

Financial advisers call for more product innovation from providers

Advisers believe innovation will boost their business, Lincoln research shows

Financial advisers believe that more product innovation is necessary in the retirement income market to help improve their businesses, new research* from Lincoln Financial Group shows. A nationwide poll shows 50% of financial advisers want to see more innovative solutions launched into the retirement income market.

But advisers' awareness of new products already launched in the retirement income market is limited. Around 19% of advisers were unaware of any innovations. And only 12% were aware of innovations in SIFPs – and that is the product which has achieved the highest level of recognition.

Awareness of other innovations such as drawdown products, wraps and changes to traditional annuities was in single figures, the research reveals.

Lincoln Financial Group entered the UK retirement market at the end of May 2007 – after the research - 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: "The retirement income market represents a huge opportunity for advisers as the increase in sales of pension products following A-Day in 2006 shows. The ABI** reported a 45% rise in individual pensions regular new premium business in 2006.

"However the industry needs to build on that success and offer more solutions which take advantage of the opportunities offered by A-Day and meet the demand from consumers. Products should focus on the pre-retirement, at-retirement and in-retirement markets.

“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.”

The research found that financial advisers with national firms are the most convinced of the need for innovation. Around 64% say increased innovation is needed to improve their business, compared with 50% across the market as a whole.

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

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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.

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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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*Figures correct as at 28 February 2007

** Ratings 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.

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