

Transforming Your “Fixed” Business: The Series 65 Solution



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It's no secret at this point that Registered Investment Advisors (RIA) are in the midst an explosive growth cycle, almost tripling their collective assets under management (AUM) during the most recent 10-year period and adding Investment Advisor Representatives (IAR) to their ranks at a rapid-fire pace. Even the biggest brokerage firms have been forced to sit up and take notice.

A recent survey by TD Ameritrade published in the Wall Street Journal found that 70% of independent investment advisory firms experienced growth in the six months leading up to their report. The survey revealed that 64% of new inflows were coming at the expense of larger broker dealers.

Not surprisingly, the survey also showed that 77% of IARs expressed a high degree of satisfaction with their career. According to the U.S. Bureau of Labor Statistics, the industry is expected to see a 30% increase in the number of jobs over the next eight years as investment markets become trickier to navigate and consumers look to professionals for help with managing their investment portfolios.

You already have an established book of life insurance and fixed annuity business complete with valuable client relationships. What if there was a way to transform your current practice into a thriving financial advisory business fully capable of participating in this exponential industry growth? What if you were able to discuss all aspects of investments and financial planning with clients, and manage 100% of their assets?

Well, there is a way. The Series 65 Solution.

The Advantages

Your Clients

Your clients want to work with one person they trust to manage 100% of their assets. If you only handle their savings or “safe money” as an insurance agent, you simply won't be that person. Your clients will need a relationship with another advisor who will always be in competition with you and potentially scrutinizing every recommendation you make. They're just like you - looking to capture all of their clients' assets.

And to be perfectly honest, if you're only recommending that clients put most or all of their money in an indexed annuity, you're probably not offering them the most comprehensive financial solution available. By taking a balanced approach that utilizes a blend of strategies, products and asset classes, you can provide sophisticated advice that will set you apart from your competition and also stand up to the scrutiny of outside examiners. And the only way to do this is to acquire your Series 65 license.

Your Income

With the Series 65 license, you'll be able to provide solutions that motivate clients to retain you to manage their entire portfolio. Adding this capability to your business equips you to be an enhanced asset gatherer with a much more robust ability to attract and retain clients, including high net worth clients.

And along those lines, have you closely considered your personal retirement plans? What's your fixed annuity business going to be worth when you want to retire? The biggest value is your list of clients. Fixed annuities pay virtually nothing in renewals unless you decided to take trail commissions on a majority portion of your business. However, building a book of assets under management that has the potential to generate predictable and recurring income over time could dramatically increase the value of your business.

Establishing Fiduciary Trust

As a Series 65 licensed IAR, you are held to the highest standard of care in the industry, the fiduciary duty. This separates you from most other financial advisors, especially "stock brokers" and "financial consultants" commonly found at larger brokerage firms. To use this to your advantage, you will be able to simply ask clients and potential clients, "What standard of care does your present financial advisor have and whose best interest must he act for?" When they don't know (and many won't), it opens the door for you to explain that you are an investment advisor and not a broker, you are held to the fiduciary duty and not just the suitability standard and that you are required by law to act in your clients' best interests.. Implementing this kind of fiduciary due diligence for your clients has never been more valuable.

Finding Operational Support

Obviously, becoming an IAR while managing your insurance business comes with additional business operations burdens. A common solution for many advisors who obtain their Series 65 is to affiliate with an established, corporate RIA that can handle the operational burden for them, from marketing to investment intelligence to compliance. However, very few RIAs have expertise in the value of indexed annuities, so *it's critically important that you find a corporate RIA that understands from years of first-hand experience how to blend indexed annuities with other asset classes.*

Going Further In Your Business

Insurance professionals who add the Series 65 IAR capabilities to their business almost always continue to work with their existing clients. These professionals are still positioned as "safe money" experts, now with the enriched capability of providing managed money solutions as good as or better than the well-known national brokerage firms. This is appealing to clients who usually prefer to continue working with the advisor they've grown to trust, and it allows these independent advisers to establish and grow their new business with an existing client base, while looking to generate new clients.

Your client wins by gaining access to solid, suitable, and balanced advice. You win by creating another income stream while potentially increasing your indexed annuity sales by virtue of capturing all of your client's assets.