

## **Lincoln Financial Group's Patented Annuity Rider is Celebrating 21 Years of Helping Americans Create and Control Lifetime Income for Retirement**

*i4LIFE*®, Lincoln Financial Group's patented annuity benefit rider that helps investors maximize their income potential, is celebrating its 21st birthday – and proves to be wise beyond its years.

### **A Look Back: Circa 2000**

Imagine a time when a gallon of gas cost a buck and a half, Netflix was for renting DVDs and email only existed on a desktop computer. No, it's not the dark ages ... it's the year 2000. The world was celebrating a new millennium and at Lincoln, the team was poised to launch a patented, first-of-its-kind solution — *i4LIFE*®. The optional rider benefit was designed to provide lifetime income that, at an additional cost, can be layered with any of Lincoln's variable annuity products.

Variable annuities are long-term investment products that offer a lifetime income stream, access to leading investment managers, options for guaranteed growth and income (available for an additional charge), tax-deferred growth and death benefit protection for loved ones.

At the time, investors' access to guaranteed lifetime income meant investing in annuities with fewer options to customize how and when investors could access their annuity income. Yet, the Lincoln team saw an opportunity in the annuity business for a new solution to provide investors with more flexibility.

Dan Herr, now the senior vice president of Annuity Product Development, played an integral role on the team, working to develop the *i4LIFE* annuity rider, which became Lincoln's first patented solution and an innovative product within the industry.

"Before 2000, annuities meant investors taking an account balance and breaking the sum into payments to ensure income for the rest of their lifetime; however, they would lose access to the full account balance," explained Herr. "*i4LIFE* not only provided lifetime income through our annuities, but also gave investors access to those assets for a period as well — offering transparency and flexibility."

### **Making an Impact**

*i4LIFE* resonated with financial professionals and investors from the start, combining several appealing features: allowing investors access to their funds with the ability to take additional withdrawals while also receiving lifetime income. "Simplification and flexibility were key differentiators," said Herr. "And the accessibility of their funds made the product revolutionary for the time."

Yet, as the industry took notice, it became clear to the team that an evolution of product was needed — and the changes were happening quickly in real-time. "It was a common joke among the team that we reintroduced *i4LIFE* every six months because it was going through a very fast evolution."

The evolution included a myriad of changes added to benefit investors and financial professionals alike, including new options and floors. Yet, it was the addition of the Guaranteed Income Benefit (GIB) that changed *i4LIFE*'s sales trajectory. The GIB delivered a minimum amount of income to consumers every year, no matter the state of the market.

What resulted was a patented weapon in Lincoln's product arsenal that offered tax-efficient optionality to protect the rising income of early 2000s' retirement savers.

### **An Evolution Underway**

The enhanced optionality and flexibility also presented new challenges — and opportunities — for Lincoln.

"Before *i4LIFE*, annuity products were much simpler, focused mostly on tax deferral and death benefit protection with limited optionality," said Herr.

*i4LIFE* went through many iterations over the course of five years as the team worked to keep "one step ahead" of features to help fit investors' income wants and needs. The product's rapid evolution out-of-the-gate offered valuable lessons for the team as they innovated and launched new products throughout the next two decades ... and beyond.

"Now, at the launch of a new product, we expect to innovate and adapt a product to client response to best suit their income needs and goals. We know that the product will go through a maturation phase. Many of these lessons were learned and honed with *i4LIFE*."

### **A Look Ahead: 21 Years and Beyond**

Today, *i4LIFE* is still performing well, coming full circle as investors continue to seek tax efficiency and flexibility in lifetime income strategies. With its evergreen sales strength, *i4LIFE* has been utilized in contracts that totaled \$37.5 billion deposited<sup>1</sup>, since its launch in 2000.

According to Herr, "The reason why *i4LIFE* is relevant still today, as much if not more than it was 21 years ago, is because it puts control in the hands of the investor. They receive that lifetime income stream, but if life events change, they can change their financial plan." Plus, investors are leveraging *i4LIFE* to a protect income stream for their loved ones as well, in conjunction with legacy planning and special needs trusts.

And given the uncertainty and market volatility of the last few years, investors are seeking protection on their terms to help ensure the financial futures they've worked to achieve ... and are leveraging a tried and true 21-year-old product to do just that.

### **By the Numbers**

*i4LIFE*'s impressive numbers do the talking!

- Since 2001, more than \$16 billion has been paid in *i4LIFE* income, through monthly payments and additional withdrawals.
- In more than 21 years, 180,000 investors have received income from *i4LIFE*.
- Forty-four investors purchased *i4LIFE* on the first day it was available in July 2001; clients who elected *i4LIFE* 21 years ago are still receiving income to this day. Over the past 21 years, those original 2001 accounts have received a total of \$11.6 million of income, through monthly payments and additional withdrawals. Today, their combined remaining account value is \$13 million.

### **Learn More about *i4LIFE*®**

Find more information [here](#) and [here](#).

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LCN-3745047-090221

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