

A guide for beneficiaries

The Liberty Security Account®

A challenging time

We know you're going through a difficult time. While you're dealing with the loss of a loved one, you're also facing crucial decisions about insurance proceeds. Liberty Life Assurance Company of Boston, a Lincoln Financial Group company, believes you should have time to make an informed decision without having to worry about plans for your money. That's why we created the Liberty Security Account (LSA).

The LSA is a retained asset account that works like an interest-crediting draft account. The principal and the accrued interest are both fully guaranteed by Liberty Life. Because your funds are safe, accessible and earning interest, the burden of making a hasty financial decision is taken off your shoulders.

Notice to beneficiaries

Interest earned on proceeds in the account may be taxable. Beneficiaries should consult their tax advisors.

Change of address and beneficiary designation

Enclosed in your new account packet is a LSA request form. Use this form to request a change of address and/or designate an account beneficiary. Upon your death, we will pay your remaining account balance to your beneficiary(ies). If you do not name an account beneficiary, all available proceeds will be paid to your estate.



Here are some questions you may have about the account:

Q: When can I access the money?

A. Beneficiaries have full and immediate access to their benefits. When the death benefit for an adult beneficiary totals \$10,000 or more, Liberty Life satisfies its obligation under the insurance contract to pay that death benefit by making it accessible to you through the LSA, unless another payment option is selected. Once we settle the claim, the proceeds will be available from the date the account is created, and you will be able to begin writing drafts immediately. Drafts function just like traditional checks.

Q: Is my money at risk?

A. Your money is fully guaranteed by Liberty Life Assurance Company of Boston, a Lincoln Financial Group company.

Q: What are the advantages of keeping my money in the LSA?

A. It is a safe and convenient way for you to earn interest on your money while you make permanent plans for the funds. You can withdraw the full amount of your account at any time by writing a draft for the balance.

Q: Is there a limit to how many drafts I can write? How do I get additional drafts?

A. You can write as many drafts as you like. If you need additional drafts, fill out the order form included in your draft book or call the service center.

Q: May I elect another payment option after selecting a LSA?

A. No. The insurance contract terminates after you elect a LSA.

Q: Is the LSA insured by the Federal Deposit Insurance Corporation (FDIC)?

A. The LSA is not a bank deposit and is not FDIC insured. However, the account funds are guaranteed by your State Guaranty Association. Please contact the National Organization of Life and Health Insurance Guaranty Associations (www.nolhga.com) to learn more about coverage and limitations on your account.

Q: How are the account funds invested?

A. The proceeds in the LSA are invested by Liberty Life in its general account. Liberty Life retains as its profit any investment return in excess of its cost in administering and paying interest on the LSA. The account holder may be able to earn a higher return in other account or investment vehicles. We recommend that you consult a tax, investment, or other financial advisor regarding tax liability and investment options.

For further information, please contact your state department of insurance.

LSA terms and conditions

Fees

We provide draft books, regularly scheduled statements and administrative support to you at no cost. However, The Bank of New York Mellon charges nominal fees and/or penalties for the following services:

- Draft returned unpaid: \$10.00
- Stop payment order: \$12.00
- Per-page charge for cancelled drafts: \$2.00

These fees are subject to change. All activities of your interest-bearing account are subject to the bank rules and regulations of The Bank of New York Mellon of Pittsburgh, Pennsylvania. A draft which exceeds available funds in your account will not be paid.

Deposits

Deposits cannot be made into your LSA.

Minimum balance requirement

If your account balance is below \$250 on the last day of any month, the account will be closed automatically. A check for the balance of the account, together with any accrued interest, will be sent to you.

Interest

Interest on your account will be compounded daily from the date of deposit to the date of withdrawal and will be credited to your account on the last day of the month. Your statement will reflect all interest earned. Your account will earn interest

at a rate determined weekly by Liberty Life Assurance Company of Boston, a Lincoln Financial Group company. The rate at which we credit interest to your account will be at least as great as the minimum of the following rates: (a) the 10-year Treasury yield rate, or (b) 70% of the six-month LIBOR Index. In no event, however, will the credited interest rate be less than 1%.

Statements

At least once every three months you will receive an account statement via first class mail showing withdrawals, interest credited and any other activity. In the event that you need a copy of a cleared draft, please contact the LSA service center, and a copy will be forwarded to you.

Changes in terms and conditions

Liberty Life Assurance Company of Boston, a Lincoln Financial Group company, reserves the right to make changes in the terms and conditions of this account, including the method of determining the applicable credited interest rate, at any time and in its sole discretion. We will notify you of any such changes that impact your account.

Inactive accounts

Your account is intended to be a short-term repository for the insurance proceeds while you consider other investment options. Accounts with no activity for an extended period of time will be subject to state-abandoned property laws.



Future correspondence

If you need to contact us with questions or information concerning your account, please call us at 1-888-884-3490.

You may also write to us at the following address:

Liberty Life Assurance Company of Boston, a Lincoln Financial Group company
Attn: Liberty Security Account service center
PO Box 534038
Pittsburgh, PA 15253-4038

LincolnFinancial.com

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