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LINCOLN NATIONAL CORP
Form 11-K
March 29, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2001

THE LINCOLN NATIONAL LIFE INSURANCE COMPANY AGENTS'
SAVINGS AND PROFIT-SHARING PLAN
(Full title of the Plan)

[Current Registration Number 33-04711]

Lincoln National Corporation
Centre Square West
1500 Market Street, Suite 3900
Philadelphia, PA 19102

(Name of Issuer and principal executive office)

Form 11-K
The Lincoln National Life Insurance Company Agents'
Savings and Profit-Sharing Plan

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AGENTS' SAVINGS AND PROFIT-SHARING PLAN

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THE LINCOLN NATIONAL LIFE INSURANCE COMPANY
AGENTS' SAVINGS AND PROFIT-SHARING PLAN

FINANCIAL STATEMENTS

Years ended December 31, 2001, 2000, and 1999

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Report of Independent Auditors

Lincoln National Corporation Plan Administrator
Lincoln National Corporation

We have audited the accompanying statements of net assets available for plan benefits of The Lincoln National Life Insurance Company Agents' Savings and Profit-Sharing Plan as of December 31, 2001 and 2000, and the related statements of changes in net assets available for plan benefits for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an

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opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan at December 31, 2001 and 2000, and the changes in its net assets available for plan benefits for each of the three years in the period ended December 31, 2001, in conformity with accounting principles generally accepted in the United States.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets (held at end of year) as of December 31, 2001, and reportable transactions for the year then ended, are presented for purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

Philadelphia, Pennsylvania
March 25, 2002

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The Lincoln National Life Insurance Company Agents' Savings and Profit-Sharing Plan

Statements of Net Assets Available for Plan Benefits

	DECEMBER 31	
	2001	2000
	-----	-----
Assets		
Investments:		
Common stock--Lincoln National Corporation (cost: 2001--\$49,395,098; 2000--\$45,873,945)	\$ 79,310,536	\$ 78,539,365
Wells Fargo Bank Short-Term Investment Fund	1,550,053	2,234,371
Pooled separate accounts--The Lincoln National Life Insurance Company Separate Accounts (cost: 2001--\$61,386,569; 2000--\$64,616,191)	74,348,874	91,271,829
Investment contracts--The Lincoln National		

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Life Insurance Company	12,875,716	13,019,228
Participant loans	4,853,048	5,623,043
	-----	-----
	172,938,227	190,687,836
Accrued interest receivable	3,965	-
Cash and invested cash (deficit)	16,030	(200,272)
Net pending trades	35,535	-
Contributions receivable from Employer companies	1,710,548	10,433,284
	-----	-----
Net assets available for plan benefits	\$ 174,704,305	\$ 200,920,848
	=====	=====

See accompanying notes.

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The Lincoln National Life Insurance Company
Agents' Savings and Profit-Sharing Plan

Statements of Changes in Net Assets Available for Plan Benefits

	2001	YEAR ENDED DECEMBER 31 2000	
	-----	-----	-----
Investment income:			
Cash dividends--Lincoln National Corporation	\$ 2,023,000	\$ 2,028,687	\$
Interest:			
The Lincoln National Life Insurance Company	871,198	933,730	
Other	432,431	499,724	
	-----	-----	-----
	1,303,629	1,433,454	
	-----	-----	-----
	3,326,629	3,462,141	
Net realized gain (loss) on sale and distribution of investments:			
Common stock--Lincoln National Corporation	4,871,991	5,437,923	
Pooled separate accounts--The Lincoln National Life Insurance Company Separate Accounts	(626,764)	5,757,246	
	-----	-----	-----
	4,245,227	11,195,169	1
Net unrealized (depreciation) appreciation of investments	(16,443,315)	(1,757,421)	
Contributions:			
Participants	6,244,407	9,893,688	1
Employer companies (net of forfeitures: 2001--\$150,588; 2000--\$24,871 and 1999--\$13,076)	1,756,656	11,852,039	
	-----	-----	-----
	8,001,063	21,745,727	1
Transfers to affiliated plans	(9,410,752)	-	
Distributions to participants	(15,811,537)	(11,536,259)	(1)

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Administrative expenses	(123,858)	(96,034)	
	-----	-----	-----
Net (decrease) increase in			
net assets available for plan benefits	(26,216,543)	23,013,323	2
Net assets available for plan benefits			
at beginning of the year	200,920,848	177,907,525	15
	-----	-----	-----
Net assets available for plan benefits			
at end of the year	\$ 174,704,305	\$ 200,920,848	\$ 17
	=====	=====	=====

See accompanying notes.

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The Lincoln National Life Insurance Company
Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements

December 31, 2001

1. SIGNIFICANT ACCOUNTING POLICIES

INVESTMENTS

The investment in Lincoln National Corporation ("LNC") common stock is valued at the last reported sales price per the national securities exchange on the last business day of the year.

The Wells Fargo Bank Short-Term Investment Fund is valued at cost which approximates fair value.

The fair value of participation units in pooled separate accounts is based on quoted redemption value on the last business day of the year.

The investment contracts are valued at contract value as estimated by The Lincoln National Life Insurance Company ("Lincoln Life"). Contract value represents net contributions plus interest at the contract rate. The contracts are fully benefit responsive.

Participant loans are valued at their outstanding balances which approximate fair value.

The cost of investments sold, distributed or forfeited is determined using the specific identification method.

USE OF ESTIMATES

Preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. DESCRIPTION OF THE PLAN

The Lincoln National Life Insurance Company Agents' Savings and Profit-Sharing

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Plan ("Plan") is a contributory, defined contribution plan which covers eligible agents of Lincoln Life and agents and employees of Sagemark Consulting, Inc. ("Sagemark") who are employed by Lincoln Life. Any person who is a full-time agent of Lincoln Life or is a former employee of Sagemark currently employed by Lincoln Life is eligible to enroll in the Plan. A participant may make pre-tax contributions at a rate of at least 1%, but not more than 15% of eligible earnings, up to a maximum annual amount as determined and adjusted annually by the Internal Revenue Service ("IRS").

During 2001, Plan assets relating to the former employees of Sagemark were transferred into another affiliated Plan of Lincoln Life, in the amount of \$9,410,752.

Participants direct the Plan to invest their contributions and the guaranteed Employer contributions in any combination of the investment options as described in Note 4. Discretionary Employer contributions are invested in the LNC Common Stock Fund. Participants can direct the investment of the discretionary Employer contributions, but only after the contributions have been in the Plan for two years following the date the last contribution for the Plan year was contributed.

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The Lincoln National Life Insurance Company Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

2. DESCRIPTION OF THE PLAN (CONTINUED)

Employer contributions to the Plan are based on an amount equal to a participant's contributions, not to exceed 6% of eligible earnings, multiplied by a percentage, ranging from 50% to 150%, which varies based on LNC's operating income. The Employer match on eligible participants' contributions during their first year of employment is limited to a maximum of 50%. The Board of Directors of Lincoln Life approved a provision that provided an additional match up to 50% for the 2000 Plan year based on the Company's achieving a certain level of earnings over the three-year period from 1998 through 2000, to be paid in 2001. During 2000, the Employer contribution to the Plan matched 200% (150% maximum discretionary match plus additional 50% special match) of participant contributions up to 6% of eligible earnings.

Participants' contributions are fully vested. Employer contributions vest based upon years of service as defined in the Plan agreement as follows:

Years of Service	Percent Vested
1	0%
2	50%
3 or more	100%

The Employer has the right to discontinue contributions at any time and terminate the Plan. In the event of termination of the Plan, all amounts allocated to participants' accounts shall become vested.

The Plan allows loans to participants in amounts up to 50% of the vested account value to a maximum of \$50,000 but not more than the total value of the participant's accounts excluding Employer contributions that haven't been in the

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Plan for two full years, less the highest outstanding loan balance in the previous twelve month period.

Upon termination of service due to disability or retirement, a participant or beneficiary, in case of the participant's death, may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or annual installments over a five-year period. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution. Vested account balances less than \$5,000 are immediately distributable under the terms of the Plan, without the Participant's consent, unless a timely election of rollover to an IRA or another qualified plan has been made.

Each participant's account is credited with the participant's contributions, matching contributions from the Employer and allocations of Plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Forfeited non-vested amounts are used to reduce future Employer contributions.

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The Lincoln National Life Insurance Company
Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

3. INVESTMENTS

The following is a summary of assets held for investment:

	DECEMBER 31, 2001		DECEMBER 31, 2000
	NUMBER OF SHARES, UNITS OR PAR VALUE	FAIR VALUE	NUMBER OF SHARES, UNITS OR PAR VALUE
QUOTED MARKET VALUES:			
Common stock--LNC	1,632,912	\$ 79,310,536*	1,660,013
Pooled separate account investment contracts underwritten by Lincoln Life:			
Government Bond Fund	-	-	257,525.826
Core Equity Fund	1,042,478.322	12,954,461*	1,155,367.432
Medium Capitalization Equity Fund	850,458.860	9,954,621*	906,700.415
Short-Term Fund	2,539,094.322	9,050,602*	1,939,132.104
Government/Corporate Bond Fund	240,565.401	1,666,926	165,954.947
Large Capitalization Equity Fund	1,312,128.741	12,164,614*	1,422,163.101
Balanced Fund	232,236.514	1,517,828	254,007.480
High Yield Bond Fund	488,623.323	1,239,344	567,058.417
Small Capitalization Equity Fund	1,437,032.033	9,168,408*	1,596,788.029
Value Equity Fund	1,852,637.180	3,940,189	1,873,246.634
International Equity Fund	790,992.900	4,401,718	913,942.872
Conservative Balanced Fund	82,609.176	145,301	52,987.871
Aggressive Balanced Fund	185,944.483	365,492	30,066.095

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Delaware Growth and Income Fund	281,949.398	447,256	80,413.940
Deutsche VIT Equity 500 Index Fund	1,865,979.358	1,714,089	602,473.830
Fidelity VIP Contrafund	1,320,387.520	1,236,279	797,371.635
Janus Fund	-	-	1,350,095.553
Neuberger Berman AMT Regency	970,815.564	935,769	431,397.903
Social Awareness Fund	234,290.682	216,531	56,370.348
T Rowe Price International Equity Fund	-	-	519,929.570
Janus Aspen Series Worldwide Growth Fund	1,822,238.647	1,711,447	1,448,310.536
Delaware Global Bond Fund	-	-	30,319.549
Neuberger Berman Mid-Cap Growth Fund	1,056,334.289	1,078,517	919,000.791
Deutsche VIT Small Cap Index Fund	384,835.126	439,482	163,472.034
Total segregated investment accounts		74,348,874	
CONTRACT VALUE:			
Investment contracts underwritten by Lincoln Life	12,875,716	12,875,716*	13,019,228
ESTIMATED VALUE:			
Wells Fargo Bank short-term investment fund	1,550,053	1,550,053	2,234,371
Participants loans	4,853,048	4,853,048	5,623,043
Total investments		\$172,938,227	

* Investments that represent 5% or more of the fair value of net assets available for benefits as of the indicated date.

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The Lincoln National Life Insurance Company
Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

3. INVESTMENTS (CONTINUED)

Net realized gain (loss) on sale and distribution of investments is summarized as follows:

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
Common stock			
Proceeds from disposition of stock	\$ 10,870,074	\$ 11,119,267	\$ 11,207,520
Cost of stock disposed	5,998,083	5,681,344	4,385,960
Net realized gain on sale and distribution of common stock	\$ 4,871,991	\$ 5,437,923	\$ 6,821,560

POOLED SEPARATE ACCOUNTS

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Proceeds from disposition of units	\$ 49,062,442	\$ 40,023,820	\$ 42,965,566
Cost of units disposed	49,689,206	34,266,574	37,400,877
	-----	-----	-----
Net realized (loss) gain on sale and distribution of pooled separate accounts	\$ (626,764)	\$ 5,757,246	\$ 5,564,688
	=====	=====	=====

The net change in unrealized (depreciation) appreciation of investments in total and by investment classification as determined by quoted market price is summarized as follows:

	YEAR ENDED DECEMBER 31		
	2001	2000	1999
	-----	-----	-----
Fair value in excess of cost:			
At beginning of the year	\$ 59,321,062	\$ 61,078,483	\$ 57,136,885
At end of the year	42,877,747	59,321,062	61,078,483
	-----	-----	-----
Change in net unrealized (depreciation) appreciation of investments	\$ (16,443,315)	\$ (1,757,421)	\$ 3,941,598
	=====	=====	=====
Common stock	\$ (2,749,982)	\$ 10,023,055	\$ (8,408,405)
Pooled separate accounts	(13,693,333)	(11,780,476)	12,350,003
	-----	-----	-----
Change in net unrealized (depreciation) appreciation of investments	\$ (16,443,315)	\$ (1,757,421)	\$ 3,941,598
	=====	=====	=====

The investment contracts (Guaranteed Fund) earned an average interest rate of approximately 5.95%, 6.26% and 6.22% in 2001, 2000 and 1999 respectively. The credited interest rates for new contributions, which approximate the current market rate, were 5.50% and 6.75% at December 31, 2001 and 2000, respectively. The rate on new contributions is guaranteed through the three succeeding calendar year quarters. The credited interest rates for the remaining contract value balance were 5.50% and 6.25% at December 31, 2001 and 2000, respectively, and are determined based upon the performance of the Lincoln Life's general account. The credited interest rates change at least quarterly. The minimum guaranteed rate is 4.50% for the first 5 contract years, 4.00% for years 6-10 and 3.50% following year 10. The guarantee is based on Lincoln Life's ability to meet its financial obligations from the general assets of Lincoln Life. The fair value of the investment contracts approximates contract value.

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The Lincoln National Life Insurance Company
Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

4. INVESTMENT OPTIONS

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The detail of the net assets available for plan benefits by investment option is as follows:

December 31, 2001	Total	1	INVESTMENT OPTIONS		
			2	3	
Assets					
Investments:					
Common stock	\$ 79,310,536	\$ 79,310,536	\$ -	\$ -	\$ -
Short-term investment fund	1,550,053	1,550,053	-	-	-
Pooled separate accounts	74,348,874	-	-	-	12,875,716
Investment contracts	12,875,716	-	-	12,875,716	-
Participant loans	4,853,048	-	-	-	-
Total investments	172,938,227	80,860,589	-	12,875,716	12,875,716
Accrued interest receivable	3,965	3,965	-	-	-
Cash and invested cash (deficit)	16,030	(9)	-	-	-
Net Pending Trades--Pooled					
Separate accounts (payable)	23,909	-	-	-	-
Net Pending Trades--					
Investment contracts	11,626	-	-	11,626	-
Contributions receivable from					
Employer companies	1,710,548	1,710,548	-	-	-
Net assets available for	\$174,704,305	\$ 82,575,093	\$ -	\$ 12,887,342	\$ 12,887,342
Plan benefits					

December 31, 2001	7	8	INVESTMENT OPTIONS		
			9	10	
Assets					
Investments:					
Common stock	\$ -	\$ -	\$ -	\$ -	\$ -
Short-term investment fund	-	-	-	-	-
Pooled separate accounts	1,666,926	12,164,614	1,517,828	1,239,344	9,875,716
Investment contracts	-	-	-	-	-
Participant loans	-	-	-	-	-
Total investments	1,666,926	12,164,614	1,517,828	1,239,344	9,875,716
Accrued interest receivable	-	-	-	-	-
Cash and invested cash (deficit)	-	-	-	-	-
Net Pending Trades--Pooled					
Separate accounts (payable)	427	(7,318)	(48,396)	858	-
Net Pending Trades--					
Investment contracts	-	-	-	-	-
Contributions receivable from					
Employer companies	-	-	-	-	-
Net assets available for	\$ 1,667,353	\$ 12,157,296	\$ 1,469,432	\$ 1,240,202	\$ 9,875,716
Plan benefits					

The Lincoln National Life Insurance Company
 Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

4. INVESTMENT OPTIONS (CONTINUED)

The detail of the net assets available for plan benefits by investment option is as follows:

December 31, 2001	INVESTMENT OPTIONS				
	14	15	16	17	18
Assets					
Investments:					
Common stock	\$ -	\$ -	\$ -	\$ -	\$ -
Short-term investment fund	-	-	-	-	-
Pooled separate accounts	145,301	365,493	447,256	1,714,089	1,230,000
Investment contracts	-	-	-	-	-
Participant loans	-	-	-	-	-
Total investments	145,301	365,493	447,256	1,714,089	1,230,000
Accrued interest receivable	-	-	-	-	-
Cash and invested cash (deficit)	-	-	-	-	-
Net Pending Trades--Pooled					
Separate accounts (payable)	37	95	(3,659)	632	
Net Pending Trades--					
Investment Contracts	-	-	-	-	-
Contributions receivable from Employer companies	-	-	-	-	-
Net assets available for Plan benefits	\$ 145,338	\$ 365,588	\$ 443,597	\$ 1,714,721	\$ 1,230,000

December 31, 2001	INVESTMENT OPTIONS				
	21	22	23	24	25
Assets					
Investments:					
Common stock	\$ -	\$ -	\$ -	\$ -	\$ -
Short-term investment fund	-	-	-	-	-
Pooled separate accounts	216,531		1,711,447		1,070,000
Investment contracts	-	-	-	-	-
Participant loans	-	-	-	-	-
Total investments	216,531	-	1,711,447	-	1,070,000

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Accrued interest receivable	-	-	-	-
Cash and invested cash (deficit)	-	-	-	-
Net Pending Trades--Pooled				
Separate accounts (payable)	(3,831)	-	628	-
Net Pending Trades--				
Investment Contracts	-	-	-	-
Contributions receivable from				
Employer companies	-	-	-	-
	-----	-----	-----	-----
Net assets available for				
Plan benefits	\$ 212,700	\$ -	\$ 1,712,075	\$ -
	=====	=====	=====	=====

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The Lincoln National Life Insurance Company
Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

4. Investment Options

The detail of the net assets available for plan benefits by investment option is as follows:

December 31, 2000	Total	INVESTMENT OPTIONS			
		1	2	3	4
Assets					
Investments:					
Common stock	\$ 78,539,365	\$ 78,539,365	\$ -	\$ -	\$ -
Short-term investment fund	2,234,371	2,234,371	-	-	-
Pooled separate accounts	91,271,829	-	497,171	-	16,2
Investment contracts	13,019,228	-	-	13,019,228	-
Participant loans	5,623,043	-	-	-	-
	-----	-----	-----	-----	-----
Total investments	190,687,836	80,773,736	497,171	13,019,228	16,2
Cash and invested cash (deficit)	(200,272)	10,751	(1,273)	(3,976)	(
Contributions receivable from					
Employer companies	10,433,284	10,433,284	-	-	-
	-----	-----	-----	-----	-----
Net assets available for					
Plan benefits	\$200,920,848	\$ 91,217,771	\$ 495,898	\$ 13,015,252	\$ 16,2
	=====	=====	=====	=====	=====

INVESTMENT OPTIONS

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December 31, 2000	7	8	9	10	11
Assets					
Investments:					
Common stock	\$ -	\$ -	\$ -	\$ -	\$ -
Short-term investment fund	-	-	-	-	-
Pooled separate accounts	1,051,874	16,792,278	1,749,030	1,464,393	12,111,111
Investment contracts	-	-	-	-	-
Participant loans	-	-	-	-	-
Total investments	1,051,874	16,792,278	1,749,030	1,464,393	12,111,111
Cash and invested cash (deficit)	(3,080)	(36,258)	(4,226)	(9,880)	(10,000)
Contributions receivable from Employer companies	-	-	-	-	-
Net assets available for Plan benefits	\$ 1,048,794	\$ 16,756,020	\$ 1,744,804	\$ 1,454,513	\$ 12,101,111

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The Lincoln National Life Insurance Company
Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

4. Investment Options (continued)

The detail of the net assets available for plan benefits by investment option is as follows:

December 31, 2000	INVESTMENT OPTIONS			
	14	15	16	17
Assets				
Investments:				
Common stock	\$ -	\$ -	\$ -	\$ -
Short-term investment fund	-	-	-	-
Pooled separate accounts	90,099	63,818	136,781	631,141
Investment contracts	-	-	-	-
Participant loans	-	-	-	-
Total investments	90,099	63,818	136,781	631,141
Cash and invested cash (deficit)	(25)	(922)	41,912	(1,212)
Contributions receivable from Employer companies	-	-	-	-
Net assets available for Plan benefits	\$ 90,074	\$ 62,896	\$ 178,693	\$ 629,929

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December 31, 2000	INVESTMENT OPTIONS			
	21	22	23	24
Assets				
Investments:				
Common stock	\$ -	\$ -	\$ -	\$ -
Short-term investment fund	-	-	-	-
Pooled separate accounts	57,667	682,160	1,756,326	34,537
Investment contracts	-	-	-	-
Participant loans	-	-	-	-
Total investments	57,667	682,160	1,756,326	34,537
Cash and invested cash (deficit)	(228)	(1,780)	(3,825)	6,335
Contributions receivable from Employer companies	-	-	-	-
Net assets available for Plan benefits	\$ 57,439	\$ 680,380	\$ 1,752,501	\$ 40,872

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The Lincoln National Life Insurance Company
Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

4. INVESTMENT OPTIONS (CONTINUED)

The detail of the changes in net assets available for plan benefits by investment option is as follows:

December 31, 2001	INVESTMENT OPTIONS				
	Total	1	2	3	4
Investment income:					
Cash dividends	\$ 2,023,000	\$2,023,000	\$ -	\$ -	\$ -
Interest	1,303,629	89,904	-	787,654	-
Total Investment Income	3,326,629	2,112,904	-	787,654	-
Net realized gain (loss) on sale, distribution and forfeitures of investments:					
Common stock	4,871,991	4,871,991	-	-	-
Pooled separate accounts	(626,764)	-	61,275	-	354,164
Total net realized gains (losses)	4,245,227	4,871,991	61,275	-	354,164
Net unrealized (depreciation) appreciation of investments	(16,443,315)	(2,749,982)	(21,748)	-	(2,117,800)
Contributions:					

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Participant	6,244,407	1,055,952	12,393	95,881	770,1
Employer companies	1,756,656	27,185	4,067	43,402	240,2
Total contributions	8,001,063	1,083,137	16,460	139,283	1,010,3
Transfers to affiliated plans	(9,410,752)	(3,675,051)	(40,612)	(497,724)	(727,3
Distributions to participants	(15,811,537)	(5,845,392)	(88,418)	(2,923,298)	(981,4
Administrative expenses	(123,858)	(70,863)	(397)	(6,371)	(7,0
Net transfers	-	(4,369,422)	(422,458)	2,372,546	(815,2
Net (decrease) increase in net assets available for plan benefits	(26,216,543)	(8,642,678)	(495,898)	(127,910)	(3,284,4
Net assets available for plan benefits at beginning of the year	200,920,848	91,217,771	495,898	13,015,252	16,221,4
Net assets available for plan benefits at end of the year	\$174,704,305	\$82,575,093	\$ -	\$12,887,342	\$12,937,0

INVESTMENT OPTIONS

December 31, 2001	7	8	9	10	11
Investment income:					
Cash dividends	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Total investment income	-	-	-	-	-
Net realized gain (loss) on sale, distribution and forfeitures of investments:					
Common stock	-	-	-	-	-
Pooled separate accounts	116,662	250,685	46,477	42,824	(2,9
Total net realized gains (losses)	116,662	250,685	46,477	42,824	(2,9
Net unrealized (depreciation) appreciation of investments	(16,207)	(3,665,314)	(123,273)	(69,808)	(1,848,0
Contributions:					
Participant	38,913	908,465	117,925	109,375	702,2
Employer companies	16,363	290,363	42,068	36,629	230,8
Total contributions	55,276	1,198,828	159,993	146,004	933,1
Transfers to affiliated plans	(208,189)	(929,925)	(232,278)	(172,201)	(789,7
Distributions to participants	(68,786)	(802,781)	(192,777)	(88,585)	(754,4
Administrative expenses	(816)	(6,958)	(1,099)	(1,151)	(5,1
Net transfers	740,619	(643,259)	67,585	(71,394)	(548,0
Net (decrease) increase in net assets available for plan benefits	618,559	(4,598,724)	(275,372)	(214,311)	(3,015,3
Net assets available for plan benefits at beginning of the year	1,048,794	16,756,020	1,744,804	1,454,513	12,169,4
Net assets available for plan benefits at end of the year	\$ 1,667,353	\$12,157,296	\$1,469,432	\$ 1,240,202	\$9,154,1

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Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

4. INVESTMENT OPTIONS (CONTINUED)

The detail of the changes in net assets available for plan benefits by investment option is as follows:

December 31, 2001	INVESTMENT OPTIONS				
	14	15	16	17	18
Investment income:					
Cash dividends	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Total investment income	-	-	-	-	-
Net realized gain (loss) on sale, distribution and forfeitures of investments:					
Common stock	-	-	-	-	-
Pooled separate accounts	720	(3,140)	(4,009)	(109,182)	(4,009)
Total net realized gains (losses)	720	(3,140)	(4,009)	(109,182)	(4,009)
Net unrealized (depreciation) appreciation of investments	2,544	(4,792)	(10,947)	34,842	(5,153)
Contributions:					
Participant	1,100	19,331	33,873	59,804	6,000
Employer companies	681	5,682	12,820	20,840	2,000
Total contributions	1,781	25,013	46,693	80,644	8,000
Transfers to affiliated plans	(25)	(1,426)	(25,301)	(41,834)	(1,000)
Distributions to participants	(39,749)	1,742	2,731	(15,547)	(1,000)
Administrative expenses	(298)	(406)	(386)	(856)	(1,000)
Net transfers	90,291	285,701	256,123	1,136,725	43,000
Net increase (decrease) in net assets available for plan benefits	55,264	302,692	264,904	1,084,792	39,000
Net assets available for plan benefits at beginning of the year	90,074	62,896	178,693	629,929	84,000
Net assets available for plan benefits at end of the year	\$ 145,338	\$ 365,588	\$ 443,597	\$ 1,714,721	\$1,223,000

December 31, 2001	INVESTMENT OPTIONS				
	21	22	23	24	25
Investment income:					
Cash dividends	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	(6,360)	-
Total investment income	-	-	-	(6,360)	-
Net realized gain (loss)					

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on sale, distribution and forfeitures of investments:					
Common stock	-	-	-	-	
Pooled separate accounts	(13,459)	(197,258)	(118,617)	607	(32)
Total net realized gains (losses)	(13,459)	(197,258)	(118,617)	607	(32)
Net unrealized (depreciation) appreciation of investments	3,031	68,423	(298,808)	(2,646)	(2)
Contributions:					
Participant	3,897	39,263	150,588	232	8
Employer companies	1,233	12,809	51,368	41	3
Total contributions	5,130	52,072	201,956	273	11
Transfers to affiliated plans	5,818	(38,094)	(45,433)	(24)	(6)
Distributions to participants	1,602	(29,011)	(21,102)	-	(4)
Administrative expenses	(341)	(465)	(1,388)	(160)	
Net transfers	153,480	(536,047)	242,966	(32,562)	18
Net increase (decrease) in net assets available for plan benefits	155,261	(680,380)	(40,426)	(40,872)	(15)
Net assets available for plan benefits at beginning of the year	57,439	680,380	1,752,501	40,872	1,24
Net assets available for plan benefits at end of the year	\$ 212,700	\$ -	\$ 1,712,075	\$ -	\$ 1,08

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The Lincoln National Life Insurance Company
Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

4. Investment Options (continued)

The detail of the changes in net assets available for plan benefits by investment option is as follows:

December 31, 2000	Total	INVESTMENT OPTIONS		
		1	2	3
Investment income:				
Cash dividends	\$ 2,028,687	\$ 2,028,687	\$ -	\$ -
Interest	1,433,454	134,262	-	793,109
Total investment income	3,462,141	2,162,949	-	793,109
Net realized gain (loss) on sale, distribution and forfeitures of investments:				
Common stock	5,437,923	5,437,923		
Pooled separate accounts	5,757,246	-	21,541	-

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Total net realized gains (losses)	11,195,169	5,437,923	21,541	-	1
Net unrealized appreciation (depreciation) of investments	(1,757,421)	10,023,056	18,507	-	(3)
Contributions:					
Participant	9,893,688	1,511,764	39,707	244,302	1
Employer companies	11,852,039	11,852,039	-	-	
Total contributions	21,745,727	13,363,803	39,707	244,302	1
Distributions to participants	(11,536,259)	(3,357,209)	(76,775)	(1,195,735)	
Administrative expenses	(96,034)	(44,287)	(592)	(6,345)	
Net transfers	-	(7,237,104)	(44,949)	444,358	(2)
Net increase (decrease) in net assets available for plan benefits	23,013,323	20,349,131	(42,561)	279,689	(4)
Net assets available for plan benefits at beginning of the year	177,907,525	70,868,640	538,459	12,735,563	20
Net assets available for plan benefits at end of the year	\$200,920,848	\$91,217,771	\$ 495,898	\$13,015,252	\$16

	INVESTMENT OPTIONS			
December 31, 2000	7	8	9	10
Investment income:				
Cash dividends	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total investment income	-	-	-	-
Net realized gain (loss) on sale, distribution and forfeitures of investments:				
Common stock	-	-	-	-
Pooled separate accounts	14,713	1,229,294	86,997	44,150
Total net realized gains (losses)	14,713	1,229,294	86,997	44,150
Net unrealized appreciation (depreciation) of investments	68,411	(2,940,788)	(82,209)	(9,815)
Contributions:				
Participant	120,709	1,590,112	280,168	272,153
Employer companies	-	-	-	-
Total contributions	120,709	1,590,112	280,168	272,153
Distributions to participants	(109,399)	(1,106,048)	(89,111)	(87,665)
Administrative expenses	(899)	(8,594)	(1,546)	(1,476)
Net transfers	(128,786)	210,802	(330,310)	42,184
Net increase (decrease) in net assets available for plan benefits	(35,251)	(1,025,222)	(136,011)	259,531
Net assets available for plan benefits at beginning of the year	1,084,045	17,781,242	1,880,815	1,194,982
Net assets available for plan benefits at end of the year	\$ 1,048,794	\$16,756,020	\$1,744,804	\$ 1,454,513

The Lincoln National Life Insurance Company
Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

4. Investment Options (continued)

The detail of the changes in net assets available for plan benefits by investment option is as follows:

December 31, 2000	INVESTMENT OPTIONS			
	14	15	16	17
Investment income:				
Cash dividends	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total investment income	-	-	-	-
Net realized gain (loss) on sale, distribution and forfeitures of investments:				
Common stock	-	-	-	-
Pooled separate accounts	-	(641)	3,711	(6,703)
Total net realized gains (losses)	-	(641)	3,711	(6,703)
Net unrealized appreciation (depreciation) of investments	641	(2,725)	6,149	(58,855)
Contributions:				
Participant	-	1,895	7,643	43,218
Employer companies	-	-	-	-
Total contributions	-	1,895	7,643	43,218
Distributions to participants	-	(7,718)	(17,167)	(16,541)
Administrative expenses	(3)	(2)	(6)	(73)
Net transfers	89,436	72,087	178,363	668,883
Net increase (decrease) in net assets available for plan benefits	90,074	62,896	178,693	629,929
Net assets available for plan benefits at beginning of the year	-	-	-	-
Net assets available for plan benefits at end of the year	\$ 90,074	\$ 62,896	\$ 178,693	\$ 629,929

December 31, 2000	INVESTMENT OPTIONS			
	21	22	23	24
Investment income:				

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Cash dividends	\$	-	\$	-	\$	-	\$	-	\$
Interest		-		-		-		6,360	

Total investment income		-		-		-		6,360	
Net realized gain (loss) on sale, distribution and forfeitures of investments:									
Common stock		-		-		-		-	
Pooled separate accounts		43		(4,893)		(4,698)		-	

Total net realized gains (losses)		43		(4,893)		(4,698)		-	
Net unrealized appreciation (depreciation) of investments		(5,227)		(68,423)		(346,155)		2,646	
Contributions:									
Participant		1,674		25,525		105,254		5,905	
Employer companies		-		-		-		-	

Total contributions		1,674		25,525		105,254		5,905	
Distributions to participants		(17,705)		2,907		(3,953)		(4)	
Administrative expenses		(3)		(24)		(63)		(1)	
Net transfers		78,657		725,288		2,002,116		25,966	1

Net increase (decrease) in net assets available for plan benefits		57,439		680,380		1,752,501		40,872	1
Net assets available for plan benefits at beginning of the year		-		-		-		-	-

Net assets available for plan benefits at end of the year	\$	57,439	\$	680,380	\$	1,752,501	\$	40,872	\$ 1
=====									

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The Lincoln National Life Insurance Company
Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

4. INVESTMENT OPTIONS (CONTINUED)

The detail of the changes in net assets available for plan benefits by investment option is as follows:

DECEMBER 31, 1999	TOTAL	INVESTMENT OPTIONS		
		1	2	3

Investment income:				
Cash dividends	\$ 1,687,397	\$ 1,687,397	\$ -	\$ -
Interest	1,320,538	122,244	-	702,338

Total investment income	3,007,935	1,809,641	-	702,338
Net realized gain on sale, distribution and forfeitures of investments:				
Common stock	6,821,567	6,821,567	-	-
Pooled separate accounts	5,564,689	-	20,165	-

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Total realized gains	12,386,256	6,821,567	20,165	-
Net unrealized appreciation (depreciation) of investments	3,941,598	(8,408,405)	(28,592)	-
Contributions:				
Participant	12,044,177	2,084,402	132,500	1,157,823
Employer companies	5,829,738	5,829,738	-	-
Total contributions	17,873,915	7,914,140	132,500	1,157,823
Distributions to participants	(14,645,718)	(5,762,669)	(4,136)	(1,726,040)
Administrative expenses	(107,948)	(56,208)	(900)	(7,433)
Net transfers	-	(2,580,629)	(407,301)	527,836
Net increase (decrease) in net assets available for plan benefits	22,456,038	(262,563)	(288,264)	654,524
Net assets available for plan benefits at beginning of the year	155,451,487	71,131,203	826,723	12,081,039
Net assets available for plan benefits at end of the year	\$177,907,525	\$ 70,868,640	\$ 538,459	\$ 12,735,563

DECEMBER 31, 1999	7	8	9	10	11
Investment income:					
Cash dividends	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-
Total investment income	-	-	-	-	-
Net realized gain on sale, distribution and forfeitures of investments:					
Common stock	-	-	-	-	-
Pooled separate accounts	33,722	1,280,657	112,210	37,978	1,137,622
Total realized gains	33,722	1,280,657	112,210	37,978	1,137,622
Net unrealized appreciation (depreciation) of investments	(79,529)	2,774,181	138,663	(16,792)	3,006,593
Contributions:					
Participant	139,297	1,660,156	341,374	329,419	987,954
Employer companies	-	-	-	-	-
Total contributions	139,297	1,660,156	341,374	329,419	987,954
Distributions to participants	(118,134)	(1,368,682)	(243,086)	(140,694)	(424,605)
Administrative expenses	(1,507)	(7,608)	(1,833)	(2,055)	(3,047)
Net transfers	(122,299)	238,065	133,951	(293,115)	645,436
Net increase (decrease) in net assets available for plan benefits	(148,450)	4,576,769	481,279	(85,259)	5,349,953
Net assets available for plan benefits at beginning of the year	1,232,495	13,204,473	1,399,536	1,280,241	5,124,232
Net assets available for plan benefits at end of the year	\$1,084,045	\$17,781,242	\$1,880,815	\$1,194,982	\$10,474,185

The Lincoln National Life Insurance Company
 Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

4. INVESTMENT OPTIONS (CONTINUED)

Information with respect to investment options as follows:

Option	Description of Investment Option
-----	-----
1	LNC Common Stock Fund, which invests exclusively in the stock of LNC. However, some funds may be invested in the Wells Fargo Bank Short-Term Investment Fund until the LNC stock can be purchased.
2	Government Bond Fund (SA#26), which invests primarily in fixed income securities backed by the United States government that will mature in 3 to 5 years.
3	Guaranteed Fund, which invests primarily in high-quality bonds and mortgages. The account's balances are backed by the general assets of Lincoln Life.
4	Core Equity Fund (SA#11), which invests primarily in large capitalization stocks of well-established companies.
5	Medium Capitalization Equity Fund (SA#17), which invests primarily in medium-sized companies.
6	Short-Term Fund (SA#14), which invests in high quality money market securities that include commercial paper, bankers acceptances, certificates of deposit, loan participation and short-term U.S. government debt.
7	Government/Corporate Bond Fund (SA#12), which invests primarily in U.S. government and high-quality corporate bonds and securities.
8	Large Capitalization Equity Fund (SA#23), which invests primarily in high-risk common stocks which have the potential for a significant appreciation in value within 18 months from the date of purchase.
9	Balanced Fund (SA#21), which invests in three different asset classes: stocks, bonds and money market instruments, which provides growth through the stock portion and reduced risk through the bond and money market portion.
10	High Yield Bond Fund (SA#20), which invests primarily in below-investment-grade bonds, providing higher rates of return to compensate higher risk.
11	Small Capitalization Equity Fund (SA#24), which invests primarily in the stock of new, rapid growth companies.
12	Value Equity Fund (SA#28), which invests primarily in large capitalization stocks of undervalued companies that are industry leaders.
13	International Equity Fund (SA#22), which invests primarily in stocks of non-United States companies.

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- 14 Conservative Balanced Account (SA#30), which invests in three different asset classes with a bias towards fixed-income investments and some equity exposure. The emphasis is on maximum long-term return.

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The Lincoln National Life Insurance Company
Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

4. INVESTMENT OPTIONS (CONTINUED)

- 15 Aggressive Balanced Fund (SA#32), which invests in three different asset classes with a bias towards equities. The emphasis is on maximum long-term total return.
- 16 Delaware Growth and Income Fund (SA#61), which invests in large-capitalization/value securities and seeks to provide high returns with reduced risk over the long term.
- 17 Deutsche VIT Equity 500 Index Fund (formerly Equity 500 Index Fund) (SA#27), which invests in large cap/blend equities and seeks to provide maximum long-term total return.
- 18 Fidelity VIP Contrafund (SA#35), which seeks diversified capital appreciation by investing in VIP II Contrafund Portfolio.
- 19 Janus Fund (SA#42), which seeks to provide long-term growth of capital in a manner consistent with preservation of capital by investing in the Janus Fund which has an emphasis on large-cap/growth securities.
- 20 Neuberger Berman AMT Regency Fund (formerly Mid-Cap Value Fund) (SA#38), which seeks capital growth by investing in AMT Partners Portfolio which has an aggressive growth investment style.
- 21 Social Awareness Fund (SA#33), which seeks capital growth and social responsibility by investing in the Social Awareness Portfolio.
- 22 T. Rowe Price International Equity Fund (SA#45), which seeks to provide long-term growth of capital by investing in non-U.S. large cap/growth and value-blend securities.
- 23 Janus Aspen Series Worldwide Growth Fund (formerly Global Growth fund) (SA#34), which seeks long-term growth of capital by investing in the Janus Aspen Series Worldwide Growth Portfolio.
- 24 Delaware Global Bond Fund (SA#60), which seeks to provide high total return with reduced risk over the long-term by investments in high-quality global fixed income/intermediate-term maturities.
- 25 Neuberger Berman Mid-Cap Growth Fund (formerly Mid-Cap Growth Equity Fund) (SA#37), which seeks growth of capital by investing in the AMT Mid-Cap Growth Portfolio.
- 26 Deutsche VIT Small Cap Index Fund (SA#36), which seeks to reflect Russell 2000 performance by investing in the Small Cap Index Portfolio.

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The fair value of LNC common stock in the LNC Common Stock Fund not subject to participant direction was \$19,373,868 and \$13,458,714 at December 31, 2001 and 2000, respectively.

The information as to the number of participants selecting each investment option is not readily available. Beginning January 1, 1994, the Plan began offering investment options 9 through 13 noted above to participants. During 2000, the Plan also began offering investment options 14 through 26. Investment options 2 and 4 through 26 are invested in pooled separate accounts of Lincoln Life through a group annuity contract issued by Lincoln Life.

Interest charged on new loans to participants is established monthly based upon the prime rate plus 1%. Loans may be repaid over any period selected by the participant up to a maximum repayment period of 5 years except that the maximum repayment period may be 20 years for the purchase of a principal residence.

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The Lincoln National Life Insurance Company Agents' Savings and Profit-Sharing Plan

Notes to Financial Statements (continued)

5. INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service dated February 9, 1995, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the "Code") and, therefore, the related trust is exempt from taxation. However, subsequent to the issuance of the favorable determination letter, the Plan was amended. Once qualified, the Plan, as amended, is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan, as amended, is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

6. TAX IMPLICATIONS TO PARTICIPANTS

There are no income tax consequences to participants arising from their pre-tax contributions, the Employer's contributions, and income earned in the Plan until actual distribution or withdrawal from the Plan. The tax basis of securities distributed to the participant is provided by the Lincoln National Corporation Benefits Investment Committee.

7. TRANSACTIONS WITH PARTIES-IN-INTEREST

The Plan has investments in common stock of LNC and in pooled separate accounts and investment contracts with Lincoln Life. Lincoln Life charges the Plan for certain administrative expenses including trustee and audit fees. Total administrative expenses charged were \$ 123,858, \$96,034 and \$107,948 in 2001, 2000 and 1999, respectively.

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8. CONCENTRATIONS OF CREDIT RISKS

The Plan has investments in common stock of LNC, pooled separate accounts, and unallocated investment contracts with Lincoln Life of \$79,310,536, \$74,348,874 and \$12,875,716 respectively, at December 31, 2001 (45.5%, 42.7% and 7.4% of net assets, respectively). LNC and Lincoln Life operate predominately in the insurance and investment management industries.

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The Lincoln National Life Insurance Company
Agents' Savings and Profit-Sharing Plan

Plan Number: 006
EIN: 35-0472300

Schedule H, Line 4i--Schedule of Assets (Held At End of Year)

December 31, 2001

(b)	(c)	(d)
Identity of Issue, Borrower, Lessor or Similar Party -----	Description of Investment Including Maturity Date Rate of Interest, Par or Maturity Value -----	Cost -----
*Common stock fund:		
Lincoln National Corporation common stock	1,632,912 shares	\$ 49,395,0
Wells Fargo Bank Short-Term Investment Fund	1,550,053 par value	1,550,0

		\$ 50,945,1
*Pooled separate accounts--		
The Lincoln National Life Insurance Company Separate Accounts:		
Core Equity Fund	1,042,478.322 participation units	**
Medium Capitalization Equity Fund	850,458.860 participation units	**
Short-Term Fund	2,539,094.322 participation units	**
Government/Corporate Bond Fund	240,565.401 participation units	**
Large Capitalization Equity Fund	1,312,128.741 participation units	**
Balanced Fund	232,236.514 participation units	**
High Yield Bond Fund	488,623.323 participation units	**
Small Capitalization Equity Fund	1,437,032.033 participation units	**
Value Equity Fund	1,852,637.180 participation units	**
International Equity Fund	790,992.900 participation units	**
Conservative Balanced Fund	82,609.176 participation units	**
Aggressive Balanced Fund	185,944.483 participation units	**
Delaware Growth and Income Fund	281,949.398 participation units	**
Deutsche VIT Equity 500 Index Fund	1,865,979.358 participation units	**
Fidelity VIP Contrafund	1,320,387.520 participation units	**
Neuberger-Berm AMT Regency Fund	970,815.564 participation units	**
Social Awareness Fund	234,290.682 participation units	**

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Janus Aspen Worldwide Growth Fund	1,822,238.647 participation units	**
Neuberger Mid-Cap Growth Fund	1,056,334.289 participation units	**
Deutsche VIT Small Cap Index Fund	384,835.126 participation units	**

*Investment contracts--
 The Lincoln National Life Insurance Company (Guaranteed Fund) 5.50% interest rate **

Participant loans Various loans at interest rates varying from 6.0% to 11%.

* Indicates party-in-interest to the Plan.
 ** Indicates a participant-directed fund. The cost disclosure is not required.

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The Lincoln National Life Insurance Company
 Agents' Savings and Profit-Sharing Plan

Plan Number: 006
 EIN: 35-0472300

Schedule H, Line 4j--Schedule of Reportable Transactions

Year ended December 31, 2001

(a) Identity of Party Involved	(b) Description of Assets	(c) Purchase Price	(d) Selling Price	(g) Cost of Assets	(h) Current Value of Assets Transacted Date
Category (iii)--Series of transactions in excess of 5 percent of Plan assets.					
Wells Fargo Bank	Lincoln National Corporation shares of common stock:				
	Purchases	\$ 9,519,235	\$ -	\$ 9,519,235	\$ 9,519,235
	Sales	-	9,580,174	5,998,083	9,580,174
Wells Fargo Bank	Wells Fargo Bank Short-Term Investment Fund:				
	Purchases	31,638,816	-	31,638,816	31,638,816
	Sales	-	32,323,132	32,323,132	32,323,132

Note: Columns (e) and (f), and categories (i), (ii) and (iv) are not applicable.

SIGNATURE

THE PLAN. Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrator of the Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

March 29, 2002

By: /s/ George E. Davis

George E. Davis
Administrator