

# --Press Release



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## **NEARLY THREE OUT OF FOUR FINANCIAL ADVISERS BELIEVE THEIR CLIENTS ARE WILLING TO CONSIDER US-STYLE ANNUITIES**

**But financial advisers are concerned about the level of understanding among consumers**

Financial advisers believe that clients will welcome the choice of US-style annuities when considering the most appropriate retirement income plan to take, new research\* from Lincoln Financial Group shows. A nationwide poll shows 74% of financial advisers believe clients will be willing to consider US-style annuities with only 5% saying clients will not consider them as an alternative to traditional annuities and income drawdown.

US-style annuities provide clients with greater flexibility and cover the middle ground between traditional annuities and income drawdown. However, intermediaries have concerns about these products for the UK market. Around 46% of financial advisers polled see the complexity of the products as a key weakness, while another 46% believe they produce lower incomes compared with drawdown products and traditional annuities. Over half (55%) of financial advisers believe the US approach is a valid alternative to annuities and drawdown, and just 11% say they are not.

Lincoln Financial Group has recently entered the UK retirement market with the launch of *Lincoln i2Live*, a unique range of flexible options to take clients through each stage of retirement planning. *Lincoln i2Live* draws on and adapts for the UK market the group's heritage and expertise in the US where parent company Lincoln National Corporation has more than 100 years experience.

**Lincoln Retirement Income Head of Product and Marketing Simon O'Connor** said; "We are delighted to see that such a large proportion of financial advisers are confident that clients will consider flexible annuities as a solution to their retirement income needs.

"The market needs innovative solutions to help clients plan for retirement and the option of flexibility with a level of guarantee will meet the needs of many clients disillusioned with traditional annuities.

"*Lincoln i2Live* with its Income Guarantee Option provides a combination of flexibility and control. We believe providers and financial advisers must work side by side to ensure that the consumer fully

understands the range of options available to them and which products will best suit their income needs throughout retirement.”

The research found that 56% of financial advisers believe that consumers only have a limited understanding of conventional annuities, and 16% believe consumers don't understand them at all.

Lincoln Financial Group is part of Lincoln National Corporation which is listed as LNC on the New York Stock Exchange. Based in Philadelphia in the USA, Lincoln National Corporation was founded in 1905 and has a proud heritage of over 100 years financial strength and security, with long term credit ratings of A+ from Standard & Poor's, A from AM Best, A from Fitch and total assets of over \$234 billion\*\* under management.

Lincoln Financial Group (UK) offers life assurance, pensions and unit trusts. Total assets managed are £5.68 billion in the UK\*\*\*.

**This press release is intended for financial services professionals and journalists and should not be relied upon by consumers.**

**Ends**

#### **Notes to editors**

\* IFA interviews were conducted by George Street Research in March 2007. A total of 107 interviews were completed amongst a cross-section of advisers throughout Great Britain. Quotas were imposed on the total sample in respect of size of financial adviser firms, region and areas of specialisation.

\*\* Ratings as at 31<sup>st</sup> January 2007. All ratings have a “stable” or credit watch positive outlook as defined by the respective agencies. Figures correct as at 31<sup>st</sup> December 2006.

\*\*\* Figures correct as at 28 February 2007.

#### **Notes to editors**

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