



VOICE OF INDEPENDENT FINANCIAL SERVICES FIRMS
AND INDEPENDENT FINANCIAL ADVISORS

VIA ELECTRONIC MAIL

December 8, 2016

Mike Wilkey
Director, LAH
NH Insurance Department
21 S. Fruit Street, Suite 14
Concord, NH 03301

Re: Notice No. 2016-208 - Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities

Dear Mr. Wilkey:

On November 3, 2016, the New Hampshire Insurance Department (the Department) published its request for public comment on the proposed re-adoption with amendment of rules concerning senior-specific designations during the sale of life insurance and annuities (Proposed Rule).¹ The Proposed Rule would prohibit an insurance producer from using a senior-specific certification or professional designation to mislead or imply special training or expertise in advising or servicing seniors in connection with the sale or purchase of a life insurance or annuity product.

The Financial Services Institute² (FSI) appreciates the opportunity to comment on this important proposal. FSI and its member firms are committed to the prevention of elder abuse and support the Department's efforts to prevent bad actors from using misleading designations. We provide specific supportive comments below.

Background on FSI Members

The independent financial services community has been an important and active part of the lives of American investors for more than 40 years. In the US, there are approximately 167,000 independent financial advisors, which account for approximately 64.5% percent of all producing registered representatives.³ These financial advisors are self-employed independent contractors, rather than employees of the Independent Broker-Dealers (IBD).

¹ Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities, Notice No. 2016-208, New Hampshire Rulemaking Register (November 3, 2016).

² The Financial Services Institute (FSI) is an advocacy association comprised of members from the independent financial services industry, and is the only organization advocating solely on behalf of independent financial advisors and independent financial services firms. Since 2004, through advocacy, education and public awareness, FSI has been working to create a healthier regulatory environment for these members so they can provide affordable, objective financial advice to hard-working Main Street Americans.

³ The use of the term "financial advisor" or "advisor" in this letter is a reference to an individual who is a registered representative of a broker-dealer, an investment adviser representative of a registered investment adviser firm, or a

FSI's IBD member firms provide business support to independent financial advisors in addition to supervising their business practices and arranging for the execution and clearing of customer transactions. Independent financial advisors are small-business owners with strong ties to their communities and know their clients personally. These financial advisors provide comprehensive and affordable financial services that help millions of individuals, families, small businesses, associations, organizations, and retirement plans. Their services include financial education, planning, implementation, and investment monitoring. Due to their unique business model, FSI member firms and their affiliated financial advisors are especially well positioned to provide Main Street Americans with the financial advice, products, and services necessary to achieve their investment goals.

FSI members make substantial contributions to our nation's economy. According to Oxford Economics, FSI members nationwide generate \$48.3 billion of economic activity. This activity, in turn, supports 482,100 jobs including direct employees, those employed in the FSI supply chain, and those supported in the broader economy. In addition, FSI members contribute nearly \$6.8 billion annually to federal, state, and local government taxes. FSI members account for approximately 8.4% of the total financial services industry contribution to U.S. economic activity.⁴

Discussion

FSI appreciates the opportunity to comment on the Proposed Rule. FSI is committed to the prevention of elder financial abuse and has created tools to assist members in identifying and reporting such abuse.⁵ FSI and its members commend the Department's efforts to protect the elderly from predatory financial practices by bad actors using misleading designations to misrepresent their qualifications to consumers.

The Proposed Rule prohibits the use of self-conferred certifications; designations the advisor has not actually earned or is ineligible for; or those obtained from an organization primarily engaged in the instruction of sales or marketing or that lacks reasonable standards or procedures for assuring competency or disciplining its designees. Many states already prohibit financial professionals from using a "senior" designation unless it has been accredited by either the American National Standards Institute (ANSI) or the National Commission for Certifying Agencies (NCCA).⁶ The Proposed Rule similarly presumes that a certification or designation conferred by the ANSI, the NCCA or any organization recognized as an accrediting agency by the U.S. Department of Education is legitimate (referred to as "qualified" in the Proposed Rule).⁷ This common sense regulation protects seniors for exploitation by individuals who attempt to burnish their credentials with fraudulent claims of expertise. As a result, FSI supports the Proposed Rule as a helpful protection to investors that simplifies firms' compliance efforts by promoting regulatory uniformity.

dual registrant. The use of the term "investment adviser" or "adviser" in this letter is a reference to a firm or individual registered with the SEC or state securities division as an investment adviser.

⁴ Oxford Economics for the Financial Services Institute, *The Economic Impact of FSI's Members* (2016).

⁵ FSI's Elder Abuse Prevention Resource Center, available at www.financialservices.org/elderabuse.

⁶ Initial Proposal, *Use of Senior-Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities* Ins 311.04(b), (October 17, 2016) available at http://www.nh.gov/insurance/legal/documents/ins_311_ip.pdf

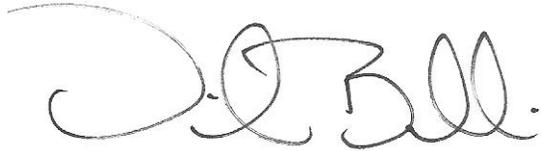
⁷ There are six certified senior designations offered by the ANSI and the NCCA: Certified Investment Management Analyst (CIMA); Certified Financial Planner (CFP); Certified Medicaid Planner (CMP); Certified Retirement Counselor (CRC); Certified Retirement Financial Advisor (CRFA); and Certified Senior Advisor (CSA).

Conclusion

We are committed to constructive engagement in the regulatory process and welcome the opportunity to work with the Department on this and other important regulatory efforts.

Thank you for considering FSI's comments. Should you have any questions, please contact me at (202) 803-6061.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "D. T. Bellaire". The signature is fluid and cursive, with a large initial "D" and "T" followed by "Bellaire".

David T. Bellaire, Esq.
Executive Vice President & General Counsel