Lincoln
Financial Group®

October 18, 2010

Ms. Elizabeth M. Murphy
Secretary
U.S. Securities and Exchange Commission
100 F. Street N.E.
Washington, D.C. 20549-1090

Re: File No. 4-608 – Notice of Solicitation of Public Comment on Consideration of Incorporating IFRS into the Financial Reporting System for U.S. Issuers

Dear Ms. Murphy

Lincoln National Corporation (LNC) appreciates the opportunity to comment on topics related to the U.S. Securities and Exchange Commission's (the Commission) ongoing consideration of incorporating International Financial Reporting Standards (IFRS) into the financial reporting system for U.S. issuers. LNC is a holding company which operates multiple insurance and retirement businesses through subsidiary companies. Through our business segments we sell a wide range of wealth protection, accumulation and retirement income products and solutions. As of June 30, 2010 we had consolidated assets of $180.1 billion.

We recognize the benefits U.S. capital markets and public companies can attain from the adoption of a single set of high-quality, globally accepted accounting standards, and we support the Commission's efforts in executing the work plan to consider incorporating IFRS into the financial reporting system for U.S. issuers. The transition to IFRS comes with many challenges, not only in the form of new accounting standards, but also the ancillary challenges created in the legal, regulatory and corporate governance areas. With so many challenges facing U.S. issuers, we encourage the Commission to consider a sufficient lead time for public companies to transition to IFRS. Companies will be facing many complex issues, and while some of the issues identified in the following questions can be resolved prior to the transition to IFRS, we ask the Commission to consider a flexible transition period for companies to adequately address all IFRS transition issues.

We appreciate the opportunity to express our views on issues related to incorporating IFRS into the financial reporting system for US issuers. Our detailed answers to the questions posed in the release are attached in the appendix. If you have any questions regarding our comments please contact me at (484) 583-1430.

Sincerely,

Douglas N. Miller

Douglas N. Miller
Vice President and Chief Accounting Officer

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Section I: Contracts

Question 1: To what extent and in what ways would incorporating IFRS into the financial reporting system for U.S. issuers be likely to affect the application, interpretation or enforcement of contractual commercial arrangements such as financing agreements, trust indentures, merger agreements, executive employment agreements, stock incentive plans, leases, franchise agreements, royalty agreements, and preferred stock designations?

Response: If IFRS is incorporated into the financial reporting system, it will be a significant undertaking to review all contracts and agreements to determine those that would be impacted as a result of adopting IFRS. Depending on the contract or agreement, the change may be a simple replacement of terms to identify IFRS as the measurement basis or as complex as re-negotiating the terms of the agreement with the third-party in order to revise the financial measurement criteria specifically identified in the contractual arrangement. For example, certain changes to outstanding debt securities require the consent of note holders. In order to receive consent, we must undertake a consent solicitation, which is complicated, time consuming and costly to the company. In addition, there is no guarantee that note holders will consent to changes proposed by us, including revising any financial measurement criteria by using IFRS as the basis of accounting. In addition, our annual and long-term incentive compensation plans for employees use US GAAP earnings as targets. For outstanding long-term incentive awards, these financial measures would have to be amended to ensure these targets provide the same incentive to employees under IFRS as they would under US GAAP. In addition, we will also need to evaluate the impact of IFRS on our employee compensation plans to ensure compliance with the federal income tax code.

In order for us to properly re-negotiate any contractual arrangements with employees, note holders and other third-parties, we must evaluate and understand the impact of adopting IFRS on our financial results so we can develop a reasonable basis by which the financial measurement criteria should be revised. Considering that the most significant accounting guidance under IFRS and US GAAP related to the insurance industry is being modified, it is very difficult to accurately determine at this time what the most significant impacts of an IFRS adoption will be on the financial or other covenants in our contracts and agreements. We anticipate the review and re-negotiation of contractual arrangements will require a cross-functional team of internal resources in order to complete the activity.

Question 2: What types of contractual commercial arrangements aside from those specifically identified in the previous question would likely be affected by the incorporation of IFRS into the financial reporting system for U.S. issuers, and in what ways?

Response: If IFRS were incorporated into the financial reporting system for U.S. issuers, our contracts related to separate accounts, annuity contracts, life contracts, reinsurance contracts, and brokerage contracts would be affected; some to a greater degree than others. Potentially, some of these commercial arrangements may undergo contractual

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changes with the counter-party(s) to avoid unfavorable financial results that could emerge under IFRS. For example, the current proposed accounting guidance to bifurcate contracts between insurance, investment and servicing arrangements may change the reporting and the earnings emergence of these contracts. In addition, the accounting rules for derivatives may differ, and more bifurcation of contracts will occur due to embedded derivatives such as with indexed annuities. As a result, we must evaluate the impact of emerging accounting guidance under IFRS and determine if amendments to certain insurance contractual arrangements would be necessary. The earnings emergence under IFRS and any contractual modifications will be understood further as IFRS guidelines are defined and/or established.

Question 3: With respect to existing contractual commercial arrangements, would the incorporation of IFRS into the financial reporting system for U.S. issuers be treated differently as compared to how a change in an existing financial reporting standard under US GAAP would be treated today? If so, how?

Response: With respect to existing contractual commercial arrangements, we do not believe the change will be treated differently at the individual standard level. However, because the change is related to the entire financial reporting framework, the magnitude of the change will be such that more contracts will be impacted as compared to the adoption of a single accounting standard. In addition, the re-negotiation of contracts may be far more complex due to the magnitude of certain debt securities that have covenants with consent solicitation requirements as described in our response to question 1. As a result the commitment of resources to determine the impact of the new financial reporting framework (IFRS) on contracts as well as efforts to re-negotiate terms, as needed, will be much greater than the adoption of an new accounting standard under US GAAP.

Question 4: To the extent that incorporating IFRS into the financial reporting system for US issuers would affect the application, interpretation, or enforcement of contractual commercial arrangements, how would parties to such arrangements most likely address such effects (e.g., by modifying the contract, or adopting multiple accounting systems)?

Response: We believe it is more efficient and cost effective to modify the contract. The maintenance of multiple accounting systems is labor intensive and costly. In addition, the maintenance of a separate accounting system would also require a centralized organization to maintain and update the authoritative accounting standards. If the goal of the Commission's project is to implement one set of global accounting standards, we do not believe it is within the spirit of the project to continue maintaining a separate accounting system to support contractual arrangements. In addition, since some of our contracts require audited financial statements, we believe it is not sufficient to only consider the maintenance of multiple accounting systems, but also the preparation of multiple audits. The preparation of audits under both IFRS and US GAAP may increase the complexity of adopting IFRS and will be an added cost that companies must consider when evaluating the adoption of IFRS.

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Question 5: To what extent would any potential effects of incorporating IFRS into the financial report system for U.S. issuers on the application of contractual commercial arrangements likely be mitigated or otherwise affected by providing for a transition or phase-in period for compliance with the incorporation of IFRS into the financial reporting system for US issuers? What length of a transition or phase-in period would be necessary to reasonably mitigate the effects? Are there any other means by which such effects can be mitigated or avoided?

Response: We believe a transition period for the adoption of IFRS would be beneficial to U.S. issuers. We request that the Commission provide adequate lead time from announcement to transition date, in order to resolve the complex issues related to contractual arrangements as well as to minimize the maintenance of multiple accounting systems. We believe the resolution of issues related to contractual commercial arrangements prior to the transition to IFRS would provide for a smooth transition, but are concerned that not all of the issues can be resolved prior to the transition date. As a result, we would ask the Commission to consider a phase-in period which would provide companies the option to report under US GAAP or IFRS. Because IFRS will impact many areas of our business, we believe a lead time of five years with a transition period of one to two years would provide sufficient time to incorporate IFRS into our business.

Section II: Corporate Governance; Stock Exchange Requirements

Question 6: To what extent and in what ways would incorporating IFRS into the financial reporting system for U.S. issuers likely affect compliance with corporate governance and related disclosure requirements applicable to U.S. issuers, such as stock exchange listing requirements relating to the composition and function of audit committees of the boards of directors and disclosure requirements regarding audit committee financial experts?

Response: We believe that the current corporate governance criteria identify the key skills and experience that an audit committee member and financial expert must posses in order to execute the responsibilities of the position. We observed that the requirements do not specify a knowledge and application of US GAAP, but rather generally accepted accounting principles. Many of the required skills and financial reporting experience possessed by the financial expert is knowledge that can be transferred and utilized in the application of any basis of accounting, whether it is US GAAP or IFRS. Although the audit committee financial expert may need to find additional methods to enhance their knowledge of IFRS, we believe the FASB and IASB agreement to converge accounting standards will, by default, require audit committee members and financial experts to obtain an enhanced knowledge of IFRS prior to any adoption of global accounting standards in the U.S. However, we encourage the Commission to consider the impact of transitioning to IFRS on the regulations that define a financial expert, and propose changes to the regulations in order to address any transitional issues or knowledge requirements such that identified audit committee members would be able to retain the designation of financial expert.

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Question 7: We understand that experienced professionals, including audit committee members, would likely need to enhance their knowledge of IFRS and develop further expertise, and we believe it would be important for audit committee members to do so in light of their responsibility for oversight of the preparation and audit of financial statements that are presented to U.S. investors. To what extent would current members of boards of directors likely have the education or experience needed to meet the requirements of the definition of "audit committee financial expert" or the stock exchange listing requirements related to accounting or financial management expertise following the incorporation of IFRS into the financial reporting system for U.S. issuers? Would there be adverse effects if an issuer were required to disclose that it does not have any audit committee financial experts while its audit committee members are in the process of obtaining the necessary expertise?

Response: We agree that audit committee members will need to obtain an enhanced knowledge of IFRS, and we encourage the Commission to consider appropriate changes to the definition of a financial expert, which may be necessary as a result of a transition to IFRS. We believe that a change in the standard of accounting should not automatically disqualify audit committee members from continuing to be identified as financial experts as there are many facts and circumstances that should be considered. Under US GAAP, when a new accounting standard is adopted we do not disqualify a financial expert's prior experience or education simply because we are adopting a new standard. This same consideration should be given financial experts when adopting the accounting standards under IFRS. The financial expert's skills and experience extend well beyond the understanding of new accounting standards, and we believe the financial expert's experience and education would still be applicable if IFRS became the global accounting standard. If the recent speed and volume of new accounting guidance produced by the FASB has not called into question the status of an audit committee financial expert, the adoption of new accounting standards under IFRS should not as well. In addition, as noted in the question above, the FASB and IASB convergence project will serve to enhance the financial expert's understanding of IFRS as projects are already underway to converge a number of accounting standards, many of which will be adopted as US GAAP prior to the adoption of IFRS. We believe registrants must keep audit committee members informed as they evaluate the transition to IFRS and the impacts the transition will have on their respective entities. Financial experts will need to obtain an enhanced understand through personal education on IFRS, as they would with any other new accounting standard adopted under US GAAP. We encourage the Commission to consider these facts and circumstances and take into account any required changes to the regulations that define the financial expert in order to consider the transition to IFRS.

If registrants were required to disclose that the audit committee does not have any financial experts as a result of adopting IFRS we believe this statement would be misleading and may result in an adverse effect to the registrant. The audit committee would have the same financial experts with the same skills and abilities to question financial statement disclosures, auditing procedures and internal controls before and after the transition to IFRS.

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Question 8: To the extent that incorporating IFRS into the financial reporting system for US issuers would adversely affect board members' ability to meet the requirements or result in disclosure that the issuer does not have an audit committee financial expert, how would issuers and individual directors most likely address such effects (e.g., by additional training)? To what extent and in what ways would such effects be likely to differ from similar effects in jurisdictions that have adopted, or are in the process of adopting, IFRS?

Response: This question is difficult to answer as we do not anticipate finding ourselves in the situation where we no longer have an audit committee financial expert based on the information provided in our responses above. We believe the financial expert, who in principle is an astute, educated and accomplished financial professional, will possess these attributes before and after the adoption of IFRS, and as a result will be no less of a financial expert after adopting IFRS. However, we agree that financial experts will require a level of training on IFRS in order to continue asking insightful questions and perform the tasks of audit committee financial expert. Although we believe our audit committee financial expert will remain qualified after the adoption of IFRS, we would request the Commission be proactive in proposing guidelines or criteria believed to be necessary for achieving financial expert status prior to the transition date to IFRS, and encourage the Commission to revise the definition of the financial expert to consider the facts and circumstances of this transition to IFRS This way, audit committee financial experts identified under US GAAP can remain financial experts under IFRS. Because we have not been involved with the adoption of IFRS in other jurisdictions and are not familiar with the regulatory requirements for financial experts in those jurisdictions, we cannot comment on the effects in the U.S. based on other jurisdictions.

Question 9: To what extent and in what ways would incorporating IFRS into the financial reporting system for U.S. issuers' likely affect an issuer's ability to comply with quantitative securities exchange listing standards?

Response: Potentially, upon the adoption of IFRS, an entity may be required to make adjustments to its financial statements that would result in the entity not complying with the quantitative securities exchange listing standards. Our common stock is listed on the New York Stock Exchange and we noted that the quantitative listing requirements for the exchange include quantitative tests that measure an entity's earnings, revenue, assets or equity. Because many aspects of insurance company accounting is unstable at both the FASB and IASB, it is very difficult to predict the impact IFRS will have on our ability to meet these quantitative securities exchange listing standards at this time. As new accounting guidance emerges, our ability to comply with quantitative securities exchange listing standards will become clearer. We would also encourage the Commission to consider if a transition to IFRS would require any necessary revisions to quantitative securities exchange listing requirements that may result from financial statements prepared in accordance with IFRS, as terms defined in the quantitative listing standards may not define the same measurement under IFRS as they would under US GAAP.

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Question 10: To what extent would any potential adverse effects of incorporating IFRS into the US financial reporting system on issuers' compliance with corporate governance and related disclosure requirements likely be mitigated or otherwise affected by providing for a transition or phase-in period for compliance with the incorporation of IFRS into the financial reporting system for US issuers? What length of a transition or phase-in period would be necessary to reasonably mitigate the adverse effects? Are there any other means by which such effects can be mitigated or avoided?

Response: Similar to our response to question 5 above, we believe the Commission should provide adequate lead time and an optional transition period so issues related to corporate governance can be resolved smoothly. This would include resolving any regulation changes, educational issues or other criteria the Commission deems necessary in order to maintain financial expert status. As noted in earlier responses, because of the FASB and IASB convergence projects and the number of recent changes adopted under US GAAP, we believe the qualifications of a financial expert should consider all of the facts and circumstances that exist in the current environment and encourage the Commission to consider revisions to the definition of the financial expert to reflect the transition to IFRS.

Question 11: To what extent would any potential adverse effects of incorporating IFRS into the US financial reporting system on issuers' compliance with quantitative stock exchange listing standards likely be mitigated or otherwise affected by providing for a transition or phase-in period for compliance with the incorporation of IFRS into the financial reporting system for US issuers?

Response: Although we are not in a position to evaluate the potential adverse effects of incorporating IFRS into the U.S. financial reporting system on the quantitative stock exchange listing standards, similar to our response in question 5, we would support an adequate lead time and an optional transition period so issues related to stock exchange listing requirements can be resolved smoothly.

Question 12: Are there any corporate governance and related disclosure requirements other than those identified above that would be affected by incorporating IFRS into the financial reporting system for U.S. issuers?

Response: We believe companies and the Commission will need to consider any regulation where US GAAP is identified as the basis for financial measurement, such as Regulation G related to non-GAAP measures, and evaluate the impact a transition to IFRS will have on these regulations.

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Section III Statutory Distribution Restrictions and Other Legal Standards Tied to Financial Reporting

Question 13: To what extent and in what ways would incorporating IFRS into the financial reporting system for U.S. issuers likely affect the application of limits in state statutes on the ability of issuers to make distributions to holders of equity securities, either through dividends or similar distributions in respect of those securities, or to repurchase such securities?

Response: Under the state statutes in which LNC is incorporated, the (1) payment of dividends and (2) purchase, redemption, or other acquisition of shares by the corporation are actions classified as distributions and subject to the test for prohibited distributions. The board of directors determines if a distribution should be prohibited based on the corporation's ability to pay its debt, and an evaluation of the corporation's assets, liabilities and preferential rights upon dissolution. Decisions regarding prohibited distributions are based on either financial statements prepared on the basis of accounting practices and principles that are reasonable in the circumstances or on a fair valuation or other method that is reasonable in the circumstances. Because our state statute only requires a reasonable basis of accounting and does not specify the accounting basis to be used, we believe financial statements prepared in accordance with IFRS would comply with the requirements of the statute. However, we are unable to conclude at this time whether or not future distributions would be prohibited under financial statements prepared in accordance with IFRS as compared to US GAAP.

For information regarding distributions from our insurance subsidiaries, see question 14.

Question 14: Are there any particular distribution statutes from any particular jurisdictions the application of which are especially likely to be affected by incorporating IFRS into the financial reporting system for US issuers? Which statutes, and why?

Response: If IFRS is not adopted as US GAAP, but rather U.S. companies simply adopt IFRS, state statutes specifically identifying US GAAP as the basis of accounting for measurement of a financial metric will require a revision to the basis of accounting referenced in the statute. In addition, our ability to pay dividends to the holders of our equity securities or to repurchase securities is dependent on distributions received from our insurance subsidiaries. Our domestic insurance subsidiaries are subject to insurance department restrictions as to the transfer of funds and the payment of dividends to the parent company. The regulatory restrictions are considered based upon financial statements prepared in accordance with statutory accounting principles prescribed or permitted by the insurance departments of their states of domicile. Statutory accounting principles include the Accounting Practices and Procedures Manual of the National Association of Insurance Commissioners as well as state laws, regulations and administrative rules. If IFRS is incorporated into the financial reporting system for U.S. issuers, our ability to pay dividends will continue to be impacted by financial statements

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prepared in accordance with the statutory basis of accounting which may differ significantly from IFRS.

Question 15: To the extent that incorporating IFRS into the financial reporting system for U.S. issuers would affect the application of statutes governing distributions to equity security holders, how would the jurisdictions affected (or issuers in such jurisdictions) most likely address such effects?

Response: For state statutes, or regulations implemented thereunder, requiring amendments to implement the transition to IFRS, changes would require action by the state legislature to implement. The process of amending legislation can be quite be lengthy and the outcome unpredictable. As a result we would expect the transition to take some time.

Question 16: To what extent would any potential effects of incorporating IFRS into the financial reporting system for U.S. issuers on the application of statutes governing distributions to equity security holders be avoided or minimized by state law permitting the board of directors to rely on reasonable valuation methods, rather than on financial statements, in determining whether a distribution is permissible (e.g., when transitioning to IFRS, if the value of an asset is determined to be lower using IFRS than it would be using the current standard in US GAAP, would the board be able to make a determination that the value of the asset is higher than as calculated under IFRS)?

Response: As noted in question 13, under our state statute we have the ability to use a fair valuation method if it would be considered reasonable for the circumstances. Therefore, if it was determined that financial statements prepared in accordance with IFRS were not reasonable for a particular circumstance, an entity could still make a distribution to holders of equity securities based on another reasonable valuation method. This type of flexibility in the statute may be beneficial during the transition period to IFRS.

Question 17: To what extent would any potential effects of incorporating IFRS into the financial reporting system for US issuers on the application of statutory limits on distributions to equity security holders likely be mitigated or otherwise affected by providing for a transition or phase-in period for compliance with the incorporation of IFRS into the financial reporting system for US issuers? What length of a transition or phase-in period would be necessary to reasonably mitigate the effects? Are there any other means by which such effects can be mitigated or avoided?

Response: As noted in question 13, under our state statute we have the ability to use a fair valuation method if it would be considered reasonable for the circumstances. Therefore, if it was determined that financial statements prepared in accordance with IFRS were not reasonable for a particular circumstance, an entity could still make a distribution to holders of equity securities based on another reasonable valuation method. This type of flexibility in the statute may be beneficial during the transition period to

IFRS, thereby mitigating the effect of a lengthy transition period while the legislature adopts any necessary changes to implement the incorporation of IFRS.

Question 18: To what extent and in what ways would incorporating IFRS into the financial reporting system for US issuers likely affect the application of state statutes requiring a shareholder vote for a sale of "all or substantially all" of the issuer's property or assets? For example, would the determination of whether such a vote is required change as a result of a change in accounting standards?

Response: Under our state statute, the determination of whether a vote of the shareholders is required upon the sale of assets is dependent on whether the business retains a certain percentage of the total assets and a certain percentage of either income from continuing operations before taxes or revenue from continuing operations. Because the FASB and the IASB have exposed amendments to the accounting guidance which is most significant to the insurance industry, it is difficult to conclude whether asset valuation methods will be the same under US GAAP and IFRS. If incorporating IFRS in the financial reporting system for U.S. issuers results in a change in the amount of our financial metrics as defined in the statute, shareholder vote may be required for asset sale under IFRS that may not have been required under US GAAP.

Question 19: Are there any particular asset sale statutes from any particular jurisdictions the application of which is especially likely to be affected by incorporating IFRS into the financial reporting system for U.S. issuers? Which statutes, and why?

Response: Yes, as noted in question 18, statutes that require shareholder vote based on the percentage of the business retained may be impacted by a change in accounting standards to IFRS. Because the retained percentage is statutory and would not change, but the value of the financial metric could change as a result of transitioning to IFRS, shareholder vote may be required for asset sales that were not previously required under US GAAP.

Question 20: To the extent that incorporating IFRS into the financial reporting system for US issuers would affect the application of statutes governing sales of assets, how would the jurisdictions affected (or issuers in such jurisdictions) most likely address such effects?

Response: For state statutes, or regulations implemented thereunder, requiring amendments to implement the transition to IFRS, changes would require action by the state legislature to implement. The process of amending legislation can be quite be lengthy and the outcome unpredictable. As a result we would expect the transition to take some time.

Question 21: To what extent would any potential effects of incorporating IFRS into the financial reporting system for U.S. issuers on the application of statutes governing sales of assets be avoided or minimized by state law permitting the board of directors to rely on

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reasonable valuation methods, rather than financial statements, in determining whether a shareholder vote is required to approve a sale of assets?

Response: We believe that statutes relying on a reasonable valuation method would minimize the impact of adopting IFRS on whether a shareholder vote is required to approve the sale of assets. This would permit the shareholder vote to take placed on the merits of the sale as it relates to the entire business rather than requiring a vote simply because of the effects of adopting IFRS.

Question 22: To what extent would any potential effects of incorporating IFRS into the financial reporting system for U.S. issuers on the application of statutes governing sales of assets likely to be mitigated or otherwise affected by providing for a transition or phase-in period for compliance with the incorporation of IFRS into the financial reporting system for US issuers? What length of a transition or phase-in period would be necessary to reasonably mitigate the effects? Are there any other means by which such effects can be mitigated or avoided?

Response: As noted in response to question 21, if there is a need to amend statutory or underlying regulatory provisions to implement the transition to IFRS, this process could be quite lengthy. Providing for an extended transition time to allow for states to perform the necessary research to prepare, propose and pass any needed changes would mitigate the effect of varying standards. Alternatively, the implementation of IFRS could provide for exceptions to compliance for certain provisions where there is a conflict with state law.

Question 23: Are there any other state statutes the application of which is likely to be affected by incorporating IFRS into the financial reporting system for US issuers? To what extent and in what ways, and why?

Response: Statutes may require the delivery of financial statements to shareholders on an annual basis which have been prepared in accordance with generally accepted accounting principles or US GAAP. Depending on how the Commission elects to adopt IFRS (i.e. IFRS become US GAAP, or U.S. adopt IFRS), changes may be required to the statutes which define the basis of accounting under which financial statements are prepared. As noted earlier changes to state statutes could be quite lengthy.