

The Lincoln National Life Insurance Company and/or Lincoln Life & Annuity Company of New York are herein separately and collectively referred to as ("Lincoln").

July 13, 2011

Mr. Michael A. Delaney Attorney General of New Hampshire State House Annex 33 Capitol Street Concord, NH 03301-6397

RE: The Lincoln National Life Insurance Company

Lincoln Life & Annuity Company of New York

Notification pursuant to NH Rev. Stat. 359-C.20

Dear Attorney General Delaney:

The Lincoln National Life Insurance Company and Lincoln Life & Annuity Company of New York (collectively referred to as the "Company") hereby notifies you of the discovery of an incident that inadvertently disclosed certain personal information (identified below) to unauthorized access. This incident involved approximately 705 individuals, of whom 2 are New Hampshire residents. It is important to note that an investigation conducted by the Company's Corporate Privacy Office revealed no evidence or reason to believe that disclosure of information has or will cause the information to be misused. Based on this determination we do not believe that notification is required, but rather are notifying you out of an abundance of caution. In addition, the Company has taken several immediate and important steps to eliminate any potential risk associated with the situation.

The incident involved a home office employee of the Company, who sent an encrypted e-mail message on April 29, 2011 to an Implementation Specialist at a third-party payroll service provider. This e-mail message inadvertently included an attachment that contained the names and Social Security numbers of all participants in the pension plan instead of only containing the participant information of the individual group within the plan that contracts with the payroll vendor.

Learning about and Investigating the Incident. On May 17, 2011, the Company became aware of the error. In its investigation, the Company's Corporate Privacy Office determined that the event was the result of human error. To date, the Company is unaware of any reported instance of identity theft or fraud related to this issue.

Precautionary Measures. The Company has taken several important actions to protect the personal information of its customers and to prevent this type of incident from occurring in the future, including the following:

- 1. The Company removed the email message from Lincoln's secure server as soon as possible and took steps to ensure any copies were destroyed.
- 2. Affected individuals will receive notification in the form enclosed as Exhibit A, by USPS mail on or about July 15, 2011, along with an offer of free credit monitoring.
- 3. The Company provided additional training on Company policies to employees to prevent similar errors in the future.

The notice to the potentially affected individuals will alert them to the vulnerability of their information and enable them to take immediate steps to protect their information against possible identity theft or other monetary damage.

The notification will also describe the various services the Company has made available free of charge to the affected individuals through ConsumerInfo.com, Inc. an Experian Company. The Company engaged Experian to provide the affected individuals with toll-free access to its Customer Care Center, along with free credit monitoring services. The enrolled individuals' credit file will be monitored for key changes, including address changes, inquiries, new trade-lines, delinquencies, and appearances of certain public records. The individuals will be informed of such changes by either postal or electronic mail.

I trust that this letter and its enclosures provides you with all of the information required to assess this matter. Please let me know if you have any additional guestions or if I may be of further assistance.

Sincerely,

Jenna Moore

Corporate Privacy Office Lincoln Financial Group 1300 S. Clinton Street

Juna Moore

Fort Wayne, IN 46802

EXHIBIT A



The Lincoln National Life Insurance Company and/or Lincoln Life & Annuity Company of New York are herein separately and collectively referred to as ("Lincoln").

<Date>

<Participant name>

<Address 1>

<Address 2>

<Address 3>

<City, State Zip>

RE: Notification of disclosure of non-public personal information

Dear <Participant name>:

Lincoln is committed to protecting your personal information and recognizes your need to know should it ever be disclosed. The purpose of this letter is to inform you that your personal information was inadvertently disclosed to a payroll vendor that is used by another employer within the xxxxxxx retirement plan in which your employer is a participant member. On April, 29, 2011, an encrypted email message was sent to an implementation specialist at the payroll vendor company, which inadvertently included an attachment containing your name and Social Security number.

Upon discovery of this error, we immediately notified our Corporate Privacy Office. In addition, the following steps were implemented to remedy the situation:

- The encrypted e-mail message was removed from our secure server to prevent any further access to your personal information.
- We are working to confirm with the implementation specialist who received the information in error that the information in the e-mail message and attachment was not used, shared, copied, forwarded, or distributed to or with anyone.

While we have absolutely no indication of any improper use of your information, out of an abundance of caution, we will provide you with free credit monitoring for a 12-month period to help you detect any possible misuse of your data. Please see the attached information to assist you in enrolling in this service. Please note that your enrollment code will be valid for 60 days from the date of this letter. As always, we recommend that you remain vigilant and review your account statements and credit reports regularly.

We take our obligation to protect client information seriously, and deeply regret any inconvenience and concern that this incident may cause you.

If you have any questions or would like to discuss the contents of this letter please call our Customer Contact Center at 800 510-4015, Monday through Friday, 8:00 am to 8:00 pm Eastern Time.

Sincerely,

Michele Booth Vice President

Defined Contribution Client Services

Michell Boots

Enclosure

cc: Enterprise Compliance/Corporate Privacy Office

U.S. State Notification Requirements

For residents of Hawaii, Iowa, Maryland, Michigan, Missouri, North Carolina, Oregon, Vermont, Virginia, West Virginia, and Wyoming: It is required by state laws to inform you that you may obtain a copy of your credit report, free of charge, whether or not you suspect any unauthorized activity on your account. It is recommended by state law that you remain vigilant for incidents of fraud and identity theft by reviewing credit card account statements and monitoring your credit report for unauthorized activity. You may obtain a free copy of your credit report by contacting any one or more of the following national consumer reporting agencies:

Equifax

P.O. Box 740241 Atlanta, GA 30374 1-800-685-1111 www.equifax.com Experian

P.O. Box 2002 Allen, TX 75013 1-888-397-3742 www.experian.com TransUnion

P.O. Box 2000 Chester, PA 19022 1-800-888-4213 www.transunion.com

For residents of Iowa:

State law advises you to report any suspected identity theft to law enforcement or to the Attorney General.

For residents of Oregon:

State laws advise you to report any suspected identity theft to law enforcement, as well as the Federal Trade Commission.

For residents of Maryland and North Carolina:

You can obtain information from the Maryland and North Carolina Offices of the Attorneys General and the Federal Trade Commission about steps you can take to avoid identity theft.

Maryland Office of the Attorney General

Consumer Protection Division 200 St. Paul Place Baltimore, MD 21202 1-888-743-0023 www.oag.state.md.us North Carolina Office of the Attorney General

Consumer Protection Division 9001 Mail Service Center Raleigh, NC 27699-9001 1-877-566-7226 www.ncdoj.com Federal Trade Commission

Consumer Response Center 600 Pennsylvania Avenue, NW Washington, DC 20580 1-877-1DTHEFT (438-4338) www.ftc.gov/bcp/edu/microsites/idtheft/

For residents of Massachusetts and West Virginia

It is required by state law that you are informed of your right to obtain a police report if you are a victim of identity theft. You also have the right to place a security freeze on your credit report. A security freeze is intended to prevent credit, loans and services from being approved in your name without your consent; however, using a security freeze may delay your ability to obtain credit.

To place a security freeze on your credit report, you need to send a request to a consumer reporting agency by certified mail, overnight mail, or regular stamped mail. The following information must be included when requesting a security freeze (note that if you are requesting a credit report for your spouse, this information must be provided for him/her as well): (1) full name, with middle initial and any suffixes; (2) Social Security number; (3) date of birth; (4) current address and any previous addresses for the past five years; and (5) any applicable incident report or compliant with a law enforcement agency or the Registry of Motor Vehicles. The request must also include a copy of a government-issued identification card and a copy of a recent utility bill or bank or insurance statement. It is essential that each copy be legible, display your name and current mailing address, and the date of issue. The consumer reporting agency may charge a fee of up to \$5.00 to place a freeze or lift or remove a freeze, unless you are a victim of identity theft or the spouse is a victim of identity theft, and you have submitted a valid police report relating to the identity theft incident to the consumer reporting agency.

Equifax Security Freeze P.O. Box 105788 Atlanta, Georgia 30348 www.equifax.com Experian Security Freeze P.O. Box 9554 Allen, TX 75013 www.experian.com **TransUnion (FVAD)**P.O. Box 6790
Fullerton, CA 92834-6790
www.transunion.com