

Case Study: Kim Spencer, CFP®, CDFA®

The Financial QB's Annuity Back Office



Moving assets to fee-based structures and transitioning those clients without back-office support can be very disruptive for advisors. The sheer bulk of the work can be so daunting that some things fall through the cracks. Like annuity assets. Paperwork, complexity, lack of choice in fee-based offerings—all of these factors can lead an advisor to ‘park’ annuity assets, and risk forgetting about them entirely. Working with a team of licensed experts at Aria/RetireOne, Kim Spencer learned that the transition could be smooth and painless for her, while helping her clients lower costs.

Firm Details

A Veteran-owned business, Nalls Sherbakoff was founded in 2012 to partner with clients as an advocate, teammate, and counselor. As an RIA firm, they put client interests first to give them the best opportunity to reach their lifetime goals. Learn more: www.nallssherbakoff.com.

Benefits

- In-depth analysis of client annuities
- Smooth transition to fee-based practice
- Expert, high-touch service
- Low-cost, no commission, no surrender solutions

Sudden life and career changes like transitioning to a fee-based practice can stir up a lot of anxiety. When making big choices like this, it's not always clear which is better, so it can be a mean soil to till in that no-man's-land of uncertainty. Fortunately for Kim Spencer, when she chose to transition to a Registered Investment Advisor practice from a bank, that really wasn't the case. "It's funny," she says "God opens windows...You don't always pay attention. But when he opens a barn door, it's time."

Kim is a Certified Financial Planner™ (CFP®) with the Nalls Sherbakoff Group in Knoxville, Tennessee, where, among other things, she's enjoyed the privilege of working with women undergoing life transitions. These experiences led her to pursue a specialty as a Certified Divorce Analyst™ (CDFA®). She has not shied away from change. She has, instead, embraced it and made it a part of her advisory practice.



The Heart of a Fiduciary

Even before she made the leap to a fee-only RIA practice, she had the heart of a fiduciary. “I wanted to make sure that whatever solution I recommended was always in the client’s best interest.” Choosing from among investment options in the old model meant she had to put fee schedules out of her mind. It was a tough fence to walk. “I didn’t want that devil on my shoulder,” she remembers.

She grew up in banks, starting on the operations side, and moved into a role as a dedicated advisor. It was a twenty-year journey through which she saw the bank change hands multiple times. Mergers and acquisitions reached a fever pitch in the 90s and early 2000s. The last acquisition inspired her to move on. “The firm that my bank was sold to, their broker-dealer arm did not have a good reputation as being client focused,” she says. All it took was a little nudge from her former CFP instructor—an owner of an RIA firm. She agreed to join forces with him, though it meant working through some leaner times.

The Transition

Starting over was stressful. There were lots of clients to move, and assets to bring along under her management. She had many clients in old variable annuities and she needed to find lower-

cost alternatives that were built for fee-based structures. Without an insurance license, and limited experience with annuities, she needed a resource to guide the process. She reached out to Cindy Ramsey at Aria/RetireOne. Cindy worked with Kim to analyze all of the client annuities, create comparisons, and recommend solutions that saved her clients money, were transparent, simple to use, and easy to understand.

Typically, the hurdle with moving assets like these is that traditional annuities are notoriously opaque and difficult to use.

Kim says that she and the other CFPs in her firm see themselves as generalists. They don’t strive to have deep knowledge of things like legal structures or insurance.

“What Aria/RetireOne brought to that, was taking all the stress away from it, truly, and making it a seamless, painless transition.”

As ‘quarterbacks’ of their clients’ financial plans, they rely on experts, whether they be attorneys, tax specialists, or insurance and annuity experts to collaborate with them to uncover the best solutions for their clients. “We help coordinate all the other things, so we’re the ones who tell the client, ‘hey,

you really need to look at insurance. You really need to have your documents updated.”

Working with RetireOne meant she didn’t have to be insurance licensed.¹ She was immediately impressed with Cindy’s knowledge, care, and diligence. She simplified the whole annuity conundrum.

“I work with a lot of wholesalers. I truly have never worked with anyone that is sharper,



knows her stuff, and is on top of things the way Cindy is,” she says. Cindy was able to analyze her client portfolios and determine for each if “they needed to stay where they were, or here’s how we could save them money.” Transparency was critical.

“What Aria/RetireOne brought to that, was taking all the stress away from it, truly, and making it a seamless, painless transition,” She remembers. “All I was doing was paperwork! It was wonderful, because they just sent it to me already filled out and everything.” All of those client assets remained under her management and are visible on her portfolio software via data feeds from DST.

Fresh Eyes

Kim has now come to rely on the diligence and expertise of RetireOne. “Cindy brought two client annuities to my attention last year that had huge gains in them. And all of my clients use simple Return of Premium death benefits.” Cindy recommended that she exchange those annuities to take advantage of the long bull market, while potentially improving accumulation. “I like the fact that the fee-based variable annuity has very low cost...The M&E expense is very low.”

Having a set of fresh eyes on client annuities meant Kim was able to protect those legacies, and potentially improve outcomes. “We 1035 Exchanged them so that we could step up their death benefit to the higher value. I wouldn’t have known to do that. Cindy is being proactive about that kind of stuff, as well. It’s huge, because if the market drops, the Return of Premium guarantee protects that principal if the owner passes away.”

Educators and Fiduciaries

Kim says she likes the fiduciary model because it gives her freedom to actually work more fully with her clients. To Kim and her colleagues at Nalls Sherbakoff, embracing the fiduciary model has also meant spreading that goodwill around the Knoxville community. She teaches finance classes for local women, and other members of the firm offer Social Security and Medicare classes—demand for which grows more and more as nearly 10,000 baby boomers age into retirement every day.

“We don’t charge for those events, we don’t provide fancy dinners. We believe that our role is to educate people. And we take that very seriously,” she says.

1 Insurance laws and regulations vary from state to state. If you do not have an insurance license, you should be aware of the specific rules that apply in your state. Please consult with an attorney in your state for guidance.

Insurance policies are sold by Aria Retirement Solutions, Inc. doing business in California as Aria Insurance Solutions, Inc. (San Francisco, CA), a licensed insurance agency (CA License #0H44773). Aria distributes certain insurance and variable annuity contracts that are issued by insurance companies not affiliated with Aria. Insurance policies may not be available in all states. Information on this site may not yet be approved by the Departments of Insurance for use in all states. Securities Offered through Portsmouth Financial Services (CA Insurance License #0688196), Member FINRA/SIPC, registered in all 50 states.

©2018 RetireOne provided by Aria Retirement Solutions, 222 S. First St. Suite 600 Louisville, KY 40202

FORM #20180529-PFS-A027. FOR FINANCIAL PROFESSIONAL USE ONLY. NOT FOR CONSUMER USE.

