



September 18, 2008

Re: A Message from our President and CEO on Recent Market Conditions

As a result of the tumultuous capital markets and headlines about many of the largest firms on Wall Street, and AIG in particular, you may have questions regarding Lincoln Financial Group's financial strength and stability. According to press reports, it appears that the trouble AIG encountered is related to exposures on a sizable and specialized business that provided protection on the credit worthiness of third parties through derivative contracts known as credit default swaps. This business also caused liquidity concerns for AIG. Lincoln is not in this business and our liquidity position is strong. We have a balanced mix of insurance and retirement businesses that bring diversity and quality to our earnings and capital position.

Lincoln also follows a disciplined investment process that limits our exposure to specific companies or sectors, and our General Account investment portfolio is well positioned to weather this storm.

On September 16, we filed a Form 8K with the SEC detailing our exposures to Lehman Brothers and AIG as well as additional information. A copy is available on our Web site (About Lincoln – Investor Relations – SEC Filings). Exposure to the debt of both of these companies represents less than one-half of one percent of the approximately \$72 billion in Lincoln's total invested assets. It is also important to note that the variable annuity and other registered variable product assets, including variable life and mutual funds, are held in separate accounts and not commingled with the General Account assets of the company.

Lincoln Financial has long been recognized for our disciplined approach to financial and risk management. With our strong capital position, "AA" ratings in our flagship insurance subsidiary, innovative solutions, and deep distribution relationships, I am confident in our future.

Thank you for your continued trust and support.

Sincerely,

A handwritten signature in black ink that reads 'Dennis R. Glass'.

Dennis R. Glass
President and CEO