

Voya Launches Hybrid Platform for Advisors

By Megan Leonhardt



Voya Eyes Hybrid Offering Amid Record Growth

Voya Financial Advisors rolled out its hybrid platform today, allowing affiliated advisors the opportunity to operate under their own brand as an independent registered investment advisory firm.

Voya advisors with clean records, in good standing with the firm and about \$100 million in fee-based assets will have the ability to join the hybrid platform and launch their own RIA firm while maintaining their brokerage assets at the b/d.

"This is a big statement for us in both attracting talent that has advisory and brokerage accounts, as well as in being able to facilitate and help advisors who may not have come into this space yet to get to a better place," said Tom Halloran, president of Voya Financial Advisors.

For existing Voya advisors who meet the eligibility requirements and are already registered as investment advisors, the firm will refer them to several companies that specialize in helping get new RIAs registered. From there, Voya has a checklist that advisors have to complete around the new RIA's structure, processes, new account agreements and other areas to make sure they follow proper compliance protocols.

"Because this is newly launched, we haven't had anyone go through this process formally yet, but we do have a handful of reps who have already started the registration process," says Andre Robinson, Voya's head of advisory services.

Wednesday's launch moves Voya more toward an advisory model and away from a strictly transactional business, Halloran said. The firm's advisory business

grew by 25 percent over the past year, representing \$9.92 billion in client assets in 2014.

Throughout the industry, the number of advisors operating a hybrid business has grown by 21.8 percent since 2004, according to a 2014 report by Cerulli Associates.

"This is something the reps had wanted—they want more flexibility in the model," Halloran said. Prior to the hybrid platform, Voya had a corporate RIA advisors could utilize, but under the new model, advisors will be able to do business under their own RIA.

Plans for the hybrid offering started last September, with Halloran telling WealthManagement.com in April that the firm planned to launch a hybrid registered investment advisory platform this fall.

Halloran hopes that in addition to serving current advisors, the hybrid offering will also help make the firm a more attractive option for recruits. "From a recruiting perspective, this is something where we weren't as competitive because you have a lot of reps who are hybrid RIAs today and we didn't have the ability to onboard them. But that's no longer the case," he said.

Last year Voya did \$9 million in recruited gross dealer concessions, which are the actual commissions and other compensation paid to the advisors. By the end of June, the firm was at \$11 million GDC and Voya is on track to do \$18 to \$20 million in recruited GDC this year.

For advisors joining the firm who already have their own RIA, Robinson says they would undergo a vetting process to make sure all their existing practices are sound and they have the appropriate compliance structure in place.

Halloran said there are at least three hybrid teams currently in discussions to join Voya.

"That's worth its weight in gold," he said. "We never would've had those groups talking to us before."



Thomas Halloran,
president of
Voya Financial Advisors