

FIXED ANNUITIES

The Lincoln Leader

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Discuss the “Fixed Income Dilemma” with clients *Lincoln OptiBlend*® fixed indexed annuity may provide balance to a portfolio - new digital guide now available

With bonds unlikely to generate meaningful returns, how do you position a portfolio for growth, while continuing to provide downside protection?

This [new digital guide](#) discusses historical bond portfolio returns and the risks involved during an extended low interest rate environment.

Clients nearing retirement may be more cautious about market risk and interested in a strategy designed to provide:

- 100% protection to help guard against downturns
- Upside potential with growth tied to market indices
- No cost
- Confidence that you’re working with a consistent and dependable provider

With a *Lincoln OptiBlend* fixed indexed annuity as part of a portfolio, you may help your clients bring protection and growth into balance.



The screenshot shows a digital guide from Lincoln Financial Group. The title is "The fixed income dilemma" with the subtitle "A tough spot for bond investors". The text discusses the challenges of fixed income investing in a low interest rate environment. It lists three major risks: 1. Shrinking yield cushion, 2. Rising interest rate risk, and 3. Increasing credit risk. A call to action at the bottom says "It's time to reevaluate fixed income investing. Let's get started." with a right-pointing arrow.

HEADLINES

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[Check out our current rates or run an illustration](#)
(no login required).

Streamlined, consumer-friendly product Disclosure Statements

Updated disclosures for fixed indexed annuity products coming in October

Beginning October 11, 2021, the new, enhanced product Disclosure Statements became available for new business. We have streamlined the Disclosure Statements and made them consistent between products and across most states.

Other enhancements include:

- Fewer pages with clear, concise language.
- The information is presented using tables, charts, and a sectional format, where possible.
- Indexed account descriptions are easier to understand with less disclosures.
- Clients can easily understand how to access the Account Value and any impacts of taking a withdrawal.

The new disclosures will be available in October for the following fixed indexed annuities (and other proprietary products) in all states except Idaho and New Jersey:

<i>Lincoln OptiBlend®</i>	<i>Lincoln Covered Choice®</i>
<i>Lincoln FlexAdvantage®</i>	<i>Lincoln Covered Choice® Advisory</i>
<i>Lincoln Covered Choice® II</i>	<i>Lincoln Core Capital®</i>
<i>Lincoln Covered Choice® II Advisory</i>	<i>Lincoln OptiChoiceSM NY</i>

We anticipate implementing the Idaho and New Jersey disclosure enhancements in December and updated product Disclosure Statements for fixed annuities early next year.

A new section reminds clients why they purchased their annuity:

Wealth protection and growth potential

Benefits of this annuity include:

- **Principal protection:** Protect your Account Value from down markets. Interest credited will never be less than 0%.
- **Growth potential:** Grow your Account Value based on your allocations to the Fixed Account and indexed accounts.
- **Flexibility:** Reallocate your money across the allocation options. You also have the ability to add Premium.
- **Income:** Take withdrawals or receive income in the future through annuity payment options.

Discuss interest account options first, and then introduce indices, diversification, and details of accounts.

What are my allocation options (Buckets) and how do they work?

This chart provides a summary of how each of the buckets earns interest. An indexed account will reflect a specific crediting method, indexed account rate, a benchmark index, and may have a one-year or a multi-year indexed term.

Fixed rate account	Your money earns a predetermined rate of interest that is credited daily regardless of market performance. The interest rate resets annually. A new interest rate is set at the start of each term and is guaranteed to not be less than 0.10%.
Crediting method: Participation	At the end of the term, if the market index has a positive change, your account is credited the percentage change multiplied by the participation rate. If the percentage change is negative, your account is protected from loss but no interest is credited. A new participation rate is set at the start of each term and is guaranteed to not be less than 5.00%.
Crediting method: Spread	At the end of the term, if the market index has a positive change greater than the spread, your account is credited the percentage change minus the spread. If the percentage change is negative, your account is protected from loss but no interest is credited. A new spread is set at the start of each term and is guaranteed to not be more than 20.00%.
Crediting method: Cap	At the end of the term, if the market index has a positive change, your account is credited the full index performance up to a cap. If the percentage change is negative, your account is protected from loss but no interest is credited. A new cap rate is set at the start of each term and is guaranteed to not be less than 1.00%.

Not all indexed accounts are available in all annuity versions or states, nor offered by all firms. Refer to the Client Brochure, Fact Sheet or ask your financial professional for available indexed accounts, the benchmark indices used and additional index information.

Payment on demand – just ask!

Request commissions when needed (subject to firm availability)

The Payment on demand (POD) feature allows you the opportunity to request part of your payable commissions without waiting for our regularly scheduled commission cycles – payment is sent directly to your bank account. POD is available for most active producers of any channel where the system allows (corporations and individuals).

Within 24 to 48 business hours – Once the POD request has been made, the funds will be available in your bank account within 24 - 48 business hours, depending on the receiving bank.

Access compensation information and POD online by logging on to [LincolnFinancial.com > Industry Professional](https://www.lincolnsolutions.com) and then choosing Compensation > Payment on demand. The POD feature is only available to active producers and certain retired financial professionals, and is available between 7:00 a.m. to 7:00 p.m. Eastern Time, Monday through Saturday.

Not yet registered for online access? It is quick and easy – sign up at [LincolnFinancial.com > Industry Professional](https://www.lincolnsolutions.com).

Requirements:

- \$500 minimum, up to a maximum of \$250,000 of pending commissions are available for POD.
- The POD option is shown on the website:
 - Note: If POD is not available, a message will be displayed saying “POD request not allowed: Producer is not yet eligible for Payment on demand”.
- POD request can only be made once a week.
- Producer must be set up for Electronic Funds Transfer (EFT).
- A producer is allowed one POD transaction per producer ID per pay cycle.

Not available to all firms; not available to inactive producers or producers having commission holds or assignments.

Compensation
Call Center:
800-238-6252, Option 1, Option 1
producersolutionscompensation@lfg.com

If the Payment on demand feature is not visible, or if you need more information, check with your Lincoln representative, or contact the Call Center for availability.

Changes to fixed annuitization communications

In fourth quarter: switch to annual statements; payment confirms will no longer be mailed

Annual statements – Starting with the 4th Quarter 2021 statements, contracts receiving a fixed annuitization payout will now receive an annual statement, instead of a quarterly statement. The annual statement will be mailed after the contract anniversary of the individual contract.

Payment confirmations available online – Effective November 15, 2021, Lincoln will no longer mail payment confirmations on annuitized contracts. Payment confirmations will still be accessible online through on-demand, and Lincoln Customer Service will be able to send the confirmation to the client or financial professional upon request.

Improvements to the online pending business tool

Web tool enhancements now available

Lincoln is excited to introduce more improvements to the pending business tool for registered users of [LincolnFinancial.com](https://www.lincolnfinancial.com). These updates address common requests from producers, making it easier for them to find, sort and address issues and ultimately process their business faster and easier than before.

Enhancements to the pending tool include:

- **Filter by line of business.** Pending business can now be sorted by life and/or annuity.
- **NIGOs are no longer “hidden” if the producer licensing is being verified.** If a contract is not in good order (NIGO) due to pending licensing verification, producers will now be able to view and address any underlying issues.
- **Updates to PDF and Excel exports.** The “issue state” was added to the report, making it easier for searching and tracking. The report format has been updated as well.

Year-end 2021 business cut-off dates

Year-end processing dates for individual annuities



Listed below are some important cut-off dates regarding year-end processing of 2021 Good Order business. Please keep in mind that transactions processed after the deadline will be completed on a best-efforts basis with no guarantees as to the tax year in which they will be reported.

All annuity business mail (applications, checks, financial request, etc.) must be received in good order in the appropriate location by 4:00 p.m. ET by the date specified below.

The dates shown do not represent 2021 compensation payout. The contract must issue in 2021 in order to earn 2021 production credit with Lincoln. Important dates to remember:

- **All fixed, fixed indexed and income annuities: December 21, 2021**
 - This cut-off date applies to all applications; however, for "Applications without money," this date is for rate locks only. **Standard rate lock procedures apply.**
 - This date does not pertain to Lincoln production credit or the issue date.
 - Contact the appropriate New Business Case Coordinator with any questions regarding new business.

Requests in good order received on or before the following dates will ensure 2021 tax reporting:

- **Withdrawals, internal transfers, surrenders, loans, one-time RMDs: December 23, 2021**
- **Automatic Withdrawal Service (AWS) for RMDs: December 3, 2021**

Individual Annuity Contact Center: holiday schedule

Contact Center hours for Thanksgiving

Lincoln Individual Annuities Customer Contact Center (for financial professionals and clients) will be operating as follows:

- Thanksgiving: Thursday, November 25th – closed
- Day after Thanksgiving: Friday, November 26th – OPEN, 8:00 am to 2:00 pm ET

Top NIGO issues

Check new business paperwork requirements

The delays experienced in issuing annuity contracts are often caused by applications received not in good order (NIGO).

Recent NIGO issues include:

- Replacement form needed
- ACORD form – Information needed; Owner signature missing

Read more about different types of NIGOs and [how to resolve them here](#).

Lincoln Fixed Annuities

Lincoln Fixed and Fixed Indexed Annuities

Resolving NIGOs

Incomplete or incorrect application submissions may be deemed "NIGO" (Not in Good Order). Lincoln Annuity New Business will always try to resolve any issues by working with the servicing agent or representative.

During this current environment, Lincoln is striving to be as flexible as possible in resolving NIGOs via recorded line or email.

Types of NIGOs and ways to resolve them

Lincoln Annuity New Business will always try to resolve any issues by working with the servicing agent or representative. For the majority of NIGOs dealing with missing information, the NIGO may be resolved over a recorded line.

Form	NIGO resolution
Application and application supplement	<ul style="list-style-type: none">• Any changes made to the application/supplement should be initiated by the owner. If the Owner did not initial the change, confirmation of the change will need to be provided over a recorded line or in writing (email, USPS mail or fax).• Missing or incomplete information may be accepted over a recorded line.
Suitability form (where the suitability review is conducted by Lincoln)	<p>With the current practice of social distancing, instead of initiating and dating a correction, Lincoln is temporarily accepting client confirmation (where possible) via recorded line or email.</p> <ul style="list-style-type: none">• Missing or incomplete information on the Suitability form (most states) may be accepted over a recorded line in most instances, confirmation may be required from the client.• Florida Suitability forms that have expired due to the 30 day rule will require new signatures. In this situation, Lincoln may accept an email: the client can re-sign and date the form, take pictures and email the forms.
Transfer paperwork/ACORD form/Replacement forms	<ul style="list-style-type: none">• Any paperwork that will be sent to another carrier or institution will need to be completed and submitted to Lincoln; any missing information or changes will need to be supplied and the forms resubmitted to Lincoln.
Other forms	<ul style="list-style-type: none">• Other forms such as the Decedent Contract Request Form and Certification of Trustee Powers form may still need to be initiated and dated and submitted for corrections.

Note: If a form is completely missing, we will need the completed form submitted. However, if the form has been submitted, but is incomplete, information may be taken over a recorded line.

Not all items may be accepted on a recorded line, contact your Lincoln representative or New Business Case Coordinator for specific inquiries.

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Explore the new Digital Resource Center

Access time-saving resources to optimize your business

Find information on tools available supporting the *Digital First* strategy. In one convenient place, you can:

- Jumpstart business with self-service tools, such as Statement on Demand.
- Submit business electronically, access pending business, and track application status.
- Access your book of business — or register for reallocation alerts.

Visit and bookmark <http://www.LFG.com/godigitalannuities> for *annuity business made easy*.

Reminder: Fort Wayne servicing address changed (reprint)

Confirm you are using the correct physical address for overnight mail

Please confirm/update your records to reflect the Lincoln servicing address:

Overnight servicing address (Updated)

Lincoln Financial Group
Individual Annuity Operations
1301 South Harrison Street
Fort Wayne, IN 46802-3425

Regular mailing address (No change)

Lincoln Financial Group
P.O. Box 2348
Fort Wayne, IN 46801-2348

We are in the process of updating all forms and collateral. During this transition period if the prior address has been used, the mail will still be delivered to Lincoln. Thank you for your attention to this matter.

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Fixed Annuity Lincoln Leader – October 2021

NAIC Annuity Transactions Model Reg – training required

Several states now require additional training; other states anticipated to follow

The NAIC has amended the Annuity Transactions Model Regulation to align with the best interest standard of care for annuity sales. As part of this Model Regulation, producers will need to complete additional training. Refer to the [Frequently Asked Questions](#) document for more information.

Producer training requirements for states who have adopted the 2020 NAIC Model

- **New annuity producers** are required to complete a four-credit training course that covers the new requirements.
- **Existing producers** who have previously completed a four-credit training are required to complete a new one-credit training course (a new four-credit course will also meet the requirement). Completion of this training is required within six months after the effective date of the Model Regulation in each state.
- **All producers:** Product-specific training will continue to be a requirement for new and existing producers prior to solicitation of an annuity product.

Note: Where Lincoln is conducting the suitability review, the ACORD 660 form or “Appendix A”, (“Insurance Agent (Producer) Disclosure For Annuities”) is required with the application in states that have adopted the new NAIC Model Regulation. If this form is missing from applications received after the effective date of that state’s adoption, the business will be deemed not in good order (NIGO).

The new state-approved NAIC courses are currently available on vendor sites and will be accepted immediately.

Current state adoptions

The following states have recently adopted the revised NAIC Suitability in Annuity Transactions Model Regulation. Producers soliciting annuities in these states will need to complete the general annuity and product-specific training. State-specific requirements are shown below:

State	Effective Date	General Annuity Deadline if licensed prior to effective date	General Annuity Deadline if NOT licensed prior to effective date	Product-specific (carrier training) deadline	Reciprocal
Alabama	1/1/2022	6/30/2022	Prior to Solicitation	Prior to Solicitation	Yes
Arkansas	7/8/2021	1/1/2022	1/1/2022	1/1/2022	Yes
Arizona	1/1/2021	6/30/2021	Prior to Solicitation	Prior to Solicitation	Yes
Connecticut	3/1/2022	8/31/2022	Prior to Solicitation	Prior to Solicitation	Yes
Delaware	8/1/2021	1/31/2022	Prior to Solicitation	Prior to Solicitation	Yes
Idaho	7/1/2021	12/31/2021	Prior to Solicitation	Prior to Solicitation	Yes
Iowa ¹	1/1/2021	6/30/2021	Prior to Solicitation	Prior to Solicitation	Yes
Maine	1/1/2022	6/30/2022	Prior to Solicitation	Prior to Solicitation	Yes
Michigan	6/29/2021	12/29/2021	Prior to Solicitation	Prior to Solicitation	Yes
Montana ²	10/1/2021	3/31/2022	Prior to Solicitation	Prior to Solicitation	Yes
Nebraska ³	7/1/2021	12/31/2021	Prior to Solicitation	Prior to Solicitation	Yes
North Dakota	1/1/2022	6/30/2022	Prior to Solicitation	Prior to Solicitation	Yes
Ohio	2/14/2021	8/14/2021	Prior to Solicitation	Prior to Solicitation	Yes
Rhode Island	4/1/2021	9/30/2021	Prior to Solicitation	Prior to Solicitation	Yes
Texas	9/1/2021	12/31/2021	Prior to Solicitation	Prior to Solicitation	Yes
Virginia	9/1/2021	2/28/2022	Prior to Solicitation	Prior to Solicitation	Yes

¹ Iowa: Producers who intend to sell fixed and variable indexed annuities in Iowa will need to complete a four-credit indexed product training course.

² Montana: Requires producers to have securities license if recommending the distribution of a security (including a variable annuity).

³ Nebraska: Compliance Training Effective date, 7/1/2021. Regulation Effective Date, 1/1/2022.

Future state adoptions

The following states are pending adoption of the 2020 NAIC Model (others may follow): Kentucky, Maryland, and Pennsylvania.

The Annuity Education Requirements 50-state chart includes this new requirement, and is available by logging onto LFD.COM > GUIDELINES AND EDUCATION > COMPLIANCE GUIDELINES. Updates will be published on a continual basis as states adopt the 2020 NAIC Suitability in Annuity Transactions Model Regulation.

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Looking for an article?

The Index of Articles for past issues of the Fixed Annuity Lincoln Leader can be found on the Lincoln Leader archive page of producer websites.

Products and features subject to [state availability](#).

Certain products are only available in select distribution channels. Check your selling agreement for availability.

Not a deposit
Not FDIC-insured
Not insured by any federal government agency
Not guaranteed by any bank or savings association
May go down in value

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Affiliates are separately responsible for their own financial and contractual obligations.

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Fixed annuity contact information

Sales Desk

Product questions/ Sales ideas/
Illustrations/ Website training
Operating hours: 8:00 a.m. – 7:00 p.m. ET

Annuity Sales Desk *Agent Use Only*

Sales Desk: 888-895-4830, Option 2
FixedAnnuitySales@LFD.com

Producer Solutions

Appointments/ Contracting/
Compensation
Operating hours: 8:00 a.m. – 6:00 p.m. ET

Appointments/Contracting

Call Center: 800-238-6252, Option 1, Option 2

New Contracting Paperwork Submission:

Contracting@LFG.com
Fax: 603-226-5311

NAIC Training Questions:
AskAnnuityNAIC@LFG.com

Appointment Status Updates:
LicensingStatus@LFG.com

Compensation

Call Center: 800-238-6252, Option 1, Option 1
Commissions@LFG.com

New Business and Post-Issue

Operating hours: 8:30 a.m. – 5:00 p.m. ET

FAX Numbers

New business: 260-455-0271 (fax)
Post-Issue: 260-455-0263 (fax)

Pre-Issue Good Order (GO) Team

Contact the appropriate New Business Case Coordinator

Forms Submission

AnnuityForms@LFG.com

Overnight Servicing Address

Lincoln Financial Group
Individual Annuity Operations
1301 S Harrison St., Ft. Wayne, IN 46802-3425

Servicing Address

Lincoln Financial Group
P.O. Box 2348
Fort Wayne, IN 46801-2348

Contact Centers

For agent/client use
Operating hours: 8:00 a.m. – 6:00 p.m. ET

Fixed and Fixed Indexed Annuity

888-916-4900

Lincoln Insured Income, Lincoln Deferred Income Solutions, Lincoln SmartIncome and annuitization:
800-487-1485 x8529

Lincoln Long-Term Care: 877-534-4636

Lincoln fixed, fixed indexed and income annuities are issued by The Lincoln National Life Insurance Company (Lincoln), Fort Wayne, IN. The Lincoln National Life Insurance Company does not solicit business in the state of New York, nor is it authorized to do so. **Contractual obligations are subject to the claims-paying ability of The Lincoln National Life Insurance Company.**

Contracts sold in New York are issued by Lincoln Life & Annuity Company of New York (Lincoln), Syracuse, NY. **The contractual obligations are subject to the claims-paying ability of Lincoln Life & Annuity Company of New York.**