



Unlock your accounts receivable

These strategies—funded by life insurance—can help professionals like you:

- Accumulate life insurance cash values in a tax-advantaged manner
- Supplement retirement, income tax-free, as long as policy is not surrendered or lapses
- Provide income tax-free death benefits to beneficiaries
- Shelter accounts receivable from creditor claims in many states
- Leverage accounts receivable

Only a fixed life insurance policy is allowed for use in the Accounts Receivable Programs.

The third-party accounts receivable vendors have developed their specific accounts receivable programs and have not relied upon Lincoln for the legal or tax aspects of their programs. It is very important that you consult your own legal and tax advisor to determine if this approach would be of benefit to you.



Turn inaccessible assets into a satisfying financial opportunity

Like many successful professionals, your attention is probably focused on your practice. You're building your business and your assets. Even though your practice is still growing, now is the right time to step back—and look ahead. There's your retirement to consider. And you want the satisfaction of knowing that your estate is prepared to protect your family.

The right life insurance can offer a flexible, tax-advantaged way to meet your future goals. Sometimes, however, the premium expense seems out of reach. Your practice is strong, but what may be one of your biggest assets is a fluid resource difficult to tap: your accounts receivable.

Yet there's a smart way to prepare. You can leverage the accounts receivable waiting to be collected to secure the life insurance you need for retirement and estate planning.

Make the right move

Your advisor can help you transform your inaccessible assets into opportunities for building a more secure future.

Your current situation...	...with the help of an accounts receivable program.
Active accounts receivable...	...can be leveraged to obtain supplemental retirement income.
Accounts receivable subject to creditor claims...	...become loan collateral sheltered from the claims of creditors in many states.

Life insurance has more power than you might expect

Perhaps the need for life insurance seems obvious. But there are special advantages that make it an important part of a responsible plan:

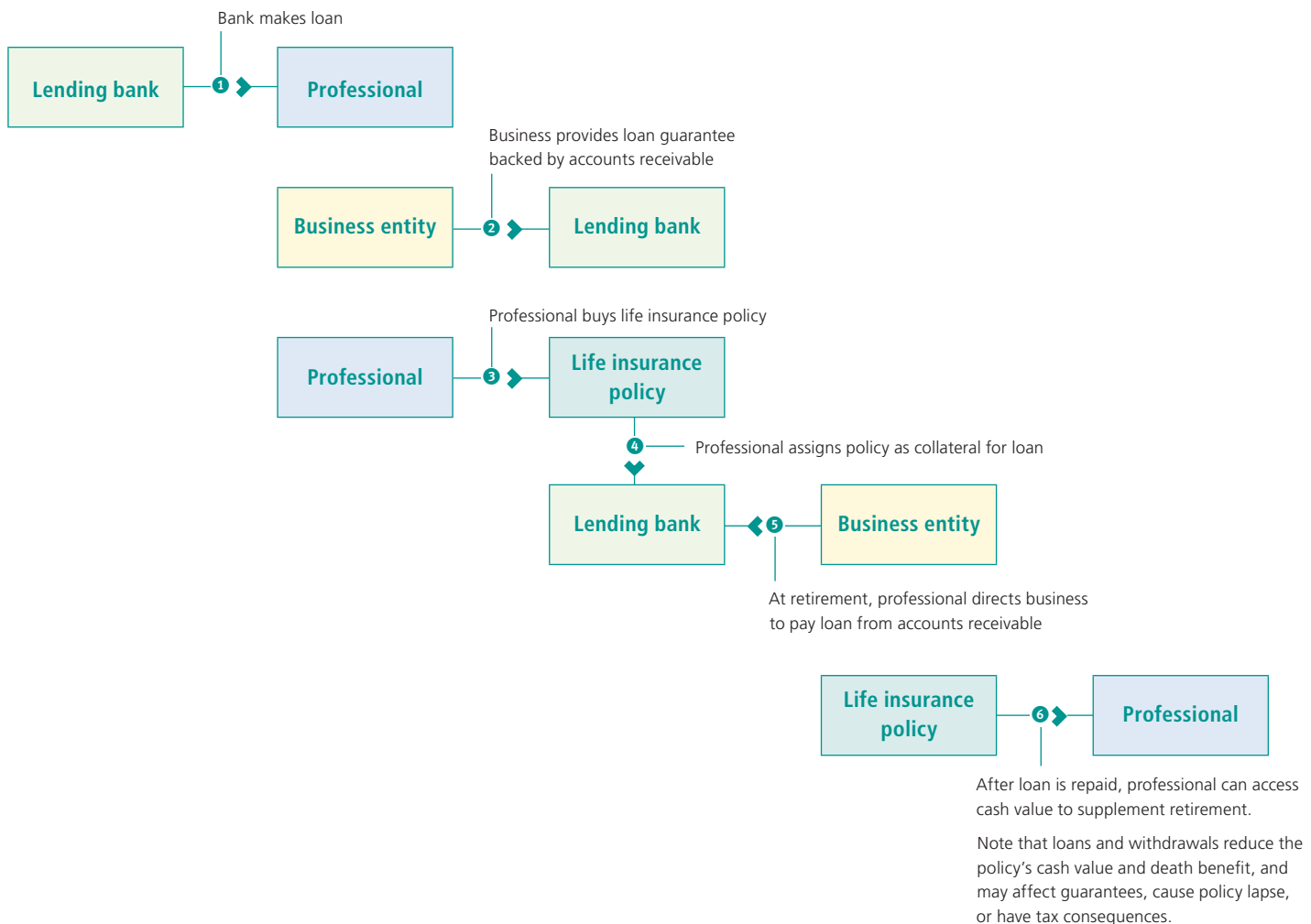
- Your cash value accumulates in a tax-advantaged manner.
- You can generally use the cash value to supplement your retirement, income tax-free, as long as the policy is not surrendered or lapses.
- Your beneficiaries may receive the death benefits income tax-free.
- Your life insurance may be protected from creditors under state statutes.

Craft a strategy that works for you

You, or your business, can obtain a loan—secured by your accounts receivable—to buy the life insurance you need. Your advisor can help you choose the most advantageous approach.

The professional loan approach

Under this option, you secure a loan from the bank, with the business providing a guarantee for the loan. The guarantee is backed by the pledge of an appropriate amount of the accounts receivable of the business. There is no compensation from the business to the professional since the only thing the business has provided is a contingent guarantee. In some states, the state statutes permit the bank to perfect a security interest in the guarantee and the underlying pledge of the accounts receivable, thereby helping to shelter those accounts receivable from the claims of the business' general creditors. Your legal and tax experts must confirm that the law of your specific state permits such protection.



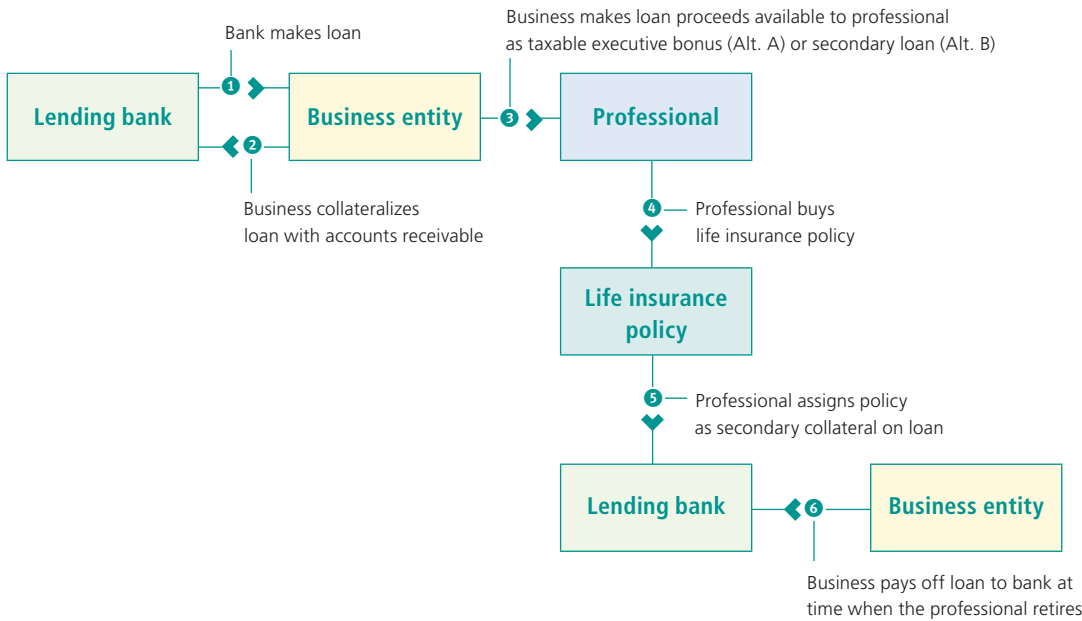
The business loan approach

In this case, the business secures a loan from a bank with the business providing a collateral assignment of the necessary portion of the accounts receivable. The bank perfects a security interest in the accounts receivable.

Alternative A—The business can pay the amount received to you, the professional, as an executive bonus, as long as the amount is deemed “reasonable compensation.” You report the bonus as compensation for income tax purposes. When you retire, the loan is paid back from the accounts receivable of the business.

Alternative B—The business secondarily loans the proceeds of the bank loan to you and receives a promissory note (with or without interest) from you. At retirement, you direct the business to repay the loan from the accounts receivable allocated by the business.

Under both alternatives, the business has sheltered accounts receivable from the general creditors to the extent state law permits the bank to perfect a security interest in the accounts receivable.



When loan is paid off, professional can access cash value to supplement income.

Note that loans and withdrawals reduce the policy’s cash value and death benefit, and may affect guarantees, cause policy lapse, or have tax consequences.

➤ Put your accounts receivable into action.

To find out more, contact your advisor.



A Lincoln®

A tradition of integrity

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The strength of Lincoln Financial Group® affiliates

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	The Lincoln National Life Insurance Company	Lincoln Life & Annuity Company of New York
A.M. Best	A+ (2nd highest of 16)	A+ (2nd highest of 16)
Fitch	AA (3rd highest of 24)	AA (3rd highest of 24)
Moody's	Aa3 (4th highest of 21)	Aa3 (4th highest of 21)
Standard & Poor's	AA (3rd highest of 21)	AA (3rd highest of 21)

These ratings apply only to the company's claims-paying ability. The ratings do not imply approval of the product and do not refer to the performance of the underlying investment options. Ratings current as of January 31, 2007. Individual issuing companies are separately responsible for satisfying their own financial and contractual obligations.

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Guarantees are backed by the claims-paying ability of the appropriate issuing company.

Important disclosures. Please read.

Only a fixed life insurance policy is allowed for use in the Accounts Receivable Programs.

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