

RATE LOCK PROCEDURES FOR FIXED INDEXED DEFERRED ANNUITIES (Effective 2/1/2010)

The Lincoln National Life Insurance Company (“Lincoln/Company”) issues fixed indexed annuity policies on the issue date following Annuity New Business’s receipt of all premium(s) and paperwork in good order. “Good order” means that all required forms are properly completed and signed and the agent is properly licensed and appointed. Paperwork not in good order (“NIGO”) will result in delays.

Cash with Application (“CWA”)

- To “lock-in” rates before a rate change, the signed application and signed disclosure statement must be received in Annuity New Business before 4 p.m. ET on the business day* before the effective date of the rate change. Applications received on or after the effective date of the rate change will receive the new rate.
- The current rates for the policy’s Fixed Account interest rate and the indexed accounts’ applicable specified rate, indexed interest cap, monthly indexed cap and indexed interest spread are assigned on the day the signed application and signed disclosure statement are received in Annuity New Business. These rates will be held for 7 calendar days.
- If the cash is received in Annuity New Business before the end of the 7-calendar day rate hold period and the paperwork is in good order, the policy’s rates will be the better of:
 - A. The rates assigned at the beginning of the 7-calendar day rate hold period,
 - B. The then-current (“new money”) rates.
- Business submitted electronically will have a 7-calendar day rate hold based on the transmission date.
- If the 7-calendar day rate hold period has expired and the premium has not been received in Annuity New Business or the paperwork is not in good order, there is no rate hold and the policy’s rates will be the then-current rates.

Transfer of Funds from Non-Insurance Accounts to Non-Qualified Annuities

- Transfer of non-qualified Non-Insurance funds are eligible for a 7-calendar day rate hold like Cash with Application.
- Transferred funds from non-qualified Non-Insurance funds include agent, client or Lincoln initiated transfers from accounts like Mutual Fund Shares; Certificates of Deposit; Brokerage Accounts; or any other financial institution funds, selected in section 4 of the ACORD transfer form (ACORD951).

1035 Exchange/Transfer

- A 60-day rate hold will apply to 1035 exchanges or qualified trustee-to-trustee transfers. The exchange or transfer must be initiated by Lincoln. A rate hold will not apply to a 60-day rollover.
- A 60-day rate hold will also apply to qualified employer funds (401(k); 403(b); defined benefit plans etc.) rolling over to an IRA regardless of whether Lincoln or the client initiates the transfer, as long as the funds are endorsed or made payable directly to Lincoln.
 - If the client initiates the transfer and the proceeds are not endorsed or made payable to Lincoln, the case will receive a 7-calendar day rate hold like Cash with Application. The ACORD form (ACORD951) must be submitted to indicate that Lincoln should not initiate the transfer of the funds.
- The 60-day rate hold period begins the date the signed application, signed disclosure statement, and ACORD transfer form (ACORD951) are received in Annuity New Business. The current rates are assigned on this day.
- When the exchange or transfer is received electronically, the 60-day rate hold period begins on the transmission date.
- To “lock-in” rates before a rate change, the paperwork including the signed application, signed disclosure statement, and the ACORD transfer form (ACORD951) must be received in Annuity New Business before 4 p.m. ET on the business day* before the effective date of the rate change. Applications received on or after the effective date of the rate change will receive the new rate.
- If the transfer money and requirements are received and deemed in good order by Annuity New Business before the end of the last business day* of the 60-day rate hold period, the policy’s Fixed Account interest rate and the indexed accounts’ applicable specified rate, indexed interest cap, monthly indexed cap and indexed interest spread will be the better of:
 - A. The rate assigned at the beginning of the 60-day rate hold period, or
 - B. The “new money” rate in effect on the day the policy is issued.

*Business day means a Lincoln Financial Group regularly scheduled work day.

Lincoln Financial Group is the marketing name for Lincoln National Corporation and its affiliates. Affiliates are separately responsible for their own financial and contractual obligations.

- If the transfer money and/or requirements arrive after the 60-day rate hold period has expired, the policy's Fixed Account interest rate and the indexed accounts' applicable specified rate, indexed interest cap, monthly indexed cap and indexed interest spread will be the "new money" rates in effect on the date the policy is issued.
- There is no rate hold on the S&P 500 Index value. The S&P 500 Index value is determined on the date the policy is issued.
- Interest is not credited between the date the premium is received and the date the policy is issued.

Rate Holds on the First Piece of Business

The Company does not hold rates while waiting for licensing and appointment approval. The first case submitted by a new agent will be issued on the next available issue date after the appointment completion date, provided that all new business paperwork is in good order and premium(s) has been received.

Requests for Future Funding

Note: If special instructions are given in Section 6 of the ACORD951 form for liquidating an existing contract or account, the following provisions apply:

- The transfer request will be initiated *the business day prior to* the Maturity Date (Section 6 of the ACORD951), unless requested otherwise.
- The transfer request will be initiated *the business day prior to* the specific date (Section 6 of the ACORD951), regardless of when the transfer paperwork is received by Lincoln.
- The rate lock time periods are the same as outlined in the applicable Transfer sections, and will not be extended.

Lincoln is only able to hold applications for 30 days for future transfer requests. If Lincoln receives an application and the Maturity Date or specified date for liquidation (Section 6 of the ACORD951) is longer than 30 days from date Lincoln receives the ACORD951 form, **the application will be returned**. Indicating a Maturity Date or specific date for liquidation on the ACORD951 form is considered requesting the transfer for that future date.

Verifying Business is in Good Order

Please allow the Company 2 business days for CWA or 4 business days for 1035 Exchanges/Transfers to review submitted business for completeness. Pending status information can be found on www.LFD.com or request this information by phone at 1-800-453-8588.

Wire Transfers

Annuity New Business accepts premium payments by wire transfer. Please indicate on the application "payment via wire" and include the ABA routing number of the "from" originating bank account, the bank name and the dollar amount being wired. For complete wiring instructions please contact Annuity New Business.

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