
Lincoln's new FIA links to risk-controlled S&P500 Index

By Editorial Staff *Wed, Jun 3, 2015*

The interest credited on the new OptiBlend option is based on the performance of the S&P 500 Daily Risk Control 5% Index.

Lincoln Financial Group has launched a new deferred fixed indexed annuity, called OptiBlend, that offers four interest crediting strategies, including exposure to a “risk-controlled” version of the S&P 500 Index, the Radnor, Pa.-based firm said this week.

The four crediting options are:

- A fixed account
- A one-year point-to-point cap indexed account linked to the S&P 500
- A performance-triggered indexed account linked the S&P 500 Index
- OptiBlend, which has a spread.

The interest credited on the new OptiBlend option is based on the performance of the S&P 500 Daily Risk Control 5% Index. A spread will be applied to the return of the S&P 500 Daily Risk Control 5% Index to determine the interest credit a client will receive.

The spread acts as a hurdle rate with all index performance over the spread credited to the client's account. Since volatility is managed within this Index, a lower spread can be offered than one based on the S&P 500 without risk control.

Lincoln's new FIA also offers a seven-year and a 10-year surrender charge period and an optional guaranteed lifetime withdrawal benefit, Lifetime Income Edge. It offers income bonuses at five and 10 years if the client has not turned on income. It also offers an income enhancement if nursing home care is needed (not available in all states).

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