

# Press release

17 June 2008



Simon O'Connor, Head of Product and Marketing at Lincoln Financial Group comments on the recent inflation rise and what this means for those with level annuities:

"With the news that inflation reached 3.3% last month and analyst's predictions that it may break the 4% p.a. barrier this year, it is becoming increasingly clear that those opting for a level annuity will have significantly less purchasing power in 20-30 years time. When you consider that inflation for over 65s is even higher at around 7%, the problem is even more acute. Conventional level annuities will no longer provide sufficient income for the many people who now face a retirement period that could last as long as their working lives.

"In the current climate it makes sense for those thinking about securing a retirement income to consider alternative products, like Lincoln's *i2Live*, which allows customers to remain fully invested up to and beyond the conventional annuitisation point at age 75, therefore both giving the potential for a greater level of income and offering a minimum income guarantee option. In our experience, customers find these benefits very appealing when compared to fixed level annuities or drawdown and we expect alternatives to take a substantial part of the current market share in the foreseeable future."

**This press release is intended for investment professionals and journalists and should not be relied upon by private investors or any other person. *Lincoln i2Live* is a product range issued by Lincoln Assurance Limited. Full consumer product information can be found at [www.lincolnuk.co.uk](http://www.lincolnuk.co.uk).**

**Ends**

**Contact:**

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

01452 637080

Carol Watkins, Lincoln Financial Group  
[Carol.Watkins@Lincolnuk.co.uk](mailto:Carol.Watkins@Lincolnuk.co.uk)

01452 637175

Rachel O'Hare, Lansons Communications  
[RachelO@Lansons.com](mailto:RachelO@Lansons.com)

0207 294 3625

Jennifer Comerford, Lansons Communications  
[JenniferC@Lansons.com](mailto:JenniferC@Lansons.com)

0207 7294 3678

## **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 and is one of the world's largest organisations, placed in the FT Global 500 in 2007. 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\* (as at 8 April 2008) of 'A+' from Standard & Poor's, 'a' from AM Best, 'A+' from Fitch and has assets under management of more than \$237 billion (as at 31 December 2007) and more than \$10.6 billion in annual revenues (for the year ended 31 December 2007).

The UK operation dates back to 1934 with assets under management of £5.33 billion (as at 31 December 2007). 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 enable transition through retirement, protecting and enhancing wealth to enjoy an income for life. It serves the needs of customers nationwide either direct or 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.

\* All ratings have a "stable" or creditwatch positive outlook as defined by the respective agencies.