

Press release

5 June 2008



Commenting on MetLife's research showing that a third of IFAs plan to recommend third-way products, Simon O' Connor, Head of Product and Marketing, says:

"The industry is at last recognising that new and innovative products are needed to help people plan for retirement. Our own research backs up what MetLife is saying and shows that 67 per cent of IFAs do not believe traditional annuities offer sufficient choice for clients' income retirement needs, so it follows naturally that IFAs are considering alternative solutions.*

"The statistics also show that 44 per cent of IFAs believe that having an income guarantee is one of the most important things to their clients in retirement. Variable annuity products that offer an income guarantee can provide a middle ground between annuities and income drawdown, with greater flexibility than a traditional annuity and less risk than a traditional drawdown.

"However, as "third way" products become more widespread and new products come to the market, it is important that we, as providers, ensure financial advisers are properly educated and get the support they need to advise their clients. Lincoln is currently working with financial advisers to help them develop a deeper understanding of these products and the potential benefits."

Lincoln i2Live offers three products under one umbrella including a personal pension plan, an income drawdown and an investment-linked flexible annuity. It allows clients to accumulate a retirement income pot with a range of flexible options on taking an income in retirement. Lincoln i2Live takes clients through retirement.

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.

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.

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Notes to editors

Source

* IFA 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 financial adviser firms, region and areas of specialisation.

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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.

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