

## Lincoln Financial Group launches unique *Lincoln i2Live* retirement plan

### **Plan offers flexibility and control with an income guarantee option**

**Clients can choose *i2Live* Accumulator, *i2Live* Drawdown or *i2Live* Annuity – and switch between them**

**Only available through financial advisers**

Lincoln Financial Group is today launching *Lincoln i2Live* as it aims to build a strong presence in the UK retirement planning market. *Lincoln i2Live*, which is operated by Lincoln Retirement Income, a new business unit within the existing UK organisation, has been designed to provide a range of flexible options to take clients through each stage of retirement planning.

The ground-breaking product range – a first for the UK market – includes a unique income guarantee option which is available for clients opting for *i2Live* Drawdown or *i2Live* Annuity. Crucially the product allows clients to switch between Lincoln's *i2Live* products at no charge.

The income guarantee can apply to all or part of a payment into *i2Live* Drawdown or *i2Live* Annuity. At outset and on each plan anniversary, a 'maximum supportable income' (MSI) is calculated. This is the yearly income that the fund can support throughout life. The initial guaranteed minimum income is 75% of the MSI at the time the guarantee is taken out and can increase at future five yearly reviews. Income can be taken each year up to the MSI or the guaranteed minimum income, if greater.

*Lincoln i2Live* has been more than a year in development drawing on and adapting the group's heritage and expertise in the US market where parent company Lincoln National Corporation has more than 100 years experience.

New research\* from Lincoln Retirement Income, the new business unit within Lincoln Financial Group operating *Lincoln i2Live*, shows financial advisers believe traditional retirement options are not meeting client needs – 67 per cent of financial advisers say conventional annuities do not offer sufficient choice.

**Lincoln Retirement Income Head of Product and Marketing Simon O'Connor** said: "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. Saving into a pension is possibly the most important investment anyone can make.

We believe *Lincoln i2Live* with its income guarantee option provides a combination of flexibility and control. Feedback from financial advisers has been overwhelmingly positive and we are confident of establishing our innovative product firmly on their agenda."

**Lincoln Retirement Income Head of Distribution Will Hale** said: "We look forward to working closely with financial advisers in building a strong market presence for *Lincoln i2Live*. It offers financial advisers excellent opportunities to demonstrate their expertise and to deliver holistic advice to clients. We are particularly focused on the so-called New Model Advisers."

*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.

The fund range has been selected for its suitability for this market with the assistance of specialists Old Broad Street Research. It includes 66 funds from world-renowned managers such as Artemis, BlackRock Merrill Lynch, Fidelity, Gartmore, IMS, Invesco Perpetual, Investec, JP Morgan, Jupiter, M&G, New Star, Norwich Union, Schroders and Standard Life.

*i2Live Accumulator* is a personal pension plan allowing clients to consolidate the majority of their pension assets under one plan and then build up additional funds taking them through to retirement. Clients have the option of phased conversion to *i2Live Drawdown* and *i2Live Annuity* without additional cost. It offers a wide range of investment fund options which can be continued on conversion.

The unique income guarantee option is available through *i2Live Drawdown* and *i2Live Annuity*. The guaranteed minimum income is reviewed every five years in *i2Live Drawdown*, at the date of conversion to *i2Live Annuity* and every five years in *i2Live Annuity*.

*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.

The allocation rate is 100 per cent and there is no bid/offer spread. There is a £200 annual charge to cover the administration costs (increasing by RPI + 1 per cent a year). Investment fund charges vary depending on the funds selected. The annual guarantee charge is 0.95 per cent of the fund and is deducted by cancelling units monthly. In addition, charges equal to any commission agreed between the client and their financial adviser will be deducted from the fund.

Initial commission can be paid up to a maximum of three per cent of each payment. Trail commission up to a maximum of one per cent of the value of the fund can be paid each year. If a client converts from one *Lincoln i2Live* product to another then further initial commission can be paid.

### **Industry comment**

David Ingram, partner at IFA services provider threesixty services LLP, said: This product looks very interesting.

"It is a further advance on the innovations we have seen recently from a number of providers with links to the US. From what we have seen so far the use of the word 'guaranteed' actually seems appropriate.

"The fact that it is one plan which can take a client through from pension accrual to annuity by way of drawdown is very attractive. The contract is designed very much in line with the requirements of the 'New model' adviser with a commission option which will sit very well with fee based advisers. The availability of trail 'commission' under an annuity contract will also be very attractive to many advisers."

Lincoln will be able to provide illustrations on *Lincoln i2Live* products during July. For more information please visit our website [www.lincoln-ifa.co.uk](http://www.lincoln-ifa.co.uk), call 0845 642 2222 or email [RI-Service@lincolnuk.co.uk](mailto:RI-Service@lincolnuk.co.uk). Daily fund prices can be found on [www.lincoln-ifa.co.uk](http://www.lincoln-ifa.co.uk).

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 used or relied upon by consumers.**

**Ends**

#### **Notes to editors**

\* Financial adviser 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 IFA firms, region and areas of specialisation.

\*\* 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.

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

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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.

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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.

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