
CANNEX adds “4 Box” income planning to its data platform

By Editor Test Sat, May 11, 2013

The 4 Box Strategy is the creation of Farrell Dolan, former executive vice president of income planning at Fidelity Investments.

CANNEX, which provides data and related services to insurers and broker-dealers in the U.S. and Canada, has added a retirement income planning tool to the section of its website that allows advisors to compare annuity products and pricing in a non-sales environment.

The new tool is the “4 Box Strategy for Income Planning” method. It will be an adjunct to the product education service of the CANNEX Retirement Income Product Exchange (RIPE).

RIPE currently allows dozens of leading life insurers and more than 200,000 advisors to:

- Obtain comparative pricing and data about fixed annuity products and guarantees from across the industry.
- Access analytical tools and education material that helps financial advisors position guarantees as a part of a client’s retirement portfolio.

The 4 Box Strategy is the creation of Farrell Dolan, the former executive vice president of income planning at Fidelity Investments. He is president and CEO of Farrell Dolan Associates, a founding member of the Retirement Management Executive Forum (RMEF), and a special advisor to the Retirement Income Industry Association (RIIA).

“Four box planning uses the concept of income flooring, which is the amount of lifetime income a client needs to help cover essential expenses throughout retirement. It examines income risks and assesses how clients can support their lifestyles with a combination of portfolio management and risk pooling through the use of annuity income,” said Dolan in a release. “It’s a highly personalized, education-based process that’s proven to be extremely successful.”

The strategy involves covering essential expenses with guaranteed income, such as Social Security, pensions and annuity income, and then allocating other assets to help pay for luxuries, cover emergencies or fund a legacy. This provides consumers with an effective mix of guarantees, flexibility and the opportunity for asset growth during their years in retirement.

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