



Financial strength is the core of Lincoln Financial Group® affiliates

New York version

Having comprehensive products and services is important, but it doesn't mean much without the financial strength to support them. Lincoln Financial Group and its affiliates have more than a century-long history of delivering on our promises.

Lincoln Financial Group has long been recognized for its disciplined financial and risk management. Throughout our history—and through vastly changing economic climates—this approach has served us well and has never been more critical than it is today.

Balance sheet strength

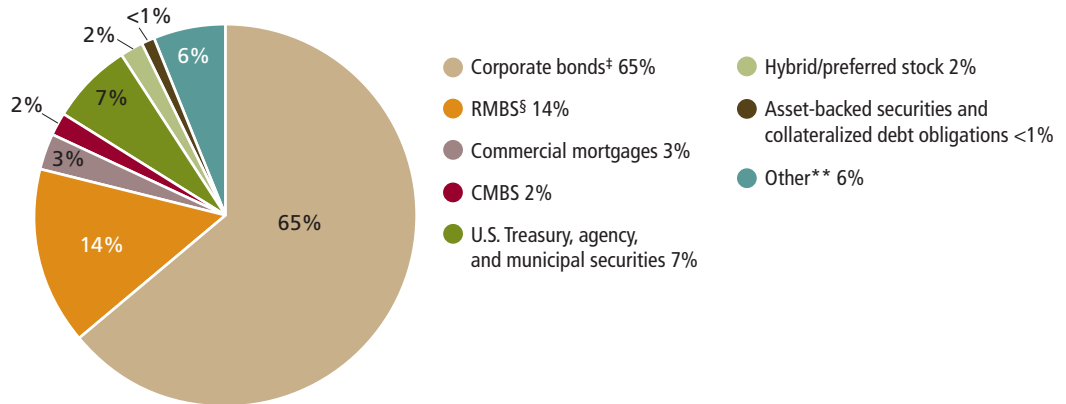
General Account assets are managed with a bottom-up investment style in which in-depth fundamental research is the cornerstone of the investment process.

All information as of June 30, 2011, except where noted. Lincoln National Corporation does not undertake to update this document after that date. More recent information about Lincoln Financial may be found in our SEC filings and new releases available on our website at www.LincolnFinancial.com/investor.

Products issued by:
Lincoln Life & Annuity Company of New York, Syracuse, NY

Lincoln Life & Annuity Company of New York profile of total invested assets as of June 30, 2011

Average bond rating: "A-"*



Subprime and Alt-A†

Represents <4% of total invested assets
99% fixed rate, 95% first lien

Commercial mortgage-backed securities

80% rated A or better*
77% 2005 or earlier vintages

Commercial mortgages

54% loan-to-value
1.6x debt service coverage

*Based on the middle ratings from the three rating agencies (S&P, Moody's and Fitch) and varying slightly from the NAIC ratings.

†Alt-A loans are loans to borrowers with prime-type credit scores but no income verification. Alt-A loans fall between prime and subprime loans.

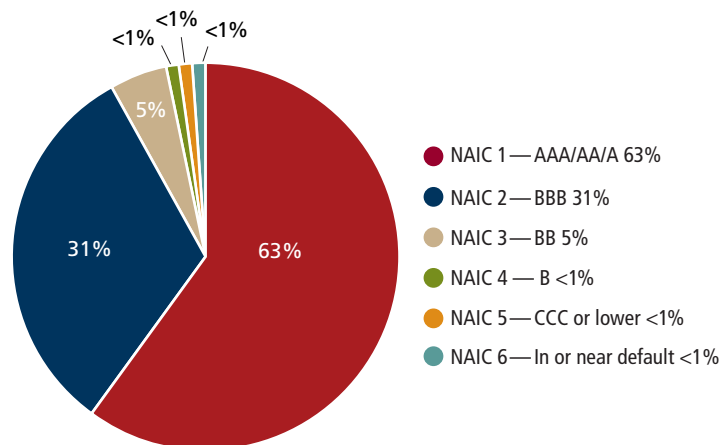
‡Corporate bonds include the following industry sectors: financial services, basic industry, capital goods, communications, consumer cyclical and non-cyclical, energy, technology, transportation, industrial other and utilities.

§RMBS (residential mortgage-backed securities) includes collateralized mortgage obligations (CMOs), mortgage pass-throughs and home equity.

**Other includes equity securities, policy loans and other investments.

Credit rating distribution of fixed-maturity securities

(based on ratings as of June 30, 2011)



NAIC ratings are issued by the National Association of Insurance Commissioners and are similar to the rating agency designations of the Nationally Recognized Statistical Rating Organizations for marketable bonds. NAIC ratings 1 and 2 include bonds generally considered investment grade by such ratings organizations. However, securities rated NAIC 1 and NAIC 2 could be below investment grade by the rating agencies, which is a result of the changes in the RBC rules for RMBS that were effective June 30, 2011, for statutory reporting. NAIC ratings 3 through 6 include bonds generally considered below investment grade.

**Lincoln Life & Annuity
Company of New York**

| | |
|------------------------------|-------------------------|
| A.M. Best | A+ (2nd highest of 16) |
| Fitch | A+ (5th highest of 21) |
| Moody's | A2 (6th highest of 21) |
| Standard & Poor's | AA- (4th highest of 21) |

Moody's Investors Service updated their outlook on Lincoln National Corporation and its operating subsidiaries to positive from stable; Fitch Ratings, and A.M. Best S&P affirmed stable outlook.

These ratings apply only to the company's claims-paying ability. The ratings do not imply approval of the product and do not refer to the performance of the product, including underlying investment options, if any. As of August 2, 2011, these ratings represent the most recently affirmed ratings by the respective agencies. Individual issuing companies are separately responsible for satisfying their own financial and contractual obligations. All ratings are subject to revision or withdrawal at any time by the rating agencies, and therefore, no assurance can be given that these ratings will be maintained. For more information on ratings, see www.LincolnFinancial.com/investor.

Hello future.®

| |
|---|
| 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 |

©2011 Lincoln National Corporation

www.LincolnFinancial.com

Lincoln Financial Distributors, Inc., a broker/dealer, is the wholesale distribution organization of Lincoln Financial Group. 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.

LCN1008-2045122
POD 8/11 **Z16**
Order code: LFG-FSNY-FLI476



Variable insurance company products are sold by prospectus. Investors should consider the investment objectives, risks, and charges and expenses of the product and its underlying investment options carefully before investing. A prospectus contains this and other important information about the product and its underlying investment options. To request a prospectus, call 877 533-0003 or obtain one from your investment representative. Clients should read it carefully before they invest or send money.

Unless otherwise indicated, credit ratings shown in the document are based on ratings provided by the major credit rating agencies (A.M. Best, Fitch, Moody's, and Standard & Poor's) or are based on internal ratings for those securities where external ratings are not available. For securities where the ratings assigned by the major rating agencies are not equivalent, the second highest of the three ratings assigned is used.

Financial data as of June 30, 2011, and subject to change. For more information about Lincoln Financial Group® affiliates, go to www.LincolnFinancial.com.