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## **RetirePreneur: Matt Carey**

By Jenna Gottlieb     *Wed, Jun 3, 2015*

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*Matt Carey is the CEO and co-founder of Abaris Financial (myabaris.com), a direct-to-consumer online platform for income annuities.*

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**What I do:** I'm the CEO of Abaris Financial. Co-founders Nimish Shukla, Adam Colombo and I have created a direct-to-consumer online platform for income annuities. Our initial focus has been on non-qualified deferred income annuities. We'll be expanding soon into QLACs, the kind of qualified deferred income annuities that recently received RMD [required minimum distribution] exemption from the Treasury Department. We want to make it easier for an individual or couple to compare the carriers' products and determine what's best for them, based on each insurer's credit rating and payout rate, among other factors. We allow clients to see all the quotes in one place. Often times you get a quote from an insurance agent or wealth advisor on an insurer's product, and it can be complicated to get a quote on the same product from another carrier. We put it all together. Our tool also minimizes the complicated financial terms and industry jargon traditionally used in selling annuities. Finally, forms can be onerous. More and more people prefer to fill out paperwork online. Our site enables people to make the purchase in a simple and secure way.

<p><b>RetirePreneur:</b> Matt Carey <b>Company:</b> Abaris Financial, Inc. <b>Location:</b> Philadelphia, Pa. <b>Founded:</b> 2014 <b>Niche:</b> Online annuity sales</p>
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**Who my clients are:** We're targeting a slightly younger demographic than most people who sell annuities. Most of our clients are between 45 and 60 years old and many are women. In terms of assets, \$250,000 to \$5 million is our sweet spot. Our market research shows that women value certainty a lot more than men do and seem to be more risk averse. They're the kind of buyers for whom longevity insurance makes the most sense. They expect to live a long and happy retirement and are looking for an income stream that lasts as long as they do. Most of the financial industry to date has been dominated by men, both in terms of who has sold these products and which person in a household made large financial decisions. We see women as historically underserved by financial advisors and believe they are increasingly important financial decision-makers. As we expand, we'll be looking to build out partnerships with CPAs, fee-only advisors and eldercare lawyers who see QLACs fulfilling an otherwise unmet need, but who don't have the time to get quotes from each insurer and aren't experts on the products themselves.

**Where I come from:** I graduated from the University of Pennsylvania and started my career in financial services at Lazard, the independent investment bank. In 2011, I went from the private sector to the US Treasury where I worked on retirement policy and other issues that utilized my finance background. I left the Treasury in 2013 to pursue a Wharton MBA with the specific intent of launching this company. We incorporated the business last year and launched our platform a couple of months ago.

**Why I'm an entrepreneur:** If you had asked me five years ago if I'd be an entrepreneur now, I'd probably have said the chances were low. But I realized from my time at Treasury that retirement security will increasingly be provided by individuals themselves and there is a lot of opportunity to improve the way that happens. People are looking for more certainty in retirement, but it's been a challenge to match consumers' fear of outliving money with the product that can best provide it. Like other Millennials, I've been very influenced by technology and I see a clear path of using tech to improve the buying process for both insurers and consumers.

**What's my business model:** We have two business lines. First, we represent a new sales channel for insurers. We act as an insurance producer and work on a commission basis. We have relationships with seven insurance carriers in this market. As the largest fixed annuity underwriters (such as New York Life, Metlife, MassMutual, and Northwestern Mutual) unveil their QLAC products later this year, we hope they will also join our platform.

Our second business line is analytics. We're building out a data-driven platform that will enable carriers to make more informed underwriting, marketing and new product development decisions. You glean a lot more about potential customers when they are researching and getting quotes online than when they are being sold a product offline. We think this shift to online research and purchasing represents an exciting opportunity for the carriers to harness data to make better decisions.

**On the Department of Labor's conflict-of-interest proposal:** There's been a lot of handwringing in the industry about the DOL proposal and what it means for advisors. As people who follow the industry closely have noted, the "best interest" rule is not as stringent as the fiduciary rule. So the reality is that the proposal may create even more confusion among consumers, who still in most cases don't understand the difference between the suitability test and acting as a fiduciary. At the end of the day, better technology that creates a more intuitive sales process is what's going to change the industry, in my opinion. The DOL rules are nudging the industry to change, but my expectation is that many will continue doing things the old-school way. And they will be able to subsist for some amount

of time. It's probably not a long time though.

**My biggest obstacles:** The market is changing quickly and consumers are demanding more simplicity and transparency. I think it's pretty clear to most market participants that in order to find new segments and grow the retirement income market you have to look for new channels using better technology and a more tailored marketing message. We are out in front of these trends. But not everyone is going to jump on board right at once. It's not like a switch flips. It's a gradual process that takes a bit of time. In some pretty significant ways, we're changing the way the market functions. That change won't happen overnight.

**My retirement philosophy:** The goal of retirement is to not have to think about your money. There's a lot of value that's derived from getting a paycheck every month and knowing how much money you have available to spend. A lot of research has shown the value of a guaranteed retirement income stream. My opinion is that good financial planning results in the alignment of your personal objectives, such as living a long and happy life, with your financial objectives.

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