

Companies, as appropriate, shall take such steps as may be necessary to comply with rules 6e-2 and 6e-3(T), or rule 6e-3, as such rules are applicable.

11. The Participants, at least annually, will submit to the Board such reports, materials, or data as a Board reasonably may request so that the trustees of the Board may fully carry out the obligations imposed upon the Board by the conditions contained in this application. Such reports, materials, and data will be submitted more frequently if deemed appropriate by the Board. The obligations of the Participants to provide these reports, materials, and data to the Board, when it so reasonably requests, will be a contractual obligation of all Participants under their agreements governing participation in the Portfolios.

12. All reports of potential or existing conflicts received by the Board, and all Board action with regard to determining the existence of a conflict, notifying Participants of a conflict, and determining whether any proposed action adequately remedies a conflict, will be properly recorded in the minutes of the Board or other appropriate records, and such minutes or other records shall be made available to the Commission upon request.

13. The Trust will not accept a purchase order from a Qualified Plan if such purchase would make the Qualified Plan shareholder an owner of 10 percent or more of the assets of such Portfolio unless such Qualified Plan executes an agreement with the Trust governing participation in such Portfolio that includes the conditions set forth herein to the extent applicable. A Qualified Plan or Qualified Plan participant will execute an application containing an acknowledgment of this condition at the time of its initial purchase of shares of any Portfolio.

Conclusion

Applicants submit, based on the grounds summarized above, that the exemptions requested are necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-25939; File No. 812-12370]

The Lincoln National Life Insurance Company, *et al.*; Notice of Application

February 20, 2003.

AGENCY: Securities and Exchange Commission (the "Commission").

ACTION: Notice of Application for an order pursuant to Section 11(a) of the Investment Company Act of 1940 (the "Act") approving the terms of an offering of an enhancement offer.

Applicants: The Lincoln National Life Insurance Company ("Lincoln Life"), Lincoln National Variable Annuity Account E ("Account E"), Lincoln National Variable Annuity Account H ("Account H") (Account E and Account H collectively, "Annuity Accounts") and American Funds Distributors, Inc. ("AFD").

Summary of Application. Applicants seek an order approving the terms of a proposed offering of an enhancement offer for certain contracts issued and outstanding whereby an enhancement benefit would be added to the contracts.

Filing Date. The application was filed on December 19, 2000 and amended and restated on December 31, 2001 and on February 10, 2003.

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 must be received by the Commission by 5:30 p.m. on March 17, 2003, 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 requester's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the Secretary of the Commission.

ADDRESSES: Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Applicants, Mary Jo Ardington, Esq., The Lincoln National Life Insurance Company, 1300 S. Clinton Street, PO Box 1110, Fort Wayne, IN 46801-1110.

FOR FURTHER INFORMATION CONTACT:

Lorna MacLeod, Branch Chief, or Rebecca Marquigny, Senior Attorney, Office of Insurance Products, Division of Investment Management, at (202) 942-0670.

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application is available for a fee from the Public Reference Branch of the Commission, 450 Fifth Street, NW, Washington, DC 20549-0102, (202) 942-8090.

Applicants' Representations

1. Lincoln Life was founded in 1905 under Indiana Law, and is a wholly-owned subsidiary of Lincoln National Corp., which is organized under Indiana law. Lincoln National Corp.'s primary businesses are insurance and financial services. Lincoln Life is the Annuity Accounts' depositor within the meaning of the Act.

2. Account E was established on September 26, 1986 and Account H was established on February 7, 1989 as insurance company separate accounts under Indiana law. They are registered with the Commission as unit investment trusts under the provisions of the Act. The Annuity Accounts are segregated investment accounts and as such their assets may not be charged with liabilities resulting from any other business that Lincoln Life may conduct. Income, gains and losses, whether realized or not, from assets allocated to the Annuity Accounts are, in accordance with the applicable annuity contracts, credited to or charged against the Annuity Accounts, and without regard to any other income, gains or losses of Lincoln Life. The Annuity Accounts satisfy the definition of a separate account under the federal securities law. The Annuity Accounts are registered on Form N-4 under the Act as unit investment trusts.

3. The Annuity Accounts fund the American Legacy Series of Variable Annuity Contracts ("Legacy Contracts") that Lincoln Life and AFD have offered and sold for a number of years including the American Legacy Contract ("Legacy I") and the American Legacy II Contract ("Legacy II"). The contracts are flexible premium deferred variable and fixed annuity contracts under which contract owners may pay one or more purchase payments over a period of time.

4. The subaccounts are invested in funds of the American Funds Insurance Series. To the extent that an owner selects one or more subaccounts, his or her investment in the contract will vary with the investment performance of the selected subaccount. To the extent that an owner selects the general account, Lincoln Life guarantees that the amount allocated to the general account will be credited with a minimum interest rate and Lincoln Life may credit additional interest which it may declare from time to time.