity securities. The fund seeks long-term capital appreciation without undue risk to principal. |
| 13.A | Delaware Small Cap Growth Trust is a collective investment trust fund that invests primarily in small companies. The fund seeks capital appreciation by investing primarily in securities of emerging or other growth-oriented companies. |
| 14.A | |

Delaware Diversified Income Trust is a collective investment trust fund that allocates its investments principally among the U.S. Investment Grade, U.S. High Yield, International Developed Markets and Emerging Market Sectors. The fund seeks maximum long-term total return, consistent with reasonable risk.

- 15.A Delaware Large Cap Growth Trust is a collective investment trust fund that invests mainly in individual large-cap companies. The fund seeks long-term capital appreciation by investing in equity securities of large capitalization companies that the advisors believe to have the potential for sustainable free cash flow growth.
- 16.A LNC Stock Fund investment is a collective investment trust fund that invests exclusively in shares of LNC Common Stock. However, some funds may be invested in the Wilmington Trust Short-Term Investment Account until the LNC stock can be purchased. This option is designed to provide participants with the opportunity to invest in LNC securities.
- 17.A Lincoln Stable Value Account is a fixed annuity issued by LNL. The Lincoln Stable Value option is managed to earn a competitive interest rate without risk of loss of principal.

Information with respect to investment options through September 30, 2008, is as follows:

| Option | Description of Investment Option |
|--------|---|
| 1 | LNC Common Stock Account, which invests exclusively in the stock of LNC. However, some funds may be invested in the WFB Short-Term Investment Account until the LNC stock can be purchased. |
| 2 | Guaranteed Account, which invests in investment contracts underwritten by LNL. The account's balances are backed by the general assets of LNL. |
| 3 | Core Equity Account (SA#11), which seeks to buy large capitalization stocks of well-established companies with the objective of long-term capital appreciation. |
| 4 | Medium Capitalization Equity Account (SA#17), which invests in stocks of medium-sized companies with the objective of maximum long-term total return. |
| 5 | Short-Term Account (SA#14), which invests in high-quality money market securities with the objective of maximizing interest earnings while maintaining principal. |
| 6 | Government/Corporate Bond Account (SA#12), which invests primarily in U.S. government and high-quality corporate bonds and securities. |
| 7 | Large Capitalization Equity Account (SA#23), which invests primarily in stocks of large companies that have the potential to grow 50% within 18 months from the date of purchase. |
| 8 | Balanced Account (SA#21), which invests in stocks, bonds and money market instruments with the objective to maximize long-term total return with a moderate level of risk. |
| 9 | High Yield Bond Account (SA#20), which invests primarily in below-investment-grade bonds, providing higher rates of return to compensate for higher risk. |
| 10 | Small Capitalization Equity Account (SA#24), which invests primarily in the stock of new, rapid growth companies. |
| 11 | Value Equity Account (SA#28), which invests in large capitalization stocks of conservative companies that are industry leaders. |
| 12 | International Equity Account (SA#22), which invests primarily in stocks of non-United States companies. |
| 13 | Conservative Balanced Account (SA#30), which invests in stocks, bonds and money market instruments to maximize long-term total earnings with a conservative level of risk. |
| 14 | Aggressive Balanced Account (SA#32), which invests in stocks, bonds and money market instruments to maximize long-term total return with an aggressive level of risk. |

- 15 Delaware Value Account (SA#61), which invests in large capitalization companies that have long-term capital appreciation potential.
- 16 Scudder VIT Equity 500 Index Account (SA#27), which seeks to replicate the total return of the S&P 500.
- 17 Fidelity VIP Contrafund (SA#35), which seeks capital appreciation by investing primarily in securities of companies whose value is not fully recognized by the market.

- 18 Neuberger-Berman AMT Regency Account (SA#38), which seeks capital growth by investing mainly in common stocks of mid-capitalization companies.
- 19 Social Awareness Account (SA#33), which seeks capital growth and social responsibility by investing in the Lincoln National Social Awareness Portfolio.
- 20 American Funds New Perspective Account (formerly Global Growth) (SA#34), which invests primarily in common stocks, convertibles, preferred stocks, bonds and cash to provide long-term growth through investments all over the world.
- 21 Neuberger-Berman AMT Mid-Cap Growth Account (SA#37), which seeks capital appreciation using a growth-oriented investment approach.
- 22 Scudder VIT Small Cap Index Account, which seeks to reflect Russell 2000 performance by investing in the Small Cap Index Portfolio.
- 23 Blackrock Legacy Account (SA #81), which seeks to provide long-term growth of capital.
- 24 American Funds Insurance Series International Fund Account (SA #54), which seeks capital appreciation by investing primarily in common stocks of companies outside the United States.

Investment options 3 through 24 are invested in pooled separate accounts of LNL through a group annuity contract issued by LNL.

5. Fair Value of Financial Investments, Carried at Fair Value

See “Adoption of New Accounting Standard” in Note 2 for discussions of the methodologies and assumptions used to determine the fair value of the Plan’s investments.

We did not have any assets or liabilities measured at fair value on a nonrecurring basis as of December 31, 2009, or December 31, 2008, and we noted no changes in our valuation methodologies between these periods.

The tables below are the Plan’s financial instruments carried at fair value on a recurring basis by the Fair Value Measurements and Disclosures Topic of the FASB ASC hierarchy levels described in Note 2.

| | As of December 31, 2009 | | | |
|------------------------------|---|--|--|---------------------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total Fair Value |
| Assets: | | | | |
| Mutual Funds | \$ 59,306,285 | \$ - | \$ - | \$ 59,306,285 |
| Collective investment trusts | - | 27,479,065 | - | 27,479,065 |
| Common stock - LNC | 27,268,473 | - | - | 27,268,473 |
| Investment contracts - LNL | - | - | 35,474,845 | 35,474,845 |
| Money market fund | - | 996,740 | - | 996,740 |
| Participant Loans | - | - | 3,706,594 | 3,706,594 |
| Total assets | \$ 86,574,758 | \$ 28,475,805 | \$ 39,181,439 | \$ 154,232,002 |

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| | As of December 31, 2008 | | | |
|------------------------------|--|---------------------|---------------------|---------------|
| | Quoted | Significant | Significant | Total |
| | Prices | | | |
| | in Active Markets for Identical Assets (Level 1) | Inputs (Level 2) | Inputs (Level 3) | Fair Value |
| Assets: | | | | |
| Mutual Funds | \$48,171,602 | \$- | \$ - | \$48,171,602 |
| Collective investment trusts | - | 23,063,386 | - | 23,063,386 |
| Common stock - LNC | 21,964,369 | - | - | 21,964,369 |
| Investment contracts - LNL | - | - | 29,623,868 | 29,623,868 |
| Money market fund | - | 1,003,490 | - | 1,003,490 |
| Participant Loans | - | - | 3,572,337 | 3,572,337 |
| Total assets | \$70,135,971 | \$24,066,876 | \$ 33,196,205 | \$127,399,052 |

The tables below set forth a summary of changes in the fair value of the Plan's Level 3 investment assets and liabilities:

| | As of December 31, 2009 | | | | | |
|----------------------------|-------------------------|---|--|---|---|-------------------------|
| | Beginning Fair Value | Items Included in Statement of Changes in Net Assets Available for Benefits | Gains (Losses) in Statement of Net Assets Available for Benefits | Sales, Issuances, Maturities, Settlements, Calls, Net | Transfers In or Out of Level 3, Net | Ending Fair Value |
| | | | | | | |
| | | | | | | |
| Investment contracts - LNL | \$29,623,868 | \$- | \$- | \$ 5,850,977 | \$- | \$35,474,845 |
| Participant loans | 3,572,337 | - | - | 134,257 | - | 3,706,594 |
| Total | \$33,196,205 | \$- | \$- | \$ 5,985,234 | \$- | \$39,181,439 |

| | As of December 31, 2008 | | | | | |
|--|-------------------------|---|--|---|------------------------------|----------------|
| | Beginning | Items Included in Statement of Changes in Net | Gains (Losses) in Statement of Net Assets | Sales, Issuances, Maturities, Settlements, | Transfers In or Out of | Ending Fair |
| | | | | | | |
| | | | | | | |
| | | | | | | |

| | Fair Value | Assets Available for Benefits | Available for Benefits | Calls, Net | Level 3, Net | Value |
|----------------------------|--------------|--|------------------------------|--------------|-----------------|--------------|
| Investment contracts - LNL | \$14,604,738 | \$- | \$- | \$15,019,130 | \$- | \$29,623,868 |
| Participant loans | 3,996,682 | - | - | (424,345) | - | 3,572,337 |
| Total | \$18,601,420 | \$- | \$- | \$14,594,785 | \$- | \$33,196,205 |

6. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service (“IRS”) dated April 30, 2004, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (“Code”) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the IRS, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan’s administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended and restated, is qualified and the related trust is tax exempt. Federal (and most states) income tax is deferred on participants’ contributions, the Plan Sponsor’s contributions and income earned in the Plan until actual distribution or withdrawal from the Plan.

7. Related Party Transactions

The Plan has investments in common stock of LNC and investment contracts with LNL. Starting October 1, 2008, the Plan invests in mutual funds and collective investment trusts managed by Delaware Management Holdings, Inc., an affiliate of LNL, through January 4, 2010. For the first nine months of 2008 and all of 2007 the Plan was invested in pooled separate accounts with LNL. LNL charged the Plan for certain administrative expenses including trustee and audit fees. Total administrative expenses charged were \$88,650 and \$152,742 in 2008 and 2007, respectively. Lincoln Alliance, an affiliate of LNL, is the recordkeeper for the Plan. Beginning October 1, 2008, all administrative expenses are paid by LNC.

8. Concentrations of Credit Risks

As of December 31, 2009, the Plan has investments in common stock of LNC and investment contracts with LNL of \$27,268,473 (18% of net assets) and \$35,474,845 (23% of net assets), respectively. As of December 31, 2008, the Plan had investments in common stock of LNC and investments contracts with LNL of \$21,964,369 (17% of net assets) and \$29,623,868 (23% of net assets), respectively. LNC and LNL operate predominately in the insurance and investment management industries.

The Plan invests in various investment securities. Investment securities are exposed to various risks including, but not limited to, interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

9. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the statement of net assets available for benefits to the Form 5500:

| | December 31, 2009 | December 31, 2008 |
|--|----------------------|----------------------|
| Net assets available for benefits per the financial statements | \$ 154,312,027 | \$ 128,721,179 |
| Amounts allocated to withdrawn participants | (4,891) | (506,313) |
| Net assets available for benefits per the Form 5500 | \$ 154,307,136 | \$ 128,214,866 |

The following is a reconciliation of distributions to participants per the statement of changes in net assets available for plan to the Form 5500:

| | December 31, 2009 | December 31, 2008 | December 31, 2007 |
|--|-------------------------|-------------------------|-------------------------|
| Distributions to participants per the financial statements | \$18,114,613 | \$17,704,133 | \$26,167,088 |
| Amounts allocated to withdrawn participants at end-of-year | 4,891 | 506,313 | - |
| Amounts allocated to withdrawn participants at end-of-prior-year | (506,313) | - | (850,631) |
| Distributions to participants per the Form 5500 | \$17,613,191 | \$18,210,446 | \$25,316,457 |

Amounts allocated to participants are recorded on the Form 5500 for benefit payments that have been processed and approved for payment prior to year-end but not yet paid; however, the financial statements do not reduce assets until paid.

Supplemental Schedule

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

Plan Number: 006

EIN: 35-0472300

Schedule H, Line 4i – Schedule of Assets (Held At End of Year)

December 31, 2009

| (a) | (b) | (c) | (d) | (e) |
|-----|--|--|---------------------|-------------------------------|
| | Identity of Issue, Borrower, Lessor or Similar Party | Description of Investment, including Maturity Date, Rate of Interest, Par or Maturity Value | Cost | Current Value |
| | Mutual funds: | | | |
| * | Columbia Acorn Z Delaware Conservative Allocation I | 417,820.137 | participation units | ** \$ 10,311,801 |
| * | Delaware Moderate Allocation I | 75,686.744 | participation units | ** 717,510 |
| * | Delaware Aggressive Allocation I | 257,807.620 | participation units | ** 2,575,498 |
| * | Delaware Mid Cap Value I | 208,031.898 | participation units | ** 1,870,207 |
| | Dodge & Cox International Stock American Fund Growth Fund of America R-5 | 216,120.992 | participation units | ** 1,579,844 |
| | Harbor International Growth Institutional Vanguard Institutional Index Vanguard Extended Market Index | 291,340.723 | participation units | ** 9,279,202 |
| | Institutional | 423,271.268 | participation units | ** 11,546,840 |
| | Vanguard | 724,883.549 | participation units | ** 8,024,461 |
| | Institutional | 98,671.854 | participation units | ** 10,062,556 |
| | Total mutual funds | 102,153.188 | participation units | ** 3,338,366 59,306,285 |
| | Collective investment trusts: | | | |
| * | Delaware Large Cap Value Trust | 611,806.584 | participation units | ** 6,356,670 |
| * | Delaware International Equity | 74,713.483 | participation units | ** 555,868 |

| | | | | | |
|---|--|----------------|---|----|-----------------------------|
| | Trust | | | | |
| * | Delaware Small Cap Growth Trust | 549,145.242 | participation units | ** | 5,672,670 |
| * | Delaware Diversified Income Trust | 771,788.691 | participation units | ** | 9,979,228 |
| * | Delaware Large Cap Growth Trust | 439,591.149 | participation units | ** | 4,914,629 |
| | Total collective investment trusts | | | | 27,479,065 |
| * | Common Stock - LNC | 1,095,999.719 | shares | ** | 27,268,473 |
| * | Investment contracts - LNL | 35,474,545.000 | 4.7% interest rate (annualized) | ** | 35,474,845 |
| | Wilmington Trust Money Market Fund W Class | 996,740.000 | par value | ** | 996,740 |
| * | Participant loans | 3,706,594.000 | Various loans at interest rates varying from 4.25% to 10.50% Maturity through March 2029 | - | 3,706,594 \$ 154,232,002 |

* Indicates a related party to the Plan.

** Indicates a participant-directed account. The cost disclosure is not required.

SIGNATURE

THE PLAN: Pursuant to the requirements of the Securities and Exchange Act of 1934, the Administrator of The Lincoln National Life Insurance Company Agents' Savings and Profit-Sharing Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

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

Date: March 31, 2010

By: /s/ Kim Miner
Kim Miner on behalf of The Lincoln National
Corporation Benefits Committee

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statements (Form S-3 No. 333-163672; Form S-1 No. 333-163855) pertaining to The Lincoln National Life Insurance Company Agents' Savings and Profit-Sharing Plan of our report dated March 31, 2010, with respect to the financial statements and schedule of The Lincoln National Life Insurance Company Agents' Savings and Profit-Sharing Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2009.

/s/ Ernst & Young LLP
Philadelphia, Pennsylvania
March 31, 2010

