

Case Study – At Retirement Planning

About AEGON

AEGON is an established provider of pensions, annuities, protection and investments for individuals and corporates in the UK. Today it has over two million customers and more than £55.9 billion assets under management.

Recent 2010 awards include:

- Money Marketing Financial Services Awards 2010 - Best Pensions Provider
- Investment Life and Pensions Moneyfacts Awards 2010 - Best Group Pension Provider
- Financial Adviser Life and Pensions Awards 2010 - Best Individual Pension Provider, Best Group Pension Provider and Best Overall Pension Provider

AEGON is also renowned for its calculators and e-commerce tools to support the advice process. In 2010, Aegon received 'eee' ratings from research company F&TRC, for their Group: SIPP, CIMP, Personal Pensions and Stakeholder tools.

The development of a planning application for use with customers about to retire was therefore, a natural extension to its pensions planning tools proposition.

AEGON and Distribution Technology

AEGON first became a Distribution Technology client in April 2008, with the launch of an investment risk profiling application for individual and group pension customers.

In 2009, when AEGON decided to develop a planning tool for the 'at retirement' market, it wanted a stochastic solution to support the advice process. The project scope included a number of product requirements such as:

- outlining the options available and their suitability
- providing guidance on appropriate asset mixes for pensions decumulation
- covering the whole of market
- integrating with popular e-commerce systems and portals

The development was also to help strengthen AEGON's relationship with IFAs and last but not least, be understandable to customers. Distribution Technology was therefore, the natural choice.

At Retirement Planner

Launched in October 2009, the 'At Retirement Planner' module is the first tool of its type to combine critical yield analysis with stochastic projections and suitability scoring. It is uniquely useful for advisers considering whether to recommend secured or unsecured pensions.

Whole of market

'At Retirement Planner' allows IFAs to select from a wide range of pension income products, including:

- income drawdown
- phased income drawdown
- annuity

Built with the RDR deadline in mind, AEGON can continue to support IFAs post-2012 as 'At Retirement Planner' is independent of its own products.

User friendly

Advisers have a number of ways to input the customer's current financial position and goals – including age at retirement and income required. Once this is recorded and the 'Attitude to Risk' questionnaire is completed, the adviser has the necessary information to assess the current situation and determine how well placed the customer is to meet his or her goals.

This process automatically includes pre-populated data such as State pension benefits (with the option to use BR19 figures instead).

Understandable

As well as helping with forecasting and scenario planning, one of the most valuable aspects of 'At Retirement Planner' is its pragmatic approach.

- The 'Attitude to Risk' report includes a monetary amount of the maximum expected loss and gain, as well as a description of the customer's risk profile category
- A traffic light system makes it easy to understand how well the customer's current position meets their needs

Integrated

Asset allocation is automatically generated from the information input. Using the results from the ATR questionnaire allows the current and target portfolios to be compared. The adviser can then select the most appropriate product and funds.

All the graphs and data can be downloaded and used in customer reports.

Head Office Address: Sovereign House, Vastern Road, Reading, RG1 8BT

Praise for 'At Retirement Planner'

Independent feedback

The 'At Retirement' planner takes a client's current position, their attitude to pensions and their retirement goals, then enables the adviser to contrast annuities, a phased unsecured pension and a full unsecured pension to see which is the best fit for their client. The system looks at which routes best meet the client's ATR, their Attitude to Pensions, their capacity/ affordability and the critical yield they need to achieve, providing an overall position and recommendation. Again, all the support evidence is put into a report or is available as a download for adding to other reports that the adviser creates.

Aegon's systems are so wide-ranging that it is difficult to do them justice. However, we would recommend advisers take a look at what is on offer, because there are some real business benefits to be obtained, and the solutions are executed in a flexible enough manner to fit into most adviser's processes."

*Mark Loosmore, AT8
(IFAonline.co.uk 6 May 2010)*

Client feedback

"At AEGON we have been impressed with DT and the contribution that DT's technology has made to our new business as an element of our proposition.

Over the period 2008 to 2009 we saw new USP and PP business increase by 30% and to end of Q3 2010 had exceeded 2009 full year production in those product lines, in which DT's technology plays an important role.

While the proposition has a number of components, the Investment and Retirement Planning tool is used by over 3,000 advisers and has had continually positive feedback as they prepare for RDR."

Dominic Holmes, Head of Individual Sales Development, AEGON

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