

# Press release

17 September 2007



## Income drawdown to beat traditional annuity sales, according to advisers

Financial advisers expect to sell more income drawdown products than traditional annuities, new research\* from Lincoln Retirement Income shows. The research, conducted among advisers to explore which pension products they believe they will sell the most over the next 12 months revealed that 17% expect to sell more income drawdown products while only 6% expect to sell traditional annuities.

The research illustrates how the product landscape for the at-retirement market is changing. Rather than traditional annuities being the obvious solution for people approaching retirement, mindsets are now changing to products that provide greater flexibility to clients.

The research found that the majority of advisers (52%) expect to sell more personal pensions plans than any other pension product. Just more than one in six (17%) plan to sell more SIPP's and another 17% expect to sell more Income Drawdown products. Flexible annuities, while expected to be the most sold pension product by just 3% of advisers, makes them still more popular than impaired annuities (1%), Group PP (1%) or stakeholder pensions (2%).

**Simon O'Connor, Lincoln Retirement Income Head of Product and Marketing** commented, "The UK retirement savings market is evolving rapidly and there is a real need for innovative solutions to enable customers to plan for their futures. It is encouraging that more intermediaries now recognise the benefits of alternative products for clients approaching retirement.

"Traditional annuities do not offer the flexibility and choice required by clients facing retirement today. It seems there is still some way to go before advisers feel happy with the term flexible annuity although we are confident that it is only a matter of time before these new products are accepted as a viable alternative. We look forward to working closely with intermediaries to help them understand and communicate the benefits of what are being dubbed "third-way" retirement products to their clients."

Lincoln Retirement Income launched *Lincoln i2Live*, its flexible retirement plan, in May 2007.

*Lincoln i2Live* offers three products under one umbrella and allows clients to accumulate a retirement income pot with a range of flexible options on taking an income in retirement. Crucially the flexible income opportunities do not end at 75. *Lincoln i2Live* takes clients and their dependants through retirement.

*i2Live Drawdown* is an unsecured pension plan providing flexible income up to age 75. Clients can then convert to *i2Live Annuity*. The fund is available on death to provide a choice of death benefits to suit dependant's circumstances.

*i2Live Annuity* is a flexible annuity offering income flexibility for life. It offers income on death to dependants through the joint life option or through the dependant's guarantee period option. Customers can maximise income if no death benefits are required.

**This press release is intended only for investment professionals including journalists and should not be used or relied upon by private investors or any other persons. Full product information can be found at [www.lincolnuk.co.uk](http://www.lincolnuk.co.uk)**

**Ends**

#### **Notes to editors**

\* 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.

#### **Contact:**

Clare Maiden, Lincoln Financial Group  
[Clare.Maiden@lincolnuk.co.uk](mailto:Clare.Maiden@lincolnuk.co.uk)

01452 637080

Laura Mugford, Citigate Dewe Rogerson  
[Laura.Mugford@citigatedr.co.uk](mailto:Laura.Mugford@citigatedr.co.uk)

020 7282 1081

## **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<sup>1</sup> of A+ from Standard & Poor's, A from AM Best, A from Fitch and total assets of over \$234 billion\*\* under management.

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 recommendation will be given.

\*Figures correct as at 28 February 2007

\*\*Figures correct as at 31 December 2006

<sup>1</sup>Figures as at 31/01/07. All ratings have a "stable" or creditwatch positive outlook as defined by the respective agencies.