

FIXED ANNUITIES

The Lincoln Leader

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Use of electronic capabilities for conducting business with Lincoln

Annuities moving toward *Digital First* strategy for contract delivery in 2021

Lincoln's *Digital First* strategy includes the use of electronic capabilities, and is the preferred method for conducting business with Lincoln.

From application submission through contract delivery, Lincoln's electronic capabilities offer many benefits for distribution partners, producers and clients, including faster turnaround times and an increase in good-order submissions. The *Digital First* strategy also helps to reduce paper consumption, minimizing the impact of our operations on the environment.

Based on the overall success, adoption and feedback received from our partners thus far, Lincoln will continue to promote *Digital First* for all life insurance and annuity business.

Life Insurance policy delivery – now completely digital

Effective November 16, 2020, the digital policy delivery process is now required for all life insurance policies, including Executive Benefits and Lincoln *MoneyGuard*® policies. Assembled and bound policy packages will no longer be available.

Digital First strategy for annuity contract delivery – targeted for mid-year 2021

Lincoln is committed to helping our partners and customers do business with us seamlessly. In response to the evolving nature of our virtual world, we will be rolling out a similar eDelivery requirement for annuities in 2021.

Note: The optional electronic delivery of contracts, statements and correspondence is currently available for annuity business; contact your Lincoln representative for more information.

Lincoln's *Digital First* strategy provides an efficient, seamless method for the new business process and for customer service, and positions us to be more competitive in the marketplace. As always, we are here to help. Let your Lincoln contact know if you have any questions or need more information.

HEADLINES

[Digital First strategy](#)[New NAIC best interests training requirement](#)[QLAC premium requirements](#)[Contact Center hours](#)[New business reminders](#)[2020 cut-off dates](#)[Contact us](#)

NAIC Annuity Transaction Model Regulation update – New training requirement

Arizona and Iowa now require additional training; other states anticipated to follow

The NAIC has amended the Annuity Transaction 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.

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

- **New producers** planning to sell annuities are required to complete a new 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.

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

Current state adoptions – Arizona and Iowa

Arizona and Iowa have recently adopted the revised NAIC Suitability in Annuity Transaction Model Regulation. Producers soliciting annuities in these states will need to complete the general annuity and product-specific training. Additionally, producers who intend to sell fixed and variable indexed annuities in Iowa will need to complete a four-credit indexed product training course. State-specific information is shown below:

State-specific requirements	Arizona	Iowa
Effective Date	12/31/2020	01/01/2021
General annuity deadline if licensed prior to effective date	06/30/2021	06/30/2021
General annuity deadline if NOT licensed prior to effective date	Prior to Solicitation	Prior to Solicitation
Product-specific (carrier training) deadline	Prior to solicitation	Prior to solicitation
Reciprocal	Yes	Yes

This regulation does not apply to sales of *Lincoln Director*SM, Lincoln American Legacy RetirementSM (LALR), Multi-Fund[®] contracts used to fund 401(a), 401(k) and 403(b) plans and 457 markets (except for Oklahoma, South Dakota and Louisiana).

Future state adoptions

The following states are pending adoption of the 2020 NAIC Model (others may follow):

- Alabama
- Kentucky
- Nebraska
- Rhode Island
- Arkansas
- Massachusetts
- Nevada
- Tennessee
- Delaware
- Michigan
- New Jersey
- Texas
- Idaho
- North Dakota
- Ohio
- Wisconsin

Stay informed

Information is available from the [Regulatory Round-Up](#). This site includes a link to the detailed Frequently Asked Questions document; check the site often for updates.

The Annuity Education Requirements 50-State Chart (available from LFD.COM > MY BUSINESS > COMPLIANCE GUIDELINES) has been updated to include this new requirement.

Updates will be published on a continual basis as states adopt the 2020 NAIC Suitability in Annuity Transaction Model Regulation.

Lincoln Deferred Income SolutionsSM Annuity – QLAC status update

Premium dollar limit remains at \$135,000 for 2021

Lincoln Deferred Income SolutionsSM Annuity is available as a Qualifying Longevity Annuity Contract (QLAC). A Lincoln QLAC gives clients more flexibility when planning for future income needs while possibly reducing the current tax liability associated with IRA required distributions.

The dollar limitation on premiums paid with respect to a qualifying longevity annuity contract (QLAC) under §1.401(a)(9)-6, A-17(b)(2)(i) of the Income Tax Regulations remains \$135,000 for 2021.

As a reminder, QLAC premium requirements are as follows:

- Lincoln minimum initial premium: \$1,000 (flexible premium contracts); Subsequent Premiums: \$100
 - Subsequent premiums are allowed within 13 months of the Income Start Date (subject to state availability) and must meet QLAC contribution limits.
- Maximum premium: The lesser of \$135,000 or 25% of all traditional IRA balances as of December 31st prior to the QLAC contribution.

Different years suggested for IRA Rollover and subsequent QLAC purchase

Lincoln is only able to accept QLAC business from IRA rollovers that have an established December 31st balance. Clients wishing to purchase a Lincoln deferred income annuity as a QLAC may wish to establish the QLAC in the year following the IRA Rollover transaction, so that the December 31st IRA balance is clearly documented.

Resources available

Access LFD.com to review the QLAC materials consisting of a Frequently Asked Questions document, QLAC basics and other information; available from *LINCOLN DEFERRED INCOME SOLUTIONS* ANNUITY PRODUCT CONTENT > PRODUCT SPECIFICATIONS > RESOURCE PAGE.



Contact Center holiday hours

The holiday schedule for the Lincoln Individual Annuities Customer Contact Center (for financial professionals and clients) will be as follows:

- | | |
|---------------------------------------|--------------------------|
| • Thursday, December 24 th | 8:00 a.m. – 4:00 p.m. ET |
| • Friday, December 25 th | Closed |
| • Thursday, December 31 st | 8:00 a.m. – 6:00 p.m. ET |
| • Friday, January 1, 2021 | Closed |

Getting ready for year-end: New business reminders

Check product issue age and premium requirements; avoid NIGOs

Most Lincoln fixed and fixed indexed annuities have the following issue age and premium requirements. Check with your Lincoln representative or refer to the applicable Fact Sheet for more information. Incomplete or incorrect application submissions may be deemed “NIGO” (Not in Good Order). If the issue year is important, pay attention to new business deadlines shown below.

Issue age:	Ages up to age 85 ; Contracts with longer surrender charge periods: up to age 80 (For Single Premium Immediate Annuity (SPIA) and Deferred Income Annuity (DIA) , refer to the Fact Sheets).
Minimum initial premium for deferred annuities:	\$10,000 nonqualified and qualified; Exception for <i>Lincoln OptiChoice</i> SM NY (\$5,000 NQ, \$2,000 Q)
Minimum initial premium for SPIA and DIA:	• SPIA - \$25,000 (\$10,000 for Period Certain) • DIA - \$1,000 (\$10,000 in CA)
Maximum initial premium without prior approval:	\$2,000,000 nonqualified and qualified. Applications for premiums over \$2 million will need prior Home Office approval.
Subsequent premiums: (flexible premium contracts)	Subsequent premiums: Minimum: \$50 Maximum: \$25,000 per contract year. \$100,000 maximum overall Note: subsequent premiums will be allocated to the Fixed Account and will be eligible for reallocation at the next contract anniversary

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

Year-end 2020 business cut-off dates: Individual Annuities

Important cut-off dates regarding year-end processing



Listed below are some important cut-off dates regarding year-end processing of 2020 good order business. Please keep in mind that transactions processed after the deadline or cut-off dates will be completed on a best-efforts basis with no guarantees as to the tax year in which they will be reported.

The dates shown in the chart do not represent 2020 compensation payout. The contract must issue in 2020 in order to earn 2020 production credit with Lincoln.

Request or Process	Deadline by 4:00 p.m. ET	Notes
New Business: Contact the appropriate New Business Case Coordinator with any questions regarding new business.		
All fixed, fixed indexed and income annuities	December 22, 2020	This cut-off date applies to all applications; however, for "Applications <u>without</u> money" this date is for rate locks only. Standard rate lock procedures apply. Note: This date does not pertain to Lincoln production credit or the issue date.
Financial Distributions:		
Withdrawals, internal transfers, surrenders, loans, one-time RMDs	December 24, 2020	"In good order" requests received on or before December 24, 2020 will ensure 2020 tax reporting.

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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LCN-3355066-120320



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

Customer 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. – 5:15 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. The "contract" may be referred to as a "policy" or "certificate" in certain states. The certificate is a group annuity certificate issued under a group annuity contract issued by The Lincoln National Life Insurance Company to a group annuity trust. **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.**