



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE, LTD., LONDON
A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

FOR IMMEDIATE RELEASE

February 20, 2009

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**A.M. Best Downgrades Issuer Credit and Debt Ratings
of Lincoln Financial Corporation and Its Subsidiaries**

Ratings Supplement

The FSR of A+ (Superior) has been affirmed, the ICRs have been downgraded to “aa-” from “aa” and the outlook has been revised to negative from stable for the following life/health subsidiaries of **Lincoln National Corporation**:

- **The Lincoln National Life Insurance Company**
- **First Penn-Pacific Life Insurance Company**
- **Lincoln Life & Annuity Company of New York**

The ICR has been downgraded to “a-” from “a” and the outlook has been revised to negative from stable for **Lincoln National Corporation**.

The following debt ratings have been downgraded and the outlook has been revised to negative from stable:

Lincoln National Corporation—

- to “a-” from “a” on \$500 million floating rate senior unsecured notes, due 2009
- to “a-” from “a” on \$250 million floating rate senior unsecured notes, due 2010
- to “a-” from “a” on \$250 million 6.20% senior unsecured notes, due 2011
- to “a-” from “a” on \$300 million 5.65% senior unsecured notes, due 2012
- to “a-” from “a” on \$200 million 4.75% senior unsecured notes, due 2014
- to “a-” from “a” on \$200 million 7.00% senior unsecured notes, due 2018
- to “a-” from “a” on \$500 million 6.15% senior unsecured notes, due 2036
- to “a-” from “a” on \$375 million 6.30% senior unsecured notes, due 2037
- to “bbb” from “bbb+” on \$275 million 6.75% junior subordinated capital securities, due 2066
- to “bbb” from “bbb+” on \$800 million 7.00% junior subordinated capital securities, due 2066

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-- to “bbb” from “bbb+” on \$500 million 6.05% junior subordinated capital securities, due 2067

Lincoln National Capital VI—

-- to “bbb” from “a-” on \$150 million 6.75% trust preferred securities, due 2052

Jefferson-Pilot Corporation (original issuer; obligations directly assumed by Lincoln National Corporation as of March 1, 2007)—

-- to “a-” from “a” on \$300 million 4.75% senior unsecured notes, due 2014

The following debt rating has been affirmed:

Lincoln National Corporation—

-- AMB-1 on commercial paper

The following indicative ratings on securities available under universal shelf registration have been downgraded and the outlook has been revised to negative from stable:

Lincoln National Corporation—

- to “a-” from “a” on senior unsecured debt
- to “bbb+” from “a-” on subordinated debt
- to “bbb” from “bbb+” on junior subordinated debt
- to “bbb” from “bbb+” on preferred stock

Lincoln National Capital VII, VIII and IX—

-- to “bbb” from “a-” on trust preferred securities

The principal methodologies used in determining these ratings, including any additional methodologies and factors, which may have been considered, can be found at

www.ambest.com/ratings/methodology.

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