LINCOLN NATIONAL CORP

Form 4

February 26, 2007

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

OMB

OMB APPROVAL

Number:

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SECURITIES

Form 5 obligations may continue. See Instruction

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section

30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * Mullen Terrence James

(First)

(Street)

5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading

Director

Issuer

Symbol LINCOLN NATIONAL CORP

[LNC]

(Check all applicable)

(Last)

(Middle)

3. Date of Earliest Transaction

X_ Officer (give title

10% Owner Other (specify

(Month/Day/Year)

02/22/2007

below) President-LFD

CENTRE SQUARE-WEST TOWER, 1500 MARKET ST., **SUITE 3900**

Common

Stock

Stock

4. If Amendment, Date Original

Applicable Line)

Filed(Month/Day/Year)

X Form filed by One Reporting Person Form filed by More than One Reporting

6. Individual or Joint/Group Filing(Check

PHILADELPHIA, PA 19102

(City) (State) (Zip) Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned 3.

1.Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if (Instr. 3) (Month/Day/Year)

02/22/2007

4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 8) (Instr. 3, 4 and 5)

5. Amount of Securities Beneficially Owned Following Reported

6. Ownership 7. Nature of Form: Direct Indirect (D) or Beneficial Indirect (I) Ownership (Instr. 4) (Instr. 4)

(A)

Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

6,835 \$0 Α Α 19,553.34 D (1)

Common 02/22/2007 F 2.251 \$0 17,302.34 (2) D Stock

Common

Ι

 $1,265.01 \frac{(3)}{}$

By 401(k)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactio Code (Instr. 8)	5. Number of or Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount Underlying Securition (Instr. 3 and 4)	
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amou or Numb of Sha
Employee Stock Option (Right to Buy)	\$ 47.58 (4)	02/22/2007		A	7,831	02/22/2007	03/11/2014	Common Stock	7,83
Employee Stock Option (Right to Buy)	\$ 70.66	02/22/2007		A	41,861	02/22/2008(5)	02/22/2017	Common Stock	41,8

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

Mullen Terrence James

CENTRE SQUARE-WEST TOWER 1500 MARKET ST., SUITE 3900 PHILADELPHIA, PA 19102

President-LFD

Signatures

/s/ Charles A. Brawley, III, Attorney-in-Fact

02/26/2007

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Represents settlement of long-term incentive awards for the 2004-2006 performance cycle.
- (2) Includes 121.24 shares acquired through dividend reinvestment since the reporting person's last report.

Reporting Owners 2

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- (3) Represents routine transactions in the Company's 401(k) Plan from 1/1/07 to 2/1/07.
 - On March 11, 2004, the reporting person was granted this option relating to the 2004-2006 performance cycle, which vested only upon
- (4) the satisfaction of certain performance criteria. The performance criteria for the period were met. Represents the Fair Market Value (as defined under the Company's Incentive Compensation Plan) of the issuer's common stock on the grant date.
- (5) The option vests in three equal annual installments beginning on February 22, 2008.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.