

Press release

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Home is where the retirement heart is

Keeping house is major priority for retirement savers, Lincoln research shows.

Lincoln Financial Group urges savers to focus on products that provide flexibility and income guarantee options

Preserving the quality of life in retirement and crucially keeping their home are the major priorities for people who are already retired or are heading for retirement, new research* from Lincoln Financial Group shows.

Its study shows that maintaining the quality of life throughout retirement was chosen as the key financial need by those aged 45 to 74 and keeping their home when retired was the third most important financial need as they face up to the realities of retirement.

Having an enjoyable retirement was identified as the second most important financial need demonstrating that people who are thinking seriously about retirement, or are already retired focus most on quality of life.

But when asked to assess how well their current financial planning has adapted to meeting those needs, concerns about maintaining quality of life and having an enjoyable retirement remained the biggest concerns.

The age breakdown provides further fascinating insights into the attitudes of those in retirement or thinking seriously about retirement – 14 per cent of those aged 65 are concerned about keeping their home while 16 per cent of those aged under 70 want to be able to work in retirement. Other key findings showed 13 per cent of women aged over 60 identify health and nursing care as major needs while 13 per cent of those aged 55 – 75 are concerned about protecting or maximising savings.

Lincoln Financial Group Head of Product and Marketing Simon O' Connor said: "A good quality of life is the major financial need for people who are heading for retirement or are already retired. And keeping their current home – and ultimately dying in it – is also identified as key financial needs.

“However identifying the need and being able to satisfy the need are two different things. It appears many of us are heading for retirement with major concerns about being able to enjoy what should be a very satisfying part of our lives.

“Financial advisers and providers are adapting to meet those needs with the development of new products which are suited to the new retirement reality.”

Lincoln Financial Group is urging retirement savers to take advantage of pension products which offer the combination of being able to remain invested in the stock market whilst providing guarantee options. Its own *Lincoln i2Live* provides an income guarantee option and allows you to take a flexible income for life between a minimum and maximum limit.

Its research shows the 10 most important statements of financial need and how well savers believe they are currently met.

FINANCIAL NEED*	INDEX OF IMPORTANCE*
Quality of life maintained throughout old age	34
Enjoyable retirement	30
Sufficient income to maintain lifestyle	27
Die at home	25
Preserve lifestyle/value of income	21
Avoid relying on dependents	20
Good quality of nursing care	19
Keep my home when retired	18
Earn additional income in retirement	18
Stay at home if ill	18

Lincoln i2Live provides an income guarantee option which 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 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 – they can continue for the remainder of a clients’ lifetime and those of their dependents.

The 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 a 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 for investment professionals and journalists and should not be relied upon by private investors or any other investors. Full consumer product information can be found at www.lincolnuk.co.uk.

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Notes to editors

* Buckingham Research Associates questioned 1,004 adults aged between 45 and 74 in December 2007. Research commissioned by Lincoln Financial Group. Indexed score takes into consideration the indexed importance of each statement and how well the need is met.

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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 10 January 2008) of 'A+' from Standard & Poor's, 'a' from AM Best, 'A+' from Fitch and has assets under management of more than \$251 billion (as at 30 September 2007) and more than \$9.1 billion in annual revenues (for the year ended 31 December 2006).

The UK operation dates back to 1934 with assets under management of £5.17 billion (as at 30 September 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.