

LINCOLN NATIONAL CORP  
Form 10-Q  
August 02, 2012

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM 10-Q

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(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended June 30, 2012

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 1-6028

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LINCOLN NATIONAL CORPORATION  
(Exact name of registrant as specified in its charter)

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Indiana  
(State or other jurisdiction of  
incorporation or organization)

35-1140070  
(I.R.S. Employer  
Identification No.)

150 N. Radnor Chester Road, Suite A305, Radnor,  
Pennsylvania  
(Address of principal executive offices)

19087  
(Zip Code)

(484) 583-1400  
(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report.)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer  (Do not check if a smaller reporting company)  
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of July 31, 2012, there were 279,173,774 shares of the registrant's common stock outstanding.

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Lincoln National Corporation

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## PART I – FINANCIAL INFORMATION

## Item 1. Financial Statements

LINCOLN NATIONAL CORPORATION  
 CONSOLIDATED BALANCE SHEETS  
 (in millions, except share data)

	As of June 30, 2012 (Unaudited)	As of December 31, 2011
<b>ASSETS</b>		
Investments:		
Available-for-sale securities, at fair value:		
Fixed maturity securities (amortized cost: 2012 - \$71,394; 2011 - \$68,988)	\$ 79,191	\$ 75,433
Variable interest entities' fixed maturity securities (amortized cost: 2012 - \$675; 2011 - \$673)	705	700
Equity securities (cost: 2012 - \$143; 2011 - \$135)	154	139
Trading securities	2,649	2,675
Mortgage loans on real estate	6,804	6,942
Real estate	116	137
Policy loans	2,829	2,884
Derivative investments	3,399	3,151
Other investments	1,041	1,069
Total investments	96,888	93,130
Cash and invested cash	5,257	4,510
Deferred acquisition costs and value of business acquired	6,505	6,776
Premiums and fees receivable	388	408
Accrued investment income	1,021	981
Reinsurance recoverables	6,601	6,526
Funds withheld reinsurance assets	863	874
Goodwill	2,273	2,273
Other assets	2,475	2,536
Separate account assets	88,839	83,477
Total assets	\$ 211,110	\$ 201,491
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities		
Future contract benefits	\$ 19,930	\$ 19,813
Other contract holder funds	70,422	69,466
Short-term debt	300	300
Long-term debt	5,719	5,391
Reinsurance related embedded derivatives	185	168
Funds withheld reinsurance liabilities	999	1,045
Deferred gain on business sold through reinsurance	356	394
Payables for collateral on investments	5,070	3,733
Variable interest entities' liabilities	158	193
Other liabilities	4,950	4,273