

--Press Release



6 August 2007

INCREASING RENEWAL COMMISSION IS TOP PRIORITY FOR ADVISERS

And building long-term relationships with clients is biggest worry, Lincoln research shows

Financial advisers believe that giving up initial commission in favour of renewal commission is their biggest priority for driving income generation over the next 12 months, a nationwide poll of advisers* by Lincoln Financial Group shows.

And building long-term relationships is seen as the biggest potential threat to their businesses over the next year just ahead of the need to keep up with product development so that they can offer the best advice.

The nationwide survey found that switching the focus to renewal commission was rated the top priority ahead of other income-generating ideas such as moving to fee-based advice, pushing providers to offer more commission, or improving management information on client profitability.

Lincoln Financial Group, which has launched into the UK retirement market with *Lincoln i2Live*, conducted the research to find out how financial advisers intend to drive business over the next year - and what their biggest challenges are.

Lincoln i2Live is a unique range of flexible options to take clients through each stage of retirement planning and offering advisers the chance to build and maintain long-term relationships. The range of products with *Lincoln i2Live* includes the *i2Live* Annuity which enables financial advisers to maintain a relationship with their clients beyond the age of 75. Clients can remain invested in the annuity throughout life.

Lincoln Retirement Income Head of Product and Marketing Simon O'Connor said: "Advisers know very well that they are in a long-term business where focusing on short-term success is unlikely to be a formula for success. The key to success is surely to be found in long-term relationships with clients.

“Switching the emphasis to renewal commission instead of initial commission is part of this thinking and providers are increasingly offering products where advisers can choose the remuneration model that suits them best.

“It is striking that the greatest concern for advisers is that of building long-term relationships. Advisers need more help to build long-term relationships and products should be designed with that in mind.

“There has been innovation in the market over the past year but it is clear the industry needs to do more to communicate with advisers and help them to understand the products that are already available.

“Lincoln Retirement Income is keen to play its part and believes that *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.”

Lincoln research shows 26 per cent of advisers believe giving up initial commission in favour of renewal commission will be their top priority. A further 19 per cent rate it as their second priority. Improving management information in order to assess client profitability was chosen as the top priority by 20 per cent of advisers. Placing greater emphasis on fees was seen as a top priority by 13 per cent of advisers.

Building long-term relationships with clients was cited as a very great concern by 44 per cent of advisers. Keeping up with changes in products in order to offer best advice to clients was rated as a very great concern by 39 per cent of those questioned.

Retaining key staff is seen as a very great concern by 23 per cent of firms while the age of the client base is only seen as a concern by 5 per cent of firms.

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

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About Lincoln Financial Group

Lincoln Financial Group is committed to helping customers look to the future and achieve financial security through its range of life, pension and investment products. Today, Lincoln manages assets of £5.68 billion**.

Lincoln can trace its UK roots back to 1934 and serves the needs of customers nationwide either direct or through independent intermediaries. Lincoln is dedicated to building excellent customer service by offering the highest levels of customer care and information as well as a comprehensive range of competitive products.

We are 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.

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* IFA interviews were conducted by George Street Research in April 2007. A total of 100 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.

** Figures correct as at 28 February 2007.

**Figures as at 31 January 2007. All ratings have a "stable" or credit watch positive outlook as defined by the respective agencies. .

****Figures correct as at 31 December 2006.