



## CASE STUDY

# 2.5X Increase in Rollovers

The impact of secular shifts,  
regulatory trends and technology

Data extracted from InvestorCOM RolloverAnalyzer™ shows a 2.5-fold increase in rollover recommendations across four firms within a 12-month timeframe. This case study examines reasons for this trend, including new regulatory reforms designed to protect investors, and firm's adoption of compliance technology.

It is no secret that rollovers from employer-sponsored plans are one of the greatest sources of assets flowing into retirement accounts, and a leading growth opportunity for advisors. A study by [LIMRA's Secure Retirement Institute](#) found that IRA rollovers are expected to grow to more than \$760 billion annually over the next five years. Moreover, Cerulli's 2022 study estimated that between 2016 to 2021, rollovers from DC Plans accounted for \$ 2.9 trillion in IRA asset growth, with the average rollover dollar value amounting to \$211,100.

## New Regulatory Reforms to Ensure Rollovers are in the Investors' Best Interest

Amidst the tsunami of assets rolling over, the Securities and Exchange Commission (SEC) and the Department of Labor (DOL), have introduced reforms that require wealth firms and financial professionals to ensure rollover recommendations are in the investors' best interest. Principal among these is a documented analysis, outlining the rationale of the rollover, which requires financial professionals to:

- Obtain cost information for the existing and proposed plans
- Research the services and benefits available
- Assess the relative importance of the benefits and services to the retirement investor
- Document a balanced and clear rollover recommendation

The [DOL's Fiduciary Rule](#) has led to increased scrutiny of investment choices and the promotion of rollovers when it is deemed to be in the client's best interest. Much of the [SEC's Regulation Best Interest's \(Reg BI\) adopting release](#) focused on making compliant best interest recommendations, including rollovers. Given the magnitude of rollover recommendations in a typical investor's investment lifecycle, the SEC published further [guidance in March 2022](#), to outline their specific expectations around rollover recommendations.

## The Adoption of Regulatory Technology

With the amplification of regulatory requirements, a growing number of wealth firms are turning to technology to streamline the best interest analysis and recordkeeping requirements.

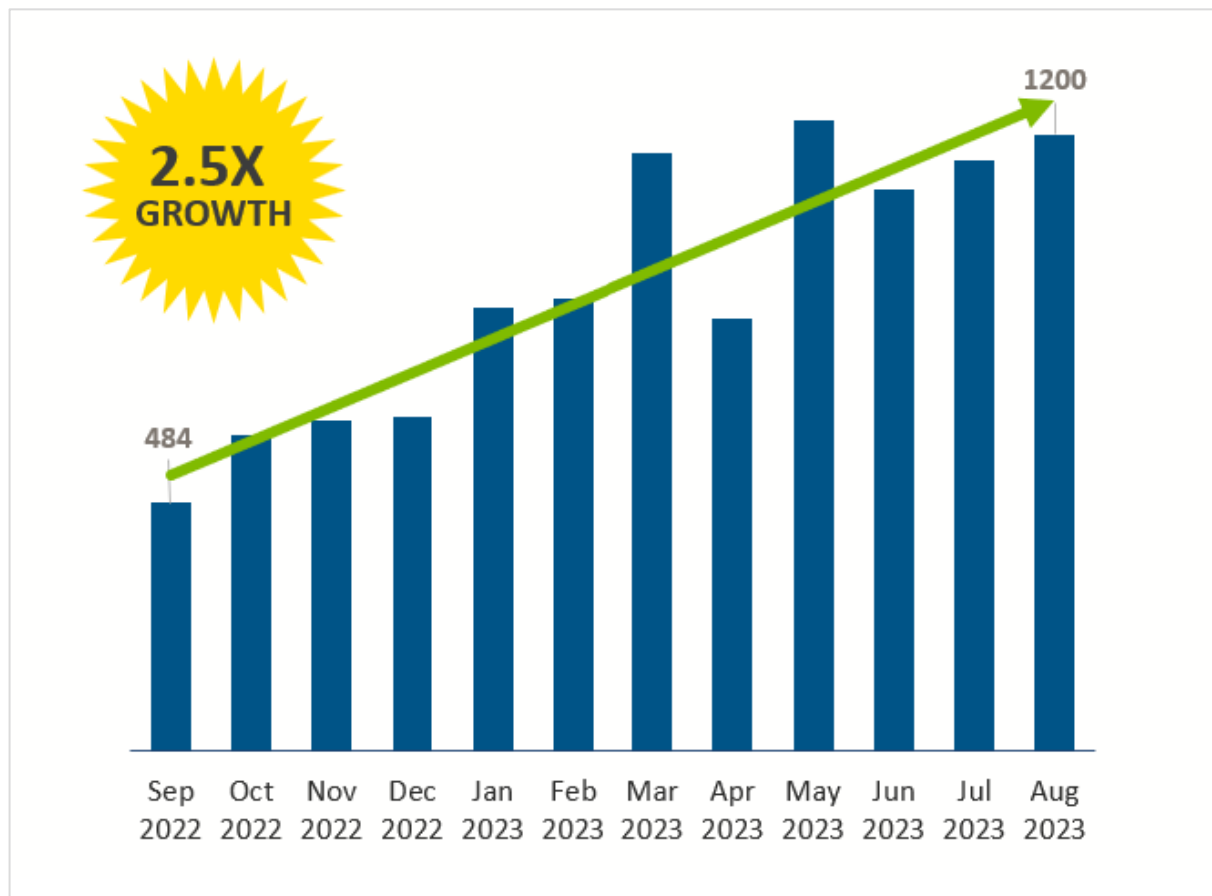
InvestorCOM RolloverAnalyzer is a purpose-built rollover application that helps advisors grow retirement assets while meeting regulatory best interest analysis and disclosure requirements via an easy-to-follow, standardized workflow. RolloverAnalyzer significantly increases advisor and compliance productivity while eliminating regulatory risk. The intuitive, cloud-based application delivers:

- All required components of analysis, recommendation, documentation, and disclosure
- An easy-to-use workflow of relevant questions that guide the advisor throughout the process including up-to-date Form 5500 plan information and benchmarking data, and firm-approved compliance disclosures
- Professional, customized client recommendation disclosure

RolloverAnalyzer’s compliance dashboard centralizes the firm’s entire dataset of rollover recommendations across all advisors. The dashboard provides compliance management with a clear graphical view of all rollover activity enabling them to meet retrospective review requirements.

## 2.5X Growth in Rollover Recommendations

We examined 12 months of RolloverAnalyzer data from four mid-sized wealth management firms. While we expected an increase in rollover recommendations due to automation, we were surprised to see rollover activity increase by 2.5X. Furthermore, this analysis shows that rollover growth is the result of activity, not an increase in users.



Results from InvestorCOM’s study which analyzed recommendation data captured in InvestorCOM RolloverAnalyzer over a 12-month (Sept 2022-Aug 2023) and across four firms.

## Secular Shifts Behind the Surge

One of the primary reasons behind the surge in rollovers is the shifting industry landscape. Several factors contribute to this phenomenon:

- **Job Changes:** A rapidly changing job market, characterized by increased job mobility and the gig economy, has led to individuals frequently switching employers. This often results in the need to manage retirement savings from multiple accounts, prompting rollovers.
- **Retirement Trends:** As the baby boomer generation reaches retirement age, there is a significant uptick in retirement-related financial decisions. Many retirees choose to consolidate their retirement savings into a single account through rollovers for easier management. Others simply commence the de-accumulation phase of their retirement and explore opportunities for transferring assets to accounts and avenues that allow them to access their capital.
- **Freedom and Control:** Today's investors value flexibility and control over their financial assets. Rollovers offer individuals the freedom to choose how they want to invest and manage their retirement funds.

## Using RolloverAnalyzer to Drive Retirement Asset Growth

InvestorCOM's clients were asked why they feel that RolloverAnalyzer is helping drive dramatic retirement asset growth.

*Q: Are there specific features of RolloverAnalyzer that have proven to be particularly valuable for your business?*

A: Yes, absolutely. The integration with Form 5500 & benchmark data and the overall comparison of existing vs. recommended investments are particularly valuable. On top of that, it is very user friendly and easy to understand for both the advisor and the client, and great for our compliance department because it is customizable to our business.

*Q: Has RolloverAnalyzer contributed to increasing your business's efficiency or productivity?*

A: Yes, productivity has significantly improved. In one example, a client estimated "manual" rollover processes required 4 hours of advisor's time vs. minutes when using RolloverAnalyzer.

*Q: Has RolloverAnalyzer helped you increase potential AUM growth opportunities?*

A: Yes, by 20-50%



“ With access to RolloverAnalyzer, our Financial Advisors can easily document their comprehensive discussions with clients about moving their retirement dollars.

– Risa Gomez, First Vice President of Retirement Plan Services,  
**Davenport & Company**



RolloverAnalyzer is by far the most comprehensive and intuitive option available.

– Michael Karalewich, CEO at **Nationwide Planning Associates**



Choosing InvestorCOM to meet our regulatory obligations for Reg BI and PTE 2020-02 was an easy decision. RolloverAnalyzer empowers our advisors to grow their business through pursuing rollover opportunities, while making compliant recommendations that are in the investor’s best interest.

– Shannon Spotswood, President, **RFG Advisory**



We researched all of the rollover solutions that are available in the marketplace and RolloverAnalyzer was head and shoulders above the rest.

– Rick Keast, President and Chief Compliance Officer  
at **Redhawk Wealth Advisors**



Find out if InvestorCOM RolloverAnalyzer™ is right for your firm. [Sign up for a free demo today.](#)

### About InvestorCOM Inc.

InvestorCOM is a leading provider of regulatory compliance software solutions for the wealth management industry. Our high value, intuitive solutions eliminate compliance risk for our clients. To learn more, visit [investorcom.com](https://investorcom.com) or call us at 800-361-9494.