

GUARANTEED INCOME:

Using no-load annuities to provide clients security and peace of mind




Dave Morrison
Founder & Principal
Guide Morrison

AUM: \$50M - \$100M
Avg. Client Size: \$315,000
Type: Fee-Based

When Boise, Idaho-based Guide Morrison took the leap from the broker dealer world to the RIA space, they were looking for “the flexibility and freedom to provide the best solutions for clients,” explained founder David Morrison. As the team made the transition, they began looking for a new toolset that could meet the needs of their clients nearing or in retirement. “Many of our clients are looking for solutions that are more risk averse because of where they are on the retirement glidepath,” said Morrison. “Guaranteed income is very important to them because they don’t like the idea of running out of money in retirement.”

Going beyond the numbers

A key component of Guide Morrison’s approach to financial planning is to “go beyond the numbers” to assess the underlying emotions clients have about funding retirement. “They don’t really care about the technical details – they just want to ensure they’ll have enough money to live on without being forced back into work,” said Morrison. “They really rely on their advisor to find the best solution.”

Morrison was aware that no-load annuities can provide retirement income, but he didn’t fully understand how much more income his clients could realize, and how much they could save in costs, with Commission-Free products. Then he stumbled upon a story about fee-

only insurance in the industry press. The article talked about DPL and their insurance platform for RIAs. Morrison found the idea of Commission-Free insurance solutions intriguing and learned about DPL’s offering: “The options were greater, the payout rates were higher and the surrender periods were shorter. The solutions provided through DPL seemed all around better.”

It quickly became clear that DPL’s products could provide Morrison’s clients with guaranteed income at a low cost, and the peace of mind that comes with it. Guide Morrison became a member of DPL in September 2018.

Opening up the risk frontier

Working on a case-by-case basis with DPL Senior Consultant Tim Rembowski, Morrison discovered ways to meet his clients' needs for income while, in some cases, allowing them to take on more risk and grow in other areas of their portfolios. "If we take care of keeping the lights on and a roof overhead," Morrison explained, "then we can take on more risk elsewhere."

DPL introduced Morrison to fixed indexed annuities (FIAs) to help safely grow investments while providing a future income source. "Dave had never used an indexed annuity, but after I explained to him how they were built start to finish, he realized that they should be considered for clients who are looking for the highest guaranteed income at a reasonable cost," explained Rembowski.

With DPL's guidance, Morrison began looking at annuity solutions for a range of client situations. For some clients in existing annuities, DPL found Commission-Free alternatives that increased income and reduced fees by two-thirds on average.

For clients looking for immediate income, DPL recommended Single Premium Immediate Annuities (SPIAs). In one case, a client came to the table with a very specific monthly income bogey for Morrison: "This is the number we need every month, and we don't care how you do it." Morrison brought the need to DPL's Rembowski, who ran an analysis and provided a solution using a SPIA that saved roughly \$8,000 in premium versus commissioned options.

For the client, it was a no-brainer. "They were over the moon. It saved money for them to use in other parts of the financial plan while meeting their income need," said Morrison.



Founding Member, DPL Financial Partners

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— **DAVE MORRISON**

**Founder & Principal, Guide Morrison
Member, DPL**

The DPL difference

"Working with Guide Morrison is a discovery process," Rembowski said of the relationship. "Dave lays out what the client is looking to achieve and provides insight into their emotional preferences. We then look to see if a no-load solution is a good fit and, if it is, present up to three options that meet the client's needs."

For Morrison, the partnership with DPL works. "It's great to see there's a better option out there—not only with annuities, but life insurance as well—that DPL has to offer," said Morrison. "These solutions allow us to achieve the growth our clients need while maintaining a level of comfort that the money they require for retirement will be there. And, working with DPL, the process is fairly simple and straightforward."

He adds: "It's worked out well for my clients. I'm happy with the DPL relationship."

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