

CASE STUDY

Arrowroot Family Office

Expanding the Family Office Model through the Advent Insurance Marketplace Powered by DPL

Arrowroot Family Office was designed with the goal of providing the family office approach to holistic wealth management—regardless of the size of a client’s net worth. With a deep belief in the transformative power of technology, the principals and staff of Arrowroot leverage their cutting-edge technology suite to provide the highest level of service, transparency, and value to clients.

According to Arrowroot CEO Rob Santos, Arrowroot launched in 2013 with two purposes in mind. “To us, the term family office represented two things: first, it was the entity that managed the professionals at Arrowroot’s own assets, so that we could pool our capital resources together and gain efficiencies. Secondly, the infrastructure we built provided

broader services that we could offer to our wealth management clients.”

One key area that Arrowroot has innovated upon as an independent RIA firm is providing advice and access to insurance products and services. Due to regulatory issues, this approach typically had to be done through broker-dealers and separate insurance companies. To streamline this process, Arrowroot has successfully partnered with the Black Diamond Wealth Platform and the Advent Insurance Marketplace Powered by DPL. Working together, these solutions provide an innovative platform of technology and insurance products, thereby creating an easy way for RIAs to offer insurance products and services on a fee basis. In addition, by being able to bypass the traditional and fee-driven model, this offering

” Working together, these solutions provide an innovative platform of technology and insurance products, thereby creating an easy way for RIAs to offer insurance products and services on a fee basis.

— Rob Santos, CEO, Arrowroot Family Office

Arrowroot Family Office

Location: Marina Del Rey, California;
Charlottesville, Virginia;
Rochester Hills, Michigan

Description: Family Office

AUM: \$153 million

Implementation Year: 2013

BACKGROUND:

- Founded as a family office “for entrepreneurs by entrepreneurs”
- Looked to expand their service model to include access to insurance products and services
- Sought a technology solution to drive efficiencies, productivity, and scale

BENEFITS:

- Complimentary access to a new insurance marketplace that works directly with independent RIA firms, enabling them to stay compliant with fiduciary status
- Access to insurance experts and insurance products to meet the goals and objectives of clients’ financial plans
- Provides a broad array of retirement income-producing solutions for risk-averse clients in retirement

has empowered Arrowroot to increase its service offering and maintain its fiduciary status.

"Before we were introduced to the Marketplace through Black Diamond, we had relationships with various insurance agents that we knew and trusted, but they were still being paid hefty commissions," said Santos. "It also puts strain on the team to make sure that we were doing our fiduciary duty. So, when we found the Marketplace, it was a wonderful moment. The ability to harness the brainpower, compliance framework, tools, and products that DPL was able to provide in a compliant and fiduciary way for our clients was transformational."

"Another key issue is that with interest rates so low, the traditional conversation of a low-risk portfolio that can provide income for people into their retirement years is a very, very difficult one. As a result, annuities and life insurance

products can be a real benefit to our clients. Historically, we've been very hesitant to get into that space primarily because of compliance and lack of internal resources to provide that service with high quality. So, the Marketplace solved that issue for us in a big way. Particularly with our family office model, we've been able to introduce new concepts into the financial plan that are now fee-only, including guaranteed income."

According to Santos, technology has been a critical enabler in this process. "One of the major shifts in the last 10 to 15 years has been a software revolution towards the Cloud. We were very early adopters of Black Diamond, right from the launch of our firm. We went with Black Diamond because it allowed us to do many things that analysts used to have to do via Excel. Software as a service is very powerful. That is

why we've always tried to be ahead of the curve in adopting new enterprise software solutions. New technology makes us more efficient, makes our process more transparent, makes us more compliant, and ultimately helps us give our clients a better user interface and experience."

When talking to other advisors about the approach to providing insurance services, his best advice is to "Pick up the phone and talk to the pros at SS&C Advent and DPL. We find it very valuable when looking at a new client or a situation where a client needs a retirement income solution, or wants other kinds of life insurance solutions that can fit their financial needs and profile. So we've found it very useful to submit a simple form, ask questions, and then have an open mind about what is available. If advisors do that, they will start to see the benefits very quickly."

To learn more about Arrowroot Family Office, please visit their website at arrowrootfamilyoffice.com.

” New technology makes us more efficient, makes our process more transparent, makes us more compliant, and ultimately helps us give our clients a better user interface and experience.

— Rob Santos, CEO, Arrowroot Family Office

FOR MORE INFORMATION

To learn more about either the Advent Insurance Marketplace Powered by DPL or the Black Diamond Wealth Platform, please call 1-800-727-0605 or email info@advent.com.