

approved collection of information discussed below.

Rule 10b-17, Untimely announcements of record dates (17 CFR 240.10b-17), requires any issuer of a class of securities publicly traded by the use of any means or instrumentality of interstate commerce or of the mails or of any facility of any national securities exchange to give notice of the following actions relating to such class of securities: (1) A dividend; (2) a stock split; or (3) a rights or other subscription offering. Notice shall be (1) given to the National Association of Securities Dealers, Inc.; (2) in accordance with the procedures of the national securities exchange upon which the securities are registered; or (3) may be waived by the Commission.

The information required by Rule 10b-17 is necessary for the execution of the Commission's mandate under the Exchange Act to prevent fraudulent, manipulative, and deceptive acts and practices by broker-dealers. The consequence of not requiring the information collection pursuant to Rule 10b-17 is that sellers who have received distributions as recordholders may dispose of the cash or stock dividends or other rights received as recordholders without knowledge of possible claims of purchasers.

It is estimated that, on an annual basis, there are approximately 29,430 respondents and that each response takes about 10 minutes to complete, thus imposing approximately 4,905 burden hours annually (29,430 × 10 minutes). We believe that the average hourly cost to produce and file a response under the rule is about \$50. Therefore, the annual reporting cost burden for complying with this rule is about \$245,250 (4,905 × \$50).

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number. Written comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503 or by sending an e-mail to: [David\\_Rostker@omb.eop.gov](mailto:David_Rostker@omb.eop.gov); and (ii) R. Corey Booth, Director/Chief Information Officer, Office of Information Technology, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: December 12, 2005.

**Jonathan G. Katz,**  
*Secretary.*

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**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-27185; File No. 812-13094]

### Lincoln National Life Insurance Company, et al., Notice of Application

December 14, 2005.

**AGENCY:** The Securities and Exchange Commission ("Commission").

**ACTION:** Notice of Application for an order pursuant to Section 26(c) of the Investment Company Act of 1940 ("1940 Act").

*Applicants:* Lincoln National Life Insurance Company ("Lincoln Life"); Lincoln National Variable Annuity Account C ("Lincoln Life Account C"), and Lincoln Life Variable Annuity Account Q ("Lincoln Life Account Q", and together with Lincoln Life Account C, the "Separate Accounts").

*Filing Date:* The application was filed on May 28, 2004 and amended on December 7, 2005.

*Summary of Application:* Lincoln Life and the Separate Accounts ("Applicants") request an order pursuant to Section 26(c) of the 1940 Act to permit the Separate Accounts to substitute (a) shares of AllianceBernstein Variable Products Series Fund, Inc. ("AllianceBernstein VP") Growth and Income Portfolio—Class B for shares of AllianceBernstein VP Growth Portfolio—Class B; (b) shares of Delaware VIP Trust ("Delaware VIP") Diversified Income Series—Standard Class for shares of Delaware VIP Global Bond Series—Standard Class; (c) shares of Scudder VIT Equity 500 Index Fund—Class A for shares of Janus Aspen Series ("Janus Aspen") Worldwide Growth—Institutional Class; (d) shares of AllianceBernstein VP Growth and Income Portfolio—Class B for shares of Neuberger Berman Advisors Management Trust ("Neuberger Berman AMT") Partners—I Class; and (e) American Funds Insurance Series ("American Funds") Growth Fund—Class 2 for Putnam Variable Trust ("Putnam VT") Health Sciences Fund—Class IB. The shares are held by certain of the Separate Accounts to fund certain group and individual variable annuity contracts (collectively, the "Contracts") issued by Lincoln Life.

*Hearing or Notification of Hearing:* An order granting the application will be issued unless the Commission orders a

hearing. Interested persons may request a hearing by writing to the Secretary of the Commission and serving Applicants with a copy of the request personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on January 4, 2006 and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Secretary of the Commission.

**ADDRESSES:** Secretary, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-9303. Applicants: Brian Burke, Esq., Lincoln National Life Insurance Company, 1300 South Clinton Street, Fort Wayne, IN 46802.

**FOR FURTHER INFORMATION CONTACT:** Ellen J. Sazzman, Senior Counsel, at (202) 551-6762 or Harry Eisenstein, Branch Chief, at (202) 551-6795, Office of Insurance Products, Division of Investment Management.

**SUPPLEMENTARY INFORMATION:** Following is a summary of the application. The complete application may be obtained for a fee from the Public Reference Branch of the Commission, 100 F Street, NE., Washington, DC 20549 (tel. 202-551-5850).

### Applicants' Representations

1. Lincoln Life, located at 1300 South Clinton Street, Fort Wayne, Indiana 46802, is a stock life insurance company incorporated under the laws of the State of Indiana on June 12, 1905. Lincoln Life is principally engaged in offering life insurance policies and annuity policies and is licensed in all states (except New York) and the District of Columbia, Guam, and the Virgin Islands. Lincoln Life is the depositor and sponsor of the Separate Accounts. Lincoln Life is wholly owned by Lincoln National Corporation ("LNC"), a publicly held insurance holding company incorporated under Indiana law on January 5, 1968.

2. The Board of Directors of Lincoln Life established Lincoln Life Account C pursuant to the laws of the State of Indiana on June 3, 1981 as a unit investment trust. Lincoln Life Account C is registered under the 1940 Act as a unit investment trust (File No. 811-03214). The assets of Lincoln Life Account C support certain individual variable annuity contracts. Security interests in Lincoln Life Account C offered through such contracts have been registered under the Securities Act

of 1933 ("1933 Act") (File Nos. 33-25990, 333-50817, 333-68842, and 333-112927). However, this application affects only contracts registered under File No. 33-25990.

3. The Board of Directors of Lincoln Life established Lincoln Life Account Q pursuant to the laws of the State of Indiana on November 3, 1997 as a unit investment trust. Lincoln Life Account Q is registered under the 1940 Act as a unit investment trust (File No. 811-08569). The assets of Lincoln Life Account Q support certain group contracts. Security interests in Lincoln Life Account Q offered through such contracts have been registered under the 1933 Act (File No. 333-43373).

4. The Separate Accounts are comprised of sub-accounts established to receive and invest net purchase payments under the Contracts. Each sub-account invests exclusively in the shares of a specified portfolio and supports the Contracts.

5. The Contracts permit their owners to allocate each Contract's accumulated cash or contract value among available sub-accounts, each of which invests in a different investment portfolio of an underlying mutual fund. The Contracts offer thirty-nine investment options.

6. Currently, transfers of cash and/or contract value can be made among and between the sub-accounts available as investments under the Contracts without the imposition of a transfer charge. However, Applicants reserve the right to impose a charge of \$10 per transfer on Contracts issued through Lincoln Life Account C if such transfer exceeds the maximum number of transfers allowed in a contract year, which varies from six to twelve, depending on the contract. Market timing restrictions may also apply to transfers under Contracts issued by Lincoln Life Account C. The only restrictions for Contracts issued through Lincoln Life Account Q, except for those

relating to market timing, are that transfers are restricted to once every thirty days and Applicants reserve the right to further limit the number of transfers. When transfer restrictions are imposed, Lincoln Life and the Separate Accounts reserve the right to waive these restrictions.

7. Under the Contracts, Lincoln Life reserves the right to substitute shares of one investment company for shares of another investment company.

8. Lincoln Life has performed a thorough review of all the investment options available under the Contracts and has determined that several existing funds offered under the Contracts warrant replacement.

9. As described below, Applicants propose to make certain substitutions of shares of the Substitute Funds (listed in Column II) for shares of the Replaced Funds (listed in Column I) held in sub-accounts of their respective Separate Accounts.

Column I (Replaced funds)	Column II (Substitute funds)
AllianceBernstein Variable Products Series Fund, Inc. ("AllianceBernstein VP"):	
Growth Portfolio—Class B .....	AllianceBernstein VP Growth and Income Portfolio—Class B.
Delaware VIP Trust ("Delaware VIP"):	
Global Bond Series—Standard Class .....	Delaware VIP Diversified Income Series—Standard Class.
Janus Aspen Series ("Janus Aspen"):	
Worldwide Growth—Institutional Class .....	Scudder VIT Equity 500 Index Fund—Class A.
Neuberger Berman Advisors Management Trust ("Neuberger Berman AMT"):	
Partners—I Class .....	AllianceBernstein VP Growth and Income Portfolio—Class B.
Putnam Variable Trust ("Putnam VT"):	American Funds Insurance Series ("American Funds"):
Health Sciences Fund—Class IB .....	Growth Fund—Class 2

10. The investment objective of the AllianceBernstein VP Growth Portfolio (Replaced Fund) is to provide long-term growth of capital. Current income is incidental to the portfolio's objective. The portfolio invests primarily in equity securities of companies with favorable earnings outlooks, and long-term growth rates are expected to exceed that of the United States ("U.S.") economy over time. The portfolio emphasizes investments in large- and mid-cap companies. The portfolio also may invest up to 25% of its total assets in lower-rated fixed-income securities and convertible bonds and generally up to 20% of its assets in foreign securities. The portfolio applies the principles of growth investing to select securities. The portfolio uses fundamental company analysis to select stocks that it believes are good candidates to provide long-term growth of capital.

11. The investment objective of the AllianceBernstein VP Growth and Income Portfolio (Substitute Fund) is to

seek reasonable income and reasonable opportunity for appreciation through investments primarily in dividend-paying common stocks of good quality (both income and capital appreciation). To pursue this goal, the portfolio invests primarily in dividend-paying common stocks of large, well established "blue-chip" companies. The portfolio may also invest in fixed-income and convertible securities and in securities of foreign issuers. The basic strategy of the portfolio is to seek income producing securities that represent good long-term investment opportunities.

12. The investment objectives of the AllianceBernstein VP Growth Portfolio (Replaced Fund) and the AllianceBernstein Growth and Income Portfolio (Substitute Fund) are substantially similar. Both funds seek growth of capital (capital appreciation) over time with AllianceBernstein Growth and Income Portfolio seeking greater emphasis on income. While their specific investment strategies differ,

both funds are stock funds seeking primarily domestic stock investments with good long-term growth prospects. AllianceBernstein Growth and Income Portfolio also seeks good quality dividend paying prospects. Each fund normally invests primarily in stocks of large-sized domestic companies with the ability to invest in foreign stocks as well. While each of these funds seeks to achieve its objective through somewhat different investment strategies, Applicants believe that an investor in the AllianceBernstein VP Growth Portfolio is generally attempting to achieve the same long-term goal as that sought by the AllianceBernstein Growth and Income Portfolio investors.

13. The investment objective of the Delaware VIP Global Bond Series (Replaced Fund) is to seek current income consistent with preservation of principal. The Series invests primarily in fixed-income securities that may also provide the potential for capital appreciation. The Series is a global

fund. Under normal circumstances, the Series will invest at least 80% of its net assets in debt obligations. In selecting investments, the Series' investment manager strives to identify fixed-income securities that provide high income potential, considers the value of anticipated future interest and principal payments, and generally prefers to purchase securities in countries where the currency is undervalued or fair-valued compared to other countries because these securities may offer greater return potential. The Series may invest a portion of its assets in high yield securities based on the investment manager's view of market conditions. The Series is considered "non-diversified" under federal laws and rules that regulate mutual funds. The Series is limited to a 25% investment in any one issuer, but is not subject to this limit on a per country basis.

14. The investment objective of the Delaware VIP Diversified Income Series (Substitute Fund) is to seek maximum long-term total return consistent with reasonable risk. The Series invests primarily in bonds allocated among three sectors of the fixed-income market. These sectors include: The High Yield Sector, the Investment Grade Sector, and the International Sector. In determining how much of the Series to allocate to each sector, the Series' investment manager reviews economic and market conditions and interest rate trends as well as the potential risks and rewards associated with each sector. The Series' assets will periodically be reallocated. Under normal circumstances, as little as 5% or as much as 50% of the Series' assets may be invested in each of the High-Yield Sector and International Sector. Under normal circumstances, there is no minimum or maximum limit on the amount of the Series' assets that may be invested in the Investment Grade Sector.

15. The investment objectives of the Delaware VIP Global Bond Series (Replaced Fund) and the Delaware VIP Diversified Income Series (Substitute Fund) are similar. The Delaware VIP Global Bond Series seeks current income consistent with preservation of principal and the Delaware VIP Diversified Income Series seeks maximum long-term total return consistent with reasonable risk. Both funds seek to invest the majority of their assets in fixed income securities. Both funds also invest a portion of their fund assets in international fixed-income securities. While each of these funds seeks to achieve its objective through somewhat different investment strategies, Applicants believe that an investor in the Delaware VIP Global

Bond Series is generally attempting to achieve the same long-term goal as that sought by the Delaware VIP Diversified Income Series investors.

16. The investment objective of the Janus Aspen Worldwide Growth Portfolio (Replaced Fund) is long-term growth of capital in a manner consistent with the preservation of capital. The portfolio invests primarily in common stocks of companies of any size located throughout the world. The portfolio normally invests in issuers from at least five different countries, including the United States. The portfolio may, under unusual circumstances, invest in fewer than five countries or even a single country. The portfolio manager applies a "bottom up" approach in choosing investments. In other words, the portfolio manager looks at companies one at a time to determine if a company is an attractive investment opportunity and if it is consistent with the portfolio's investment policies. If the portfolio manager is unable to find such investments, the portfolio's uninvested assets may be held in cash or similar investments. Within the parameters of its specific investment policies, the Portfolio will limit its investment in high-yield/high-risk bonds to less than 35% of its net assets.

17. The investment objective of the Scudder VIT Equity 500 Index Fund (Substitute Fund) is to seek to replicate, as closely as possible, before the deduction of expenses, the performance of the Standard & Poors 500 Composite Stock Price Index (the "S&P 500 Index") which emphasizes stocks of large U.S. companies. Under normal circumstances the fund intends to invest at least 80% of its assets, determined at the time of purchase, in stocks of companies included in the S&P 500 Index and in derivative instruments, such as futures contracts and options, that provide exposure to the stocks of companies in the S&P 500 Index. The fund invests for capital appreciation, not income; any dividend and interest income is incidental to the pursuit of this objective. Over the long term, the investment advisor seeks a correlation between the performance of the fund, before expenses, and the S&P 500 Index of 98% or better. A figure of 100% would indicate perfect correlation.

18. The investment objectives of the Janus Aspen Worldwide Growth Portfolio (Replaced Fund) and the Scudder VIT Equity 500 Index Fund (Substitute Fund) are substantially similar in that the funds seek long-term growth and capital (capital appreciation), respectively. Both funds invest in common stocks with potential for capital appreciation. Both funds

invest in large capitalization domestic equity securities, with Janus Aspen Worldwide Growth Portfolio also investing a substantial portion of its assets in large capitalization foreign equity securities. While each of these funds seeks to achieve its objective through somewhat different investment strategies, Applicants believe that an investor in the Janus Aspen Worldwide Growth Portfolio is generally attempting to achieve the same long-term goal as that sought by the Scudder VIT Equity 500 Index Fund investors.

19. The investment objective of the Neuberger Berman AMT Partners Portfolio (Replaced Fund) is to seek growth of capital. To pursue this goal, the portfolio invests mainly in common stocks of mid- to large-capitalization companies. The portfolio seeks to reduce risk by diversifying among many companies and industries. The manager looks for well-managed companies with strong balance sheets whose stock prices are undervalued. The portfolio has the ability to change its goal without shareholder approval, although it does not currently intend to do so.

20. The investment objective of the AllianceBernstein VP Growth and Income Portfolio (Substitute Fund) is to seek reasonable income and reasonable opportunity for appreciation through investments primarily in dividend-paying common stocks of good quality (both income and capital appreciation). To pursue this goal, the Portfolio invests primarily in dividend-paying common stocks of large, well established "blue-chip" companies. The Portfolio may also invest in fixed-income and convertible securities and in securities of foreign issuers. The basic strategy of the fund is to seek income producing securities that represent good long-term investment opportunities.

21. The investment objectives of the Neuberger Berman AMT Partners Portfolio (Replaced Fund) and the AllianceBernstein Growth and Income Portfolio (Substitute Fund) are substantially similar. Both funds seek growth of capital (capital appreciation) over time, with AllianceBernstein Growth and Income Portfolio seeking greater emphasis on income. While their specific investment strategies differ somewhat, both funds are stock funds seeking primarily domestic investments with good long-term growth prospects. Neuberger Berman AMT Partners Portfolio employs a "value oriented investment approach, while the AllianceBernstein Growth and Income Portfolio places emphasis on dividend paying high quality equity investments. Each fund normally invests primarily in stocks of large-sized domestic stock

companies. While each of these funds seeks to achieve its objective through somewhat different investment strategies, Applicants believe that an investor in the Neuberger Berman AMT Partners Portfolio is generally attempting to achieve the same long-term goal as that sought by the AllianceBernstein Growth and Income Portfolio investors.

22. The investment objective of the Putnam VT Health Sciences Fund (Replaced Fund) is to seek capital appreciation. The fund invests mainly in common stocks of companies in the health sciences industries, with a focus on growth stocks. Under normal circumstances, the fund invests at least 80% of the fund's net assets in securities of (a) companies that derive at least 50% of their assets, revenues or profits from the pharmaceutical, health care services, applied research and development and medical equipment and supplies industries, or (b)

companies with the potential for growth as a result of their particular products, technology, patents or other market advantages in the health sciences industries. The fund invests mainly in mid-sized and large companies. The fund may invest in foreign investments.

23. The investment objective of the American Funds Growth Fund (Substitute Fund) is growth of capital. The fund seeks to make investments grow by investing primarily in common stocks of companies that appear to offer superior opportunities for growth of capital. The fund may invest up to 15% of its assets in equity securities of issuers domiciled outside the U.S. and Canada and not included in Standard & Poor's 500 Composite Index. The fund is designed for investors seeking capital appreciation through stocks.

24. The investment objectives of the Putnam VT Health Sciences Fund (Replaced Fund) and the American Funds Growth Fund (Substitute Fund)

are substantially similar in that the funds seek growth of capital and capital appreciation, respectively. Both funds are domestic stock funds and invest the majority of fund assets in equity securities of issuers domiciled in the U.S. Both funds invest in "growth" equity securities, with the Putnam VT Health Sciences Fund focusing principally on Health Sciences related "growth" equity securities. While each of these funds seeks to achieve its objective through somewhat different investment strategies, Applicants believe that an investor in the Putnam VIT Health Sciences Fund is generally attempting to achieve the same long-term goal as that sought by the American Funds Growth Fund investors.

25. The chart on the following pages compares the average annual total returns for the Replaced Funds and the Substitute Funds for the past five calendar year periods.

	Total return of replaced funds for the periods indicated below						Investment advisor/affiliated w/applicants?	Fund affiliated w/applicants?	Current investment option
	Calendar year 2004 (percent)	Calendar year 2003 (percent)	Calendar year 2002 (percent)	Calendar year 2001 (percent)	Calendar year 2000 (percent)	Calendar year 1999 (percent)			
<b>REPLACED FUNDS:</b>									
AllianceBernstein VP Growth Portfolio—Class B (Inception date: 6/1/99).	14.5	34.7	-28.3	-23.7%	-17.8	N/A	Alliance Capital Management LP/Non-Affiliate.	Non-Affiliate ..	Yes.
Delaware VIP Global Bond Series—Standard Class (Inception date: 5/2/96).	13.0	20.4	25.1	-0.5	0.9	-3.6	Delaware Management Company/Affiliate.	Affiliate .....	Yes.
Janus Aspen Worldwide Growth Portfolio—Institutional Class (Inception date: 9/13/89).	4.8	24.0	-25.5	-22.4	-15.7	64.5	Janus Capital Management LLC/ Non-Affiliate.	Non-Affiliate ..	Yes.
Neuberger Berman AMT Partners Portfolio (Inception date: 3/22/84).	19.0	35.1	-24.1	-2.8	0.7	7.4	Neuberger Berman Management Inc./ Non-Affiliate.	Non-Affiliate ..	Yes.
Putnam VT Health Sciences Fund—Class IB (Inception date: 5/1/98).	7.1	18.4	-20.3	-19.8	38.9	-3.9	Putnam Investment Management, LLC/Non-Affiliate.	Non-Affiliate ..	Yes.
<b>SUBSTITUTE FUNDS:</b>									
AllianceBernstein VP Growth and Income Portfolio—Class B (Inception date: 6/1/99).	11.2	32.2	-22.3	0.2	13.6	N/A	Alliance Capital Management LP/ Non-Affiliate.	Non-Affiliate ..	Yes.
Delaware VIP Diversified Income Series—Standard Class (Inception date: 5/16/03).	8.5	N/A	N/A	N/A	N/A	N/A	Delaware Management Company/Affiliate.	Affiliate .....	Yes.
Scudder VIT Equity 500 Index Fund—Class A (Inception date: 10/1/97).	10.6	28.2	-22.3	-12.2	-9.2	20.4	Deutsche Asset Management, Inc./Non-Affiliate.	Non-Affiliate ..	Yes.
American Funds Growth Fund—Class 2 (Inception date: 2/8/84).	12.5	36.8	-24.5	-18.2%	4.5%	57.3%	Capital Research and Management Company/Non-Affiliate.	Non-Affiliate ..	Yes.

26. The following chart shows the approximate size (as of December 31,

2004), expense ratios, management fees,

and 12b-1 fees for each of the Replaced Funds for Calendar Year 2004.

Replaced Funds	Net Assets† at December 31, 2004 (in thousands)	Gross calendar year 2004 expense ratio◇ (percent)	Net calendar year 2004 expense ratio◇ (percent)	Gross calendar year 2004 mgmt. fee (percent)	Net calendar year 2004 mgmt. fee (percent)	Calendar year 2004 12b-1 fee (percent)
AllianceBernstein VP Growth Portfolio—Class B (Inception date: 6/1/99) .....	290,000	1.13	1.13	0.75	0.75	0.25
Delaware VIP Global Bond Series—Standard Class (Inception date: 5/2/96) .....	86,000	0.93	0.93	0.75	0.75	N/A
Janus Aspen Worldwide Growth Portfolio—Institutional Class (Inception date: 9/13/89) .....	2,491,921	0.63	0.63	0.60	0.60	N/A
Neuberger Berman AMT Partners Portfolio (Inception date: 3/22/84) .....	590,000	0.91	0.91	0.83	0.83	N/A
Putnam VT Health Sciences Fund—Class IB (Inception date: 5/1/98) .....	162,000	1.10	1.10	0.70	0.70	0.25

† Reflects total assets of share class, where applicable, of the fund.

◇ Total annual expenses.

27. The next chart provides the approximate size (as of 12/31/04), expense ratios, management fees, and 12b-1 fee for each of the Substitute Funds for Calendar Year 2004.

Substitute Funds	Net Assets† at December 31, 2004 (in thousands)	Gross calendar year 2004 expense ratio◇ (percent)	Net calendar year 2004 expense ratio◇ (percent)	Gross calendar year 2004 mgmt. fee (percent)	Net calendar year 2004 mgmt. fee (percent)	Calendar year 2004 12b-1 fee (percent)
AllianceBernstein VP Growth and Income Portfolio—Class B (Inception date: 6/1/99) <sup>1</sup> .....	2,672,000	0.85	0.85	0.55	0.55	0.25
Delaware VIP Diversified Income Series—Standard Class (Inception date: 5/16/03) <sup>2</sup> .....	62,000	0.98	0.80	0.65	0.65	N/A
Scudder VIT Equity 500 Index Fund—Class A (Inception date: 10/1/97) .....	790,000	0.29	0.29	0.20	0.20	N/A
American Funds Growth Fund—Class 2 (Inception date: 2/8/84) .....	12,055,000	0.61	0.61	0.35	0.35	0.25

◇ Total annual expenses.

† Reflects total assets of share class, where applicable, of the Fund.

<sup>1</sup> Expense information reflects a resolution of the AllianceBernstein board on September 7, 2004 making the Management Fee effective for the entire year of 2004.

<sup>2</sup> The investment advisor for the Delaware VIP Diversified Income Series is Delaware Management Company (DMC). Since inception through April 30, 2005, the advisor contractually agreed to waive its management fee and/or reimburse the Series for expenses to the extent that total expenses (excluding any taxes, interest, brokerage fees, extraordinary expenses and certain insurance expenses) would not exceed 0.80%. Without such an arrangement, the total operating expense for the Series would have been 0.98% for the fiscal year 2004. Effective May 1, 2005 through April 30, 2006, DMC has contractually agreed to waive its management fee and/or reimbursed the Series for expenses to the extent that total expenses (excluding any taxes, interest, brokerage fees, extraordinary expenses and certain insurance expenses) will not exceed 0.80%. Under its Management Agreement, the Series pays a management fee based on average daily net assets as follows: 0.65% on the first \$500 million, 0.60% on the next \$500 million, 0.55% on the next \$1,500 million, 0.50% on assets in excess of \$2,500 million, all per year.

28. The Applicants proposed substitutions would effectively consolidate the Lincoln Life assets of each Substitute Fund held by the Separate Accounts with those of the corresponding Replaced Fund, with a goal of each Substitute Fund having an expense ratio that is equal to or lower than the Replaced Fund. In the following comparisons, “expense ratio”

refers to both gross and net expense ratios, and “management fee” includes both gross and net management fees, as well as any applicable 12b-1 fees.

29. AllianceBernstein VP Growth and Income Portfolio (Substitute Fund) has a lower expense ratio (.85%) and management fee (.55%) and is larger than the AllianceBernstein VP Growth Portfolio (Replaced Fund) which has an

expense ratio of 1.13% and a management fee of .75%. Both funds have the same 12b-1 fee (.25%). AllianceBernstein VP Growth and Income Portfolio also has performed better for three time periods and lower for two time periods compared to the AllianceBernstein VP Growth Portfolio (the 1999 calendar year time period is not comparable).

Fees and expenses	Replaced Fund AllianceBernstein VP Growth Portfolio (percent)	Substitute Fund AllianceBernstein VP Growth and Income Portfolio (percent)
	Class B	Class B
Management Fee .....	0.75	0.55
12b-1 Fee .....	0.25	0.25
Other Expenses .....	0.13	0.05
Total Expenses .....	1.13	0.85

Fees and expenses	Replaced Fund AllianceBernstein VP Growth Portfolio (percent)	Substitute Fund AllianceBernstein VP Growth and Income Portfolio (percent)
	Class B	Class B
Waivers .....	.....	.....
Net Expenses .....	1.13	0.85

30. Delaware VIP Diversified Income Series (Substitute Fund) has a lower expense ratio (on a net basis after applicable contractual waivers) (.80%) and management fee (on a net basis after applicable contractual waivers) (.65%) and is smaller than the Delaware VIP Global Bond Series (Replaced Fund) which has an expense ratio of .93% and a management fee of .75%. Both the Substitute Fund and the Replaced Fund are affiliated with the Applicants. Delaware VIP Diversified Income Series does not have applicable performance time periods to compare to Delaware VIP Global Bond Series, except for calendar year 2004 in which Delaware VIP Diversified Income Series has performed lower than Delaware VIP Global Bond Series.

Fees and expenses	Replaced Fund Delaware VIP Global Bond Series (percent)	Substitute Fund Delaware VIP Diversified Income Series (percent)
	Standard Class	Standard Class
Management Fee .....	0.75	0.65
12b-1 Fee .....	.....	.....
Other Expenses .....	0.18	0.33
Total Expenses .....	0.93	0.98
Waivers .....	.....	0.18
Net Expenses .....	0.93	0.80

31. Scudder VIT Equity 500 Index Fund (Substitute Fund) has a lower expense ratio (.29%) and management fee (.20%) and is smaller than Janus Aspen Worldwide Growth Portfolio (Replaced Fund) which has an expense ratio of .63% and a management fee of .60%. The Scudder VIT Equity 500 Index Fund also has performed better for five time periods and lower for one time period compared to the Janus Aspen Worldwide Growth Portfolio.

Fees and expenses	Replaced Fund Janus Aspen Worldwide Growth Portfolio (percent)	Substitute Fund Scudder VIT Equity 500 Index Fund (percent)
	Institutional Class	Class A
Management Fee .....	0.60	0.20
12b-1 Fee .....	.....	.....
Other Expenses .....	0.03	0.09
Total Expenses .....	0.63	0.29
Waivers .....	.....	.....
Net Expenses .....	0.63	0.29

32. AllianceBernstein VP Growth and Income Portfolio (Substitute Fund) has a lower expense ratio (.85%) and a lower total management fee of .80% (the sum of .55% management fee plus .25% 12b-1 fee) and is larger than Neuberger Berman AMT Partners Portfolio (Replaced Fund) which has an expense ratio of .91% and a management fee of .83% (and no 12b-1 fee). The AllianceBernstein VP Growth and Income Portfolio also has performed better for three time periods and lower for two time periods (the 1999 calendar year time period is not comparable) compared to the Neuberger Berman AMT Partners Portfolio.

Fees and expenses	Replaced Fund Neuberger Ber- man AMT Partners Portfolio (percent)	Substitute Fund AllianceBernstein VP Growth and Income Portfolio (percent)
	I Class	Class B
Management Fee .....	0.83	0.55
12b-1 Fee .....	.....	0.25

Fees and expenses	Replaced Fund Neuberger Ber- man AMT Partners Portfolio (percent)	Substitute Fund AllianceBernstein VP Growth and Income Portfolio (percent)
	I Class	Class B
Other Expenses .....	0.08	0.05
Total Expenses .....	0.91	0.85
Waivers .....		
Net Expenses .....	0.91	0.85

33. American Funds Growth Fund (Substitute Fund) has a lower expense ratio (.61%) and a lower management fee (.35%) and is larger than Putnam VT Health Sciences Fund (Replaced Fund)

which has an expense ratio of 1.10% and a management fee of .70%. Both funds have the same 12b-1 fee (.25%). The American Funds Growth Fund also has performed better for four time

periods and lower for two time periods compared to the Putnam VIT Health Sciences Fund.

Fees and expenses	Replaced Fund Putnam VT Health Sciences Fund (percent)	Substitute Fund American Funds Growth Fund (percent)
	Class IB	Class 2
Management Fee .....	0.70	0.35
12b-1 Fee .....	0.25	0.25
Other Expenses .....	0.15	0.01
Total Expenses .....	1.10	0.61
Waivers .....		
Net Expenses .....	1.10	0.61

34. By supplements to the most current prospectuses for the Contracts, all owners and prospective owners of the Contracts were notified of Lincoln Life's intention to take the necessary actions, including seeking the order requested by the application, to effect the substitutions described above. The supplements and prospectuses stated that on the date of the proposed substitutions (after the relief requested has been obtained and all necessary systems support changes have been made), the Substitute Funds will replace the Replaced Funds as the underlying investments for affected sub-accounts.

35. By means of an additional prospectus supplement or updated prospectus, Contract owners will be advised, at least thirty days in advance of the substitutions, of the actual date of the substitutions. In the pre-substitution notice, Applicants will advise Contract owners that from the date of the supplement until the date of the proposed substitutions, they are permitted to make one transfer of contract value (or annuity unit exchange) out of the Replaced Funds to any sub-account option within the Contract without the transfer (or exchange) being treated as one of a limited number of transfers (or exchanges) allowed under the Contracts. Further, such a transfer will not be subject to a transfer charge. The notice

will also inform Contract owners that the Applicants will not exercise any rights reserved under Contracts to impose additional restrictions on transfers until at least thirty days after the substitutions, except that the Applicants may impose restrictions on transfers to limit "market timing" activities by Contract owners or their agents. The supplement will further advise Contract owners that for at least thirty days following the effective date of the proposed substitutions, Lincoln Life will permit Contract owners affected by the substitutions to make one transfer of contract value (or annuity unit exchange) out of the Substitute Fund sub-account to another sub-account without the transfer (or exchange) being treated as one of a limited number of permitted transfers (or exchanges) or a limited number of transfers (or exchanges) permitted without a transfer charge.

36. At least sixty days before the date of the proposed substitutions, affected Contract owners who have not already been provided with a prospectus for each Substitute Fund will receive a prospectus that includes complete and current information concerning the Substitute Funds.

37. Lincoln Life will redeem shares of each Replaced Fund in cash and purchase with the proceeds shares of the corresponding Substitute Fund.

Redemption requests and purchase orders will be placed simultaneously so that the contract values will remain fully invested at all times.

38. The proposed substitutions will take place at relative net asset value with no change in the amount of any Contract owner's contract value, cash value, or death benefit or in the dollar value of his or her investment in any of the Separate Accounts.

39. Contract owners will not incur any fees or charges as a result of the proposed substitutions nor will their rights or Lincoln Life's obligations under the Contracts be altered in any way. All expenses incurred in connection with the proposed substitutions, including legal, accounting, brokerage and other fees and expenses, will be paid by Lincoln Life. In addition, the proposed substitutions will not impose any tax liability on Contract owners. The proposed substitutions will not cause the contract fees and charges currently imposed by Lincoln Life and paid by existing Contract owners to be greater after the proposed substitutions than before the proposed substitutions. No fees will be charged on the transfers made at the time of the proposed substitutions because the proposed substitutions will not be treated as a transfer for the purpose of assessing transfer charges or for determining the

number or remaining permissible transfers in a Contract year.

40. In addition to the supplements and prospectuses distributed to Contract owners as described above, within five business days after the proposed substitutions are completed, any Contract owners affected by the substitutions will be sent a written notice informing them that the substitutions were carried out and that they may make one transfer of Contract value or cash value under a Contract invested in any one of the sub-accounts on the date of the notice to another sub-account available under their Contract at no cost and without regard to the usual limit on the frequency of transfers among the variable account options and from the variable account options to the fixed account options. The notice will also reiterate that Lincoln Life will not exercise any rights reserved by it under the Contracts to impose additional restrictions on transfers or to impose any charges on transfers (other than with respect to "market timing" activities) until at least thirty days after the proposed substitutions. Lincoln Life will also send each Contract owner current prospectuses for the Substitute Funds involved to the extent that the Contract owner has not previously received a copy.

41. Lincoln Life has determined that all of the Substitute Funds that are the subject of this Application will be treated as affiliated funds. The Applicants agree that, to the extent that the annualized expenses of each Substitute Fund exceeds, for each fiscal period (such period being less than 90 days) during the twenty-four month period following the date of the substitutions, the 2004 net expense level of the corresponding Replaced Fund, Lincoln Life will, for each Contract outstanding on the date of the proposed substitutions, make a corresponding reduction in separate account (or sub-account) expenses on the last day of such fiscal period, such that the amount of the Substitute Fund's net expenses, together with those of the corresponding separate account (or sub-account) will, on an annualized basis, be no greater than the sum of the net expenses of the Replaced Fund and the expenses of the separate account (or sub-account) for the 2004 fiscal year.

42. The Applicants further agree that Lincoln Life will not increase total separate account charges (net of any reimbursements or waivers) for any existing Contract owner on the date of the substitutions for a period of twenty-four months from the date of the substitutions.

### Applicants' Legal Analysis

1. Section 26(c) of the Act requires the depositor of a registered unit investment trust holding the securities of a single issuer to obtain Commission approval before substituting the securities held by the trust. Specifically, Section 26(c) states:

It shall be unlawful for any depositor or trustee of a registered unit investment trust holding the security of a single issuer to substitute another security for such security unless the Commission shall have approved such substitution. The Commission shall issue an order approving such substitution if the evidence establishes that it is consistent with the protection of investors and the purposes fairly intended by the policy and provisions of this title.

2. Applicants state that the proposed substitution of shares of the Substitute Funds for those of the Replaced Funds appears to involve substitutions of securities within the meaning of Section 26(c) of the Act. Applicants also submit that the proposed substitutions meet the standards that the Commission and its staff have applied to substitutions that have been approved in the past. Applicants therefore request an order from the Commission pursuant to Section 26(c) approving the proposed substitutions under the terms of this Application.

3. The Contracts give Lincoln Life the right, subject to Commission approval, to substitute shares of another investment company for shares of an investment company held by a sub-account of the Separate Accounts. Applicants believe that the prospectuses for the Contracts and the Separate Accounts contain appropriate disclosure of this right.

4. Applicants have concluded that, although there are differences in the objectives and policies of the Substitute and Replaced Funds, their objectives and policies are sufficiently consistent to assure that following the substitutions, the achievement of the core investment goals of the affected Contract owners in the Replaced Funds will not be frustrated.

5. With respect to each proposed substitution, Applicants represent that Contract owners with balances invested in a Substitute Fund will have an expense ratio that is equal to or lower than the Replaced Fund. Applicants anticipate that Contract owners will be better off with the array of sub-accounts offered after the proposed substitutions than they have been with the array of sub-accounts offered prior to the substitutions. The proposed substitutions retain for Contract owners the investment flexibility which is a central feature of the Contracts. If the

proposed substitutions are carried out, all Contract owners will be permitted to allocate purchase payments and transfer Contract values and cash values between and among approximately the same number of sub-accounts as they could before the proposed substitutions. Applicants note that Contract owners who do not wish to participate in a Substitute Fund will have an opportunity to reallocate their accumulated value among other available sub-accounts without the imposition of any charge or limitation (other than with respect to "market timing" activity.)

### Conclusion

Applicants submit that, for all the reasons stated above, the proposed substitutions are consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

**Jonathan G. Katz,**  
*Secretary.*

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**BILLING CODE 8010-01-P**

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

**FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT:** [To be announced].

**STATUS:** Closed meeting.

**PLACE:** 100 F Street, NE., Washington, DC.

**DATE AND TIME OF PREVIOUSLY ANNOUNCED MEETING:** Tuesday, December 13, 2005.

**CHANGE IN THE MEETING:** Additional items.

The following items have been added to the closed meeting scheduled for Tuesday, December 20, 2005: Opinion and a Regulatory matter regarding a financial institution.

Commissioner Campos, as duty officer, voted to consider these items listed for the closed meeting in closed session and that no earlier notice thereof was possible.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact the Office of the Secretary at (202) 551-5400.