

Press release



8 June 2009

Providing a secure income and protection from falls in the stock market is No.1 priority for IFAs

Over half of IFAs believe traditional annuities are not flexible enough in the current climate**

A new study from Lincoln Financial Group reveals how IFAs have seen their clients' priorities for retirement planning shift over the last two years during the economic downturn.

Previous research conducted by Lincoln in 2007* revealed how almost two thirds (65%) of IFAs believed that building a retirement fund was the most important consideration when planning their clients' pension. However, Lincoln's latest study** shows that 80 per cent of IFAs now believe providing a secure income and protection from falls in the stock market is their top concern - demonstrating a shift in priorities following recent market volatility.

The research showed that although having a secure pension pot was at the top of the list of priorities, a pension plan that built up a good retirement fund was still important for almost four fifths (79%) of IFAs. Almost three quarters (73%) of IFAs also thought being able to access tax free cash sums was important for clients' retirement planning.

The provision of an income guarantee is also now high on the list of requirements from a retirement product according to over two thirds (68%) of IFAs. This compares to less than half (44%) of IFAs who thought an income guarantee was important in 2007.

IFAs current priorities for retirement products are also reflected in the reasons they say they would recommend flexible annuities to their clients. Two thirds (66%) believe they would recommend flexible annuities due to their level of flexibility and 56 per cent say they would suggest them because of the security of guaranteed income.

Over half of IFAs (57 per cent) also said that traditional annuities weren't flexible enough for their clients.

Simon O'Connor, Head of Products and Marketing at Lincoln Financial Group, said: *"There has been a real shift in attitudes towards retirement planning in the current climate. IFAs are focusing more on*

helping their clients secure their income, as well as building up their pension fund and accessing tax free lump sums.

“Flexible annuity products carry increasingly important benefits in the current climate, such as helping to protect a pension pot against the effects of inflation and providing the option of an income guarantee. As four out of five IFAs have stated that providing a secure income is their clients’ main priority in retirement, it is not surprising to see more IFAs interested in products with income guarantees.”

Lincoln i2Live was launched to provide customers with a unique range of flexible options to take them through each stage of retirement planning. *Lincoln i2Live* offers three products under one umbrella, *i2Live* Accumulator, *i2Live* Drawdown and *i2Live* Annuity, and allows customers to switch from one product to the next to suit their circumstances.

Ends

Notes to editors

Source

*George Street Research carried out an online poll of 107 IFAs in March 2007

**George Street Research carried out an online poll of 202 IFAs in April 2009

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About Lincoln Financial Group

Lincoln Financial Group is the UK business name of Lincoln National (UK) PLC and its UK subsidiary companies. Lincoln National Corporation, the parent group, is listed as LNC on the New York Stock Exchange.

The UK operation dates back to 1934 with assets under management of £3.92 billion (as at 31 March 2009). Lincoln Assurance Limited is part of Lincoln in the UK, within which UK life and pensions business is written. AKG actuaries' current financial strength rating (as at October 2008) rated Lincoln Assurance Limited with an overall Financial Strength rating of 'B+'.

Lincoln in the UK is passionate about doing the best for its customers at or in retirement, by bringing to the market reliable and flexible solutions which enables a smooth transition through retirement, protecting and

enhancing wealth to enjoy an income for life. Lincoln serves the needs of customers nationwide through financial advisers and is dedicated to building excellent customer service.

In the UK, Lincoln Financial Group includes Lincoln Assurance Limited, Lincoln Investment Management Limited and Lincoln Unit Trust Managers Limited, which are each authorised and regulated by the Financial Services Authority. Any information offered will relate to the life assurance, pension and unit trust products and services of the Lincoln Financial Group, or may relate to other types of products or services of carefully selected partner companies not part of the Lincoln Financial Group. No personal financial advice or recommendations will be given.

On 15 June 2009 Sun Life Financial of Canada announced that it is acquiring Lincoln (UK). The Canadian company already has a UK operation and has taken this opportunity to purchase Lincoln UK which is a highly complementary business and brings to them our additional product development and IFA distribution capability.