

FIXED ANNUITIES

# The Lincoln Leader

MARCH 18, 2022  
VOLUME 15, ISSUE 3

## *Lincoln OptiBlend*® fixed indexed annuity offers new indexed account strategy

1 Year BlackRock Dynamic Allocation Participation Plus offers clients a higher participation rate for a fee

The 1 Year BlackRock Dynamic Allocation **Participation Plus** indexed account is now available with new *Lincoln OptiBlend*® contracts. The Participation Plus account offers clients a higher participation rate in exchange for a fee, giving them the potential for higher earnings compared to the non-fee version of the account.

The Participation Plus account is tied to the performance of the BlackRock Dynamic Allocation Index. This index seeks to deliver diversified global multi-asset exposure via a combination of strategic and tactical insights, aiming to achieve a stable and consistent return profile.

- The fee is deducted from the amount allocated to the Participation Plus indexed account at the beginning of each new indexed term; the fee only applies to the amount allocated to the Participation Plus account.
- Current fee: 1.00% (maximum fee of 3.00%).
- Earnings are based on the amount allocated to the Participation Plus account (before the fee is deducted, but less any withdrawals).
- If the index return is greater than the fee, the account will increase by the amount of the positive return multiplied by the participation rate (after the fee has been deducted); if the index return is less than the fee, zero, or negative, the account is protected from market loss, but the Participation Plus indexed account value will decrease due to the deduction of the fee.

Refer to the [Rate Sheet](#), the [Announcement Flier](#) and the [Participation Plus flier](#) for more information.

### HEADLINES

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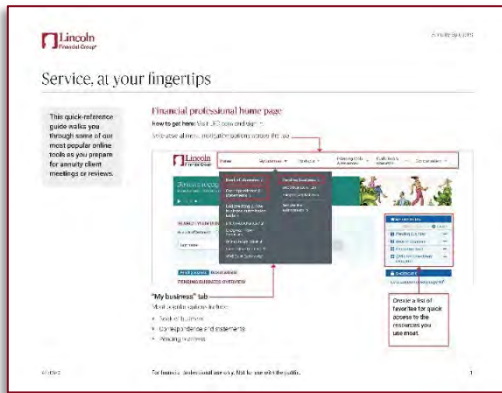
[Check out our current rates or run an illustration](#)  
(no login required).

## Log in to LFD.com today! New self-service reference guide available

Access pending business, existing accounts and correspondence

Access our self-service tools by logging in to [LFD.com](https://lfd.com). Check the status of submitted business, prepare for client meetings, review account details, and more. Explore these features:

- **Account details page:** View account values, account summaries and transactions, download a contract, and more.
- **Correspondence and statements:** Pull statements, confirmations, letters, contract documents, and tax statements by individual client and contract, or for your full book of business.
- **Pending business tool:** Review new business cases, including those with additional requirements.



### New! Reference Guide

Review this [quick-reference guide](#) for navigation tips, screen shots, and more.

## “Out with the Old Bull, in with a New Bull”

Article discusses the shift from growing assets to protecting gains

A recent article published in the January/February 2022 issue of *Financial Advisor* magazine underscores the value of protecting gains in today’s “New Bull Market.” [Read about](#) the opportunities presented by the current environment.

Author and senior educational advisor to the Alliance for Lifetime Income, Steve Gresham describes the evolution of the New Bull Market.

He talks about how clients may look at their financial professional as problem-solvers, and how financial professionals may have to explore the need for protecting client assets through the use of insurance and annuities.

Contact your Lincoln representative to find out how a Lincoln fixed indexed annuity can help lock in the gains.



## Internal replacement guidelines – Variable annuity to fixed annuity exchanges

Reminder: Up-front compensation is reduced 50%

Lincoln allows for internal exchanges from one annuity to another, providing certain conditions are met. General conditions applying to all exchanges include:

- The guarantees from the existing contract will not transition to the new contract.
- In general, the existing contract has to be out of the surrender charge period in order to be eligible.
- The existing contract's account value as of the day the exchange is processed is used to fund the new contract.
- Features and any benefit riders for the new contract will reflect the current provisions and may not match the features and benefits of the existing contract.
- There will be no production credit for any internal exchange (regardless of whether the exchange takes place during or after the surrender charge period).

The financial professional may choose any compensation option available to them. Upfront compensation will be paid on the amount exchanged or transferred from the prior contract to the new contract at 50% of the of the standard payout rate.

- Trail compensation is not impacted by the 50% reduction.
- Any external funds added to the new contract are eligible to receive full compensation (in accordance with all guidelines existing today) and would use the same compensation option as the internal funds.

Contact your Lincoln representative for more information.

## Annuity Situs Guidelines updated

### New York situs clarified

We have clarified the situs rules for New York annuity cases (see excerpt below) and have updated Form AN10595, Individual Annuity Situs Guidelines. The situs guidelines can be found by logging onto [LINCOLNFINANCIAL.COM](https://www.lincolnfinancial.com) > GUIDELINES AND EDUCATION > COMPLIANCE GUIDELINES, or by accessing the Lincoln Forms Tool: Form AN10595.

For Annuities sold to residents of New York: If the owner/applicant indicates he/she is a resident of New York and any portion of the solicitation, application process or delivery occurs in New York, the application submitted must be a Lincoln Life & Annuity Company of New York (LLANY) form for a product approved in New York. If the New York resident has a legitimate reason to situs the contract outside New York (other than to obtain insurance), a contract may be issued by The Lincoln National Life Insurance Company (LNL) in the other state so long as no part of the solicitation, application process, signature or contract delivery occurs in New York .

## Annuity training reciprocity change in California – new implementation date

California producers may lose authority in states outside of California

Lincoln has recently reviewed the state reciprocity standards, and a change is required for producers residing in California.

California annuity courses will no longer have reciprocity for authority in other states. We will update our systems to make California **non-reciprocal** for annuity training in other states. This update will result in the removal of annuity authority in other states for producers with only California annuity course(s) completed.

**Action may be required:** California resident producers with only California annuity courses **will lose authority** in non-resident states where licensed/appointed. The system update will take place the weekend of **April 2, 2022**. If you are doing business in other states, you may need to satisfy additional training requirements.

Contact your Lincoln representative with any questions.

## Online account information – point-in-time index performance for clients

Enhancement offers personal interim index performance and new screen format

We are pleased to announce that clients and their authorized representatives can now view interim indexed account performance relative to their allocations. A recent enhancement to the online account management tools (Account Details) added this new feature and provides a more efficient experience when viewing fixed indexed annuity account information.

**Interim performance available** – You can now get a snapshot of account performance for your client’s contract. We have added the “Your Performance” column to the Account information section of the online account management tools. This column represents the point-in-time credited rate. Since indexed account earnings are determined at the end of the indexed term, this interim rate represents a way to track potential results, but shouldn’t be viewed as actual earnings.

The screenshot shows the 'INDEXED ACCOUNT ALLOCATION' screen. At the top, there are columns for 'INDEXED ACCOUNT TERM', 'ALLOCATION %', 'INDEX PERFORMANCE', 'YOUR PERFORMANCE', 'RATE', and 'ACCOUNT VALUE'. The 'YOUR PERFORMANCE' column is highlighted with a green circle and a 'New!' badge. Below the table, there is a text box that reads: 'Your Performance reflects the index return as of the date shown below, adjusted for the crediting method and the applicable rate, based on the client's allocation.' At the bottom, there is a 'Value as of:' field with a date picker set to '01/05/2022' and a 'GO' button.

### Service opportunity

The new column helps you and your clients track the current percentage change in the index value and the potential impact to their accumulation goals.

Encourage your clients to register for 24/7 account access at [LincolnFinancial.com](https://LincolnFinancial.com).

## Market insights: Fixed income dilemma

Performance updated through 2021

Check out our market insights discussion on bonds, in the digital brochure, the [Fixed income dilemma](#).

*Lincoln OptiBlend*® fixed indexed annuity may add balance to a portfolio – see how, in this updated brochure.

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

This updated 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
- Controlled costs with no explicit product charges for 7 out of the 8 account options
- Confidence that you’re working with a consistent and dependable provider

Explore how *Lincoln OptiBlend*® fixed indexed annuity may help balance protection and growth within your client’s portfolio. [Read more.](#)

**For financial professional use only. Not for use with the public.**

Fixed Annuity Lincoln Leader – March 2022

The brochure cover features the Lincoln Financial Group logo at the top left. The title is 'The fixed income dilemma' with the subtitle 'A tough spot for bond investors'. Below the title, there is a paragraph of text: 'If you want a level of protection from a market decline, fixed income investments have traditionally been a potential solution. And, during times of volatility, it is no surprise that investors turn to bonds. However, this approach is not as safe as you may think. With interest rates at record lows, the ability of bonds to provide income, capital appreciation, and most importantly, act as a portfolio ballast in times of stress is fundamentally challenged.' To the right, there are three numbered boxes: 1. 'Shrinking yield cushion', 2. 'Rising interest rate risk', and 3. 'Lower future returns'. At the bottom, there is a call to action: 'It's time to reevaluate fixed income investing. Let's get started.' with a red arrow pointing right.

## Department of Labor class exemption for fiduciaries

### Lincoln's Regulatory Roundup provides more information

Two ERISA exemptions (PTE 2020-02 and PTE 84-24) that are available to financial professionals who are providing ERISA fiduciary advice to retirement investors, including ERISA retirement plans, ERISA retirement plan participants, or IRA owners, are summarized in the DOL section of the Regulatory Roundup.

You can review the [Regulatory Roundup](#) site for overviews of PTE 84-24, PTE 2020-02, and a sample 84-24 disclosure.



Bookmark:

<https://www.lfg.com/public/regulatoryroundup>

## 1099-R information

### Mailing complete and forms available online

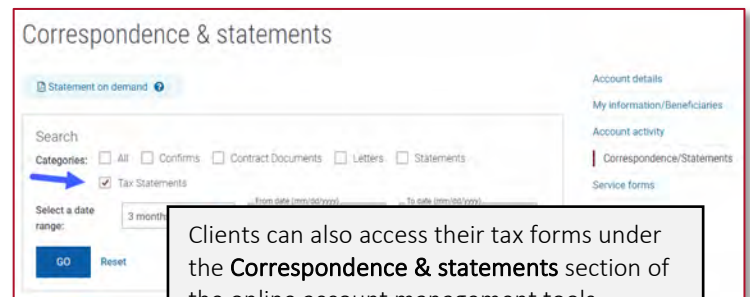
The 1099-R mailing is complete.

The most common reasons a client might receive a 1099-R include:

- Taking a distribution from their annuity contract (1099-R Box 7, Distribution Code 1, 2 or 7);
- 1035 exchanges (1099-R Box 7, Distribution Code 6);
- A direct rollover (1099-R Box 7, Distribution Code G).

A client should consult their tax advisor to determine if the tax applies to the distribution Lincoln is reporting.

For questions – contact the Lincoln Call Center. For more information on the form itself, go to [www.irs.gov](http://www.irs.gov) and view the instructions for 1099-R.



## IRA Contribution Information

### Form 5498 Tax Reporting and 2021 Tax Year Deadline

Form 5498 is used to report regular and rollover contributions to IRAs, including Traditional IRAs and Roth IRAs, and is for informational purposes only. It does not need to be filed with the client's tax return. Per IRS regulations, Lincoln must mail the Form 5498 no later than May 31<sup>st</sup> of the year following the contribution year.

Since clients can make a 2021 tax year IRA contribution until the IRS tax filing deadline for that tax year, Lincoln does not send out the 2021 Form 5498s until May 2022. Note: Trustee-to-Trustee transfers are not reported via a Form 1099R or a Form 5498.

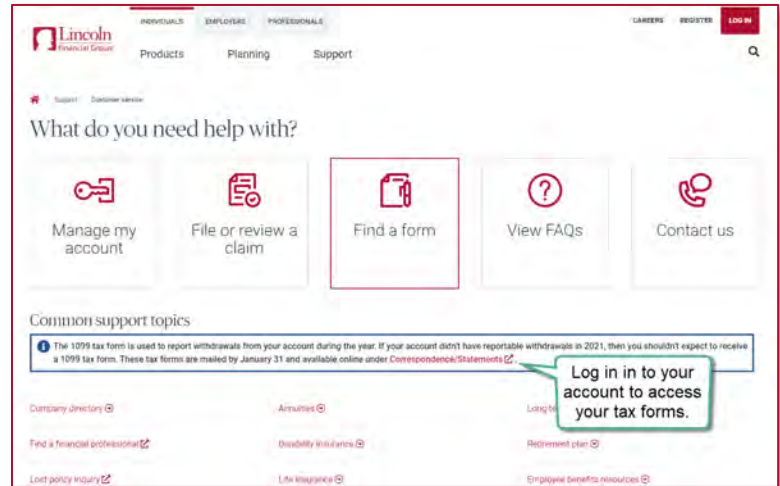
- Reminder: IRA Contributions for the 2021 Tax Year must be postmarked by April 15, 2022. Be sure to clearly indicate the contribution tax year on the check.



## New link added to LincolnFinancial.com for easy access to tax forms

Navigate to: INDIVIDUALS > SUPPORT > CUSTOMER SERVICE

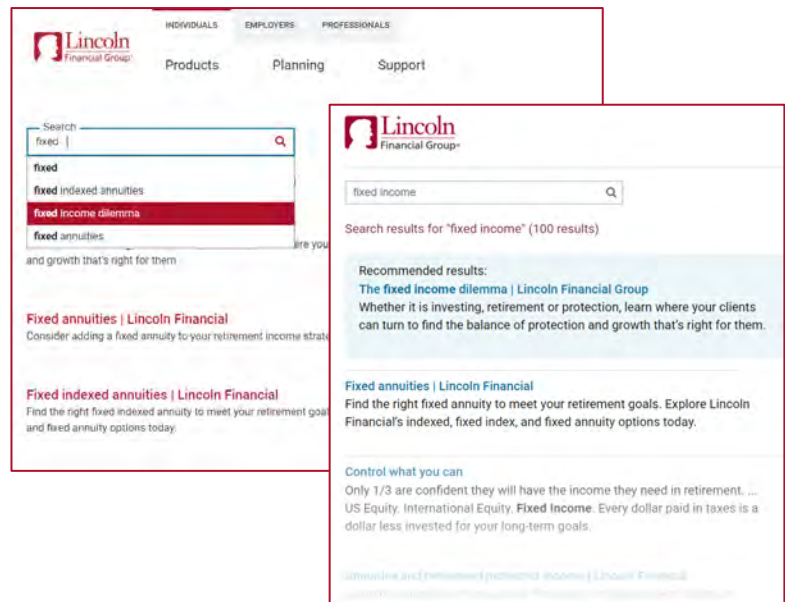
Clients can easily find their tax information by navigating to the “Customer Service” section of [LincolnFinancial.com](http://LincolnFinancial.com). We have added a convenient link on that page that will connect clients to the login screen of our secure website.



## LincolnFinancial.com – New! Robust search engine

Enhancement offers additional flexibility in conducting searches on our site

We are pleased to announce that the search capability has been enhanced across the LincolnFinancial.com website. As you begin typing in the search block, suggested topics will pop up – making it quicker and easier to find what you are looking for.



**Individual Annuity Contact Center: Holiday hours**  
As a reminder, the Individual Annuity Contact Center will be closed on Friday, April 15, 2022 for the Good Friday holiday.

## 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).

### Current state adoptions – New Mexico – *new!*

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 <sup>1</sup>	1/1/2021	6/30/2021	Prior to Solicitation	Prior to Solicitation	Yes
Kentucky	1/1/2022	6/30/2022	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
Mississippi <sup>4</sup>	1/1/2022	6/30/2022	Prior to Solicitation	Prior to Solicitation	Yes
Montana <sup>2</sup>	10/1/2021	3/31/2022	Prior to Solicitation	Prior to Solicitation	Yes
Nebraska <sup>3</sup>	7/1/2021	12/31/2021	Prior to Solicitation	Prior to Solicitation	Yes
<b>New Mexico</b>	<b>10/1/2022</b>	<b>3/31/2022</b>	<b>Prior to Solicitation</b>	<b>Prior to Solicitation</b>	<b>Yes</b>
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
Pennsylvania	6/20/2022	12/19/2022	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

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

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

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

<sup>4</sup> Mississippi: Compliance Training Effective date, 1/1/2022. Regulation Effective Date, 7/1/2022.

### Future state adoptions

Other states are pending adoption of the 2020 NAIC Model; the Annuity Education Requirements 50-state chart will be updated as new states adopt the Model. The chart is available by logging onto [LINCOLNFINANCIAL.COM](http://LINCOLNFINANCIAL.COM) > GUIDELINES AND EDUCATION > COMPLIANCE GUIDELINES.

## 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.

LCN-4537266-031422



# 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](mailto: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](mailto:Contracting@LFG.com)

Fax: 603-226-5311

### NAIC Training Questions:

[AskAnnuityNAIC@LFG.com](mailto:AskAnnuityNAIC@LFG.com)

### Appointment Status Updates:

[LicensingStatus@LFG.com](mailto:LicensingStatus@LFG.com)

### Compensation

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

[Commissions@LFG.com](mailto: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](mailto: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.**