

Press release

1 May 2009



Helen Turner, Sales and Marketing Director at Lincoln, comments on the news that The Hartford is pulling out of the UK variable annuities market.

We are disappointed by the news that The Hartford has taken the decision to cease writing new business in the UK. They have done a great deal to promote the concepts of variable annuities and new retirement solutions in the UK.

We understand The Hartford rationale to withdraw from both the UK and Japan markets is as a result of corporate issues in the US. Unlike Lincoln, they came to the UK market as a new entrant in 2005. In contrast, Lincoln has been operating in the UK for over 75 years and, along with Aegon Scottish Equitable, Prudential, Canada Life and others, continues to grow third way propositions.

Whilst both seek to provide retirement solutions for the baby boomer generation, The Hartford's products are quite different to the Lincoln proposition. Lincoln remains fully committed to this market and believe the variable annuities proposition is sound and the market will be in even greater need of good retirement focussed products following the economic recovery.

In the current climate, clients are demanding options at retirement that can potentially help them recover some of the investment losses suffered in recent months and also give them flexibility in the way they take an income to suit their retirement lifestyle. Current market volatility has perhaps helped to highlight the benefits that variable annuities can offer. Investment control post retirement is seen as increasingly important particularly in times of market volatility.

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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. Lincoln National Corporation was founded in 1905 and has a proud heritage of over 100 years financial

strength and security, with credit ratings (as at 4 March 2009) of 'A-' from Standard & Poor's, 'a-' from AM Best, 'A' from Fitch and has assets under management of \$178 billion (as at 31 December 2008).

The UK operation dates back to 1934 with assets under management of £4.19 billion (as at 31 December 2008). Lincoln Assurance Limited is part of Lincoln in the UK, within which UK life and pensions business is written. AKG actuaries' current financial strength rating (as at October 2008) rated Lincoln Assurance Limited with an overall Financial Strength rating of 'B+'.

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 enables a smooth transition through retirement, protecting and enhancing wealth to enjoy an income for life. Lincoln serves the needs of customers nationwide through financial advisers and is dedicated to building excellent customer service.

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