
RetireOne partners with DFA, Midland National Life on stand-alone living benefit

By Editorial Staff Thu, Feb 17, 2022

Many RIAs would like to give their clients a lifetime income guarantee without cannibalizing their assets under management. A contingent deferred annuity, aka a stand-alone living benefit, lets them do that.

RetireOne, an independent distribution platform for fee-based annuities and other insurance products, is partnering with Dimensional Fund Advisors (DFA) and Midland National Life Insurance Company to offer three asset allocation models and 38 institutional-class mutual funds and exchange-traded funds (ETFs) covered by “Constance,” a zero-commission contingent deferred annuity (CDA) designed for RIAs.

Launched in October of 2021, Constance allows RIAs to protect client brokerage accounts, IRAs, or Roth IRAs with a lifetime income rider. As clients enter retirement and begin the “decumulation phase,” RIAs would still oversee client assets.

“In working with DFA and gaining access to its asset allocation models and funds, advisors can benefit from value added fund and investment options that can be protected by an annuity, providing greater flexibility and choice for advisors and clients alike,” a RetireOne release said.

“A good retirement is a comfortable standard of living, which is measured by the amount of sustainable lifetime income received, and not by the size of the accumulated ‘pot.’ Significant numbers of Americans retire today without the reassurance of an adequate pension,” said Robert C. Merton, Nobel Laureate in Economic Sciences and Resident Scientist at Dimensional Holdings.

“New and innovative lifetime-income solutions will be critical for addressing the looming retirement planning crisis. A well-designed Contingent Deferred Annuity offers new and flexible ways to create guaranteed lifetime income directly from IRAs, Roth IRAs, and brokerage accounts.”

DFA identifies securities based on a set of proven shared characteristics, or “dimensions.” To be considered a dimension, the characteristics must be sensible, persistent over time, pervasive across markets, and cost-effective to capture.

Through Constance, exclusive to the RetireOne platform clients, investors can access DFA

mutual funds and ETFs with a lifetime income guarantee powered by a CDA.

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