
TIAA VA joins RetireOne annuity platform for RIAs

By Editorial Staff *Fri, Oct 5, 2018*

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TIAA-CREF Life Insurance Company's investment-only, zero surrender-charge, no-commission variable annuity is now available for sale on RetireOne's new insurance purchasing platform for registered investment advisors and other fee-based financial advisors, RetireOne announced this week.

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As the RIA channel continues to grow, annuity issuers are naturally drawn in that direction. Now that new RIA insurance platforms like RetireOne are opening up (as *RIJ* reported in a September 6 lead article), RIAs who aren't licensed to sell insurance themselves can recommend no-commission annuities to their clients through the platform. Other platforms include DPL Financial and Envestnet Insurance Exchange.

The platform's licensed agent (ARIA Retirement Solutions, in this case) executing the sale for a fee, and the RIAs can then charge their regular management fee on the assets in the annuity. So far, several annuity insurers have joined the platforms as an avenue to RIAs; and at least one observer, Gary ("The Annuity Maestro") Mettler, has indicated discomfort with this novel arrangement for the indirect sale of insurance products by unlicensed RIAs.

Before no-commission annuities came along as an adaptation to the now-aborted Department of Labor fiduciary rule past, an RIA without an insurance license who advised an annuity to a client would have had to send the client to a licensed insurance agent, who would charge a commission; the RIA would lose the assets under management. By using the platforms, RIAs keep that business. The platform sponsors hope for a surge in annuity purchases by RIAs, expecting them to use annuities in response to the longevity risk concerns of Boomer retiree clients.

RetireOne positioned the TIAA Life product as something that advisors could exchange for any high-fee variable annuities that their clients already own, or as a vehicle for tax-

deferred investing. Variable annuities are unique in that clients can contribute almost any amount of after-tax money to them and then let the money grow tax-deferred until withdrawal. The gains aren't taxed until they're withdrawn, when they are taxed at ordinary income rates.

“Working with TIAA Life to offer their variable annuity was a priority for us. We want our platform to include access to the lowest-cost solutions that offer real client value. One of the most attractive features of TIAA Life's product is the decremental pricing structure. In year 11, the M&E charge drops to 10 basis points,” said RetireOne CEO David Stone in the release.

Insurance policies are sold for RetireOne's participating RIA advisors by Aria Retirement Solutions, Inc. doing business in California as Aria Insurance Solutions, Inc. (San Francisco, CA), a licensed insurance agency (CA License #0H44773).

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