
Advisors in limbo regarding DOL rule

By Editorial Staff Thu, Aug 18, 2016

More than four in ten advisors (43%) said they may plan to expand services offered to more holistic planning and 26% may plan to focus on non-qualified accounts, according to a new Nationwide survey.

Most advisors are considering changes to their business model as they wait to learn their firm's new compliance procedures under the Department of Labor fiduciary rule, according to a new survey sponsored by the Nationwide Retirement Institute.

Nationwide's "Countdown to Implementation" advisor survey is intended to provide a quarterly snapshot of the progress the industry is making to implement the new rule standards.

"Firms are taking this seriously, but still have a lot to work through. As we move through the next 18 months, we anticipate shifts in product mix and levels of understanding and concern," said Kevin McGarry, director of the Nationwide Retirement Institute, in a release.

Almost nine in ten (87%) of advisors are considering changes to how they do business, according to the survey of 622 financial advisors commissioned in May by Nationwide.

More than four in ten advisors (43%) said they may plan to expand services offered to more holistic planning and 26% may plan to focus on non-qualified accounts. "Advisors are considering a shift from a transaction-based business model to more of a service-oriented model," McGarry said.

Among the survey findings:

- Only 42% of advisors say they are aware of their firm's timeline for implementation or what training or support the firm will provide.
- Only 33% are aware of their firm's new compliance procedures.
- Only 23% of advisors are aware of their firms' plans with respect to adoption of the BICE to sell variable compensation products.
- 78% identified the BICE as one of the greatest areas of impact to their business.

The advisors Nationwide surveyed consider themselves at least somewhat knowledgeable about:

- Fiduciary requirements (82%)
- Products subject to fiduciary standards (76%)

- Fee/compensation disclosure requirements (76%)
- BICE (73%)
- The difference between advice vs. education (69%)
- Grandfathering provisions/conditions (64%)
- Levelized compensation requirements (64%)

The Nationwide Retirement Institute's new DOL website provides resources for firms and advisors wrestling with the complexities of the new fiduciary rule. In addition to the website, Nationwide is holding webcasts and local market events to provide resources and tools on practice management, best-in-class fiduciary practices and how advisors can build and grow their business.

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