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# A BILL FOR AN ACT

RELATING TO INSURANCE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The purpose of this Act is to protect consumers  
2 and particularly, seniors, from abusive financial services  
3 practices by adopting model regulations of the National  
4 Association of Insurance Commissioners ("NAIC") and to comply  
5 with the senior investor protections in section 989A of the  
6 federal Dodd-Frank Wall Street Reform and Consumer Protection  
7 Act of 2010. In 2007, the legislature passed Act 257, Session  
8 Laws of Hawaii 2007, which established standards and procedures  
9 for insurers and insurance producers that make recommendations  
10 to consumers regarding the purchase or exchange of annuities.

11           Part I of this Act adopts the updated version of the NAIC  
12 Suitability in Annuity Transactions Model Regulation (March  
13 2010). Part II of this Act adopts the NAIC Model Regulation on  
14 the Use of Senior-Specific Certifications and Professional  
15 Designations in the Sale of Life Insurance and Annuities. Part  
16 II is intended to protect seniors against producers who  
17 misrepresent their level of expertise and credentials during the  
18 marketing and sales of life insurance and annuity products.



1 PART I

2 SECTION 2. Chapter 431, Hawaii Revised Statutes, is  
3 amended by adding a new section to part VII of article 10D to be  
4 appropriately designated and to read as follows:

5 "§431:10D-A Insurance producer training. (a) An  
6 insurance producer shall not solicit the sale of an annuity  
7 product unless the insurance producer has adequate knowledge of  
8 the product to recommend the annuity and the insurance producer  
9 is in compliance with the insurer's standards for product  
10 training. An insurance producer may rely on insurer-provided  
11 product-specific training standards and materials to comply with  
12 this subsection.

13 (b) Any insurance producer who is authorized to sell life  
14 or accident and health or sickness insurance and who engages in  
15 the sale of annuity products shall complete by January 31, 2012,  
16 a one-time training course approved by the commissioner and  
17 conducted by a valid continuing education course provider. Any  
18 insurance producer who obtains a life insurance line of  
19 authority after January 31, 2012, may not engage in the sale of  
20 annuities until the requirements of this subsection have been  
21 met:



- 1        (1) The minimum length of training required under this  
2        subsection shall be sufficient to qualify for at least  
3        four continuing education credits;
- 4        (2) The training required under this subsection shall  
5        include information on the following topics:
- 6            (A) The types of annuities and various  
7            classifications of annuities;
- 8            (B) Identification of the parties to an annuity;
- 9            (C) How fixed, variable, and indexed annuity contract  
10          provisions affect consumers;
- 11          (D) The application of income taxation to qualified  
12          and non-qualified annuities;
- 13          (E) The primary uses of annuities; and
- 14          (F) Appropriate sales practices, replacement, and  
15          disclosure requirements; and
- 16        (3) A course provider shall not present any marketing  
17        information or provide training on sales techniques or  
18        provide specific information about a particular  
19        insurer's products.
- 20        (c) An insurer shall verify that an insurance producer has  
21        completed the annuity training course required under this  
22        section before allowing the producer to sell an annuity product



1 for the insurer. An insurer may satisfy its responsibility  
2 under this section by obtaining certificates of completion of  
3 the training course or by obtaining reports provided by  
4 commissioner-sponsored database systems or vendors, or from a  
5 reasonably reliable commercial database vendor that has a  
6 reporting arrangement with approved insurance continuing  
7 education providers."

8 SECTION 3. Section 431:10D-621, Hawaii Revised Statutes,  
9 is amended to read as follows:

10 "[~~+~~]**§431:10D-621**[~~+~~] **Scope.** (a) This part applies to any  
11 recommendation to purchase [~~ex~~], exchange, or replace an annuity  
12 made to a consumer by an insurance producer, or an insurer where  
13 no producer is involved, that results in the purchase [~~ex~~],  
14 exchange, or replacement recommended.

15 (b) This part does not apply to [~~recommendations~~]  
16 transactions involving:

- 17 (1) Direct-response solicitations where there is no  
18 recommendation based on information collected from the  
19 consumer pursuant to this part; or  
20 (2) Contracts used to fund:



- 1 (A) An employee pension or welfare benefit plan that  
2 is covered by the Employee Retirement and Income  
3 Security Act;
- 4 (B) A plan described by sections 401(a), 401(k),  
5 403(b), 408(k), or 408(p) of the Internal Revenue  
6 Code of 1986, as amended, if established or  
7 maintained by an employer;
- 8 (C) A government or church plan defined in section  
9 414 of the Internal Revenue Code of 1986, as  
10 amended, a government or church welfare benefit  
11 plan, or a deferred compensation plan of a state  
12 or local government or tax exempt organization  
13 under section 457 of the Internal Revenue Code of  
14 1986, as amended;
- 15 (D) A non-qualified deferred compensation arrangement  
16 established or maintained by an employer or plan  
17 sponsor;
- 18 (E) Settlements of or assumptions of liabilities  
19 associated with personal injury litigation or any  
20 dispute or claim resolution process; or
- 21 (F) Formal prepaid funeral contracts.



1           [+](c)[+] Nothing in this [+part+] shall be construed to  
2 affect in any manner any provision of chapter 485A."

3           SECTION 4. Section 431:10D-622, Hawaii Revised Statutes,  
4 is amended as follows:

5           1. By adding three definitions to be appropriately  
6 inserted and to read as follows:

7           "FINRA" means the Financial Industry Regulatory Authority  
8 or successor agency.

9           "Replacement" means a transaction in which a new policy or  
10 contract is to be purchased, as it is known or should be known  
11 to the proposing producer, or to the proposing insurer if there  
12 is no producer, that by reason of the transaction, an existing  
13 policy or contract has been or is to be:

14           (1) Lapsed, forfeited, surrendered or partially  
15 surrendered, assigned to the replacing insurer, or  
16 otherwise terminated;

17           (2) Converted to reduced paid-up insurance, continued as  
18 extended term insurance, or otherwise reduced in value  
19 by the use of nonforfeiture benefits or other policy  
20 values;



1       (3) Amended so as to effect either a reduction in benefits  
2       or in the term for which coverage would otherwise  
3       remain in force or for which benefits would be paid;

4       (4) Reissued with any reduction in cash value; or

5       (5) Used in a finance purchase.

6       "Suitability information" means information that is  
7       reasonably related to the determination of the appropriateness  
8       of a recommendation including the following:

9       (1) Age;

10       (2) Annual income;

11       (3) Financial situation and needs, including the financial  
12       resources used for the funding of the annuity;

13       (4) Financial experience;

14       (5) Financial objectives;

15       (6) Intended use of the annuity;

16       (7) Financial time horizon;

17       (8) Existing assets, including investment and life  
18       insurance holdings;

19       (9) Liquidity needs;

20       (10) Liquid net worth;

21       (11) Risk tolerance; and

22       (12) Tax status."



1           2. By amending the definitions of "annuity" and  
2 "recommendation" to read as follows:

3           "Annuity" means [~~a fixed or variable~~] an annuity that is  
4 an insurance product under State law that is individually  
5 solicited, whether the product is classified as an individual or  
6 group annuity.

7           "Recommendation" means advice provided by an insurance  
8 producer, or an insurer where no producer is involved, to an  
9 individual consumer that results in a purchase [~~or~~], exchange,  
10 or replacement of an annuity in accordance with that advice."

11           SECTION 5. Section 431:10D-623, Hawaii Revised Statutes,  
12 is amended to read as follows:

13           "~~{~~**§431:10D-623**~~}~~ **Duties of insurers and insurance**  
14 **producers.** (a) In recommending to a consumer the purchase of  
15 an annuity or the exchange of an annuity that results in another  
16 insurance transaction or series of insurance transactions, the  
17 insurance producer, or the insurer where no producer is  
18 involved, shall have reasonable grounds for believing that the  
19 recommendation is suitable for the consumer on the basis of the  
20 facts disclosed by the consumer about the consumer's  
21 investments, other insurance products, financial situation, and  
22 needs[-], including the consumer's suitability information, and





1 that there is a reasonable basis to believe all of the  
2 following:

- 3       (1) The consumer has been reasonably informed of various  
4           features of the annuity, such as the potential  
5           surrender period and surrender charge, potential tax  
6           penalty if the consumer sells, exchanges, surrenders  
7           or annuitizes the annuity, mortality and expense fees,  
8           investment advisory fees, potential charges for and  
9           features or riders, limitations on interest returns,  
10          insurance and investment components, and market risk;  
11       (2) The consumer would benefit from certain features of  
12          the annuity, such as tax-deferred growth,  
13          annuitization, or death or living benefit;  
14       (3) The particular annuity as a whole, the underlying  
15          subaccounts to which funds are allocated at the time  
16          of the purchase or exchange of the annuity, and riders  
17          and similar product enhancements, if any, are suitable  
18          and, in the case of an exchange or replacement, the  
19          transaction as a whole is suitable for the particular  
20          consumer based on the consumer's suitability  
21          information; and



1       (4) In the case of an exchange or replacement of an  
2       annuity, the exchange or replacement is suitable  
3       including taking into consideration whether:

4       (A) The consumer will incur a surrender charge, be  
5       subject to the commencement of a new surrender  
6       period, lose existing benefits such as death,  
7       living, or other contractual benefits, or be  
8       subject to increased fees, investment advisory  
9       fees, or charges for riders and similar product  
10      enhancements;

11      (B) The consumer would benefit from product  
12      enhancements and improvements; and

13      (C) The consumer has had another annuity exchange or  
14      replacement and, in particular, an exchange or  
15      replacement within the preceding thirty-six  
16      months.

17      (b) Prior to the execution of a purchase~~[or]~~, exchange, or  
18      replacement of an annuity resulting from a recommendation, an  
19      insurance producer, or an insurer where no producer is involved,  
20      shall make reasonable efforts to obtain the consumer's  
21      suitability information ~~[concerning:~~

22      ~~(1) The consumer's financial status;~~



1       ~~(2) The consumer's tax status;~~  
2       ~~(3) The consumer's investment objectives; and~~  
3       ~~(4) Such other information used or considered to be~~  
4           ~~reasonable by the insurance producer, or the insurer~~  
5           ~~where no producer is involved, in making~~  
6           ~~recommendations to the consumer].~~

7       (c) Except as permitted under subsection (d), an insurer  
8       shall not issue an annuity recommended to a consumer unless  
9       there is a reasonable basis to believe the annuity is suitable  
10       based on the consumer's suitability information.

11       ~~[(e)]~~ (d) (1) Except as provided under paragraph (2),  
12       neither an insurance producer~~[7]~~ nor an insurer ~~[where no~~  
13       ~~producer is involved,]~~ shall have any obligation to a consumer  
14       related to any ~~[recommendation]~~ annuity transaction if ~~[a~~  
15       ~~consumer]:~~

16           (A) No recommendation is made;

17           (B) A recommendation was made and was later found to  
18           have been prepared based on materially inaccurate  
19           information provided by the consumer;

20           ~~[(A) Refuses]~~ (C) A consumer refuses to provide  
21           relevant suitability information ~~[requested by~~



1           ~~the insurer or insurance producer,]~~ and the  
2           annuity transaction is not recommended; or  
3       ~~[-(B) Decides]~~ (D) A consumer decides to enter into an  
4           ~~[insurance]~~ annuity transaction that is not based  
5           on a recommendation of the insurer or the  
6           insurance producer~~[, or~~  
7       ~~-(C) Fails to provide complete or accurate~~  
8           ~~information].~~

9           (2) An ~~[insurer or insurance producer's recommendation]~~  
10           insurer's issuance of an annuity subject to paragraph  
11           (1) shall be reasonable under all the circumstances  
12           actually known to the insurer ~~[or insurance producer]~~  
13           at the time ~~[of the recommendation.]~~ the annuity is  
14           issued.

15           (e) An insurance producer or the responsible insurer  
16           representative, where no insurance producer is involved, shall  
17           at the time of sale:

18           (1) Make a record of any recommendation subject to this  
19           section;

20           (2) Obtain a customer signed statement documenting a  
21           customer's refusal to provide suitability information,  
22           if applicable; and



1       (3) Obtain a customer signed statement acknowledging that  
2       an annuity transaction is not recommended if a  
3       customer decided to enter into an annuity transaction  
4       that is not based on the insurance producer's or  
5       insurer's recommendation.

6       ~~[(d)]~~ (f) An insurer shall ~~[either ensure that a system to~~  
7 ~~supervise recommendations]~~ establish a supervision system that  
8 is reasonably designed to achieve the insurer's and its  
9 insurance producers' compliance with this part ~~[is established~~  
10 ~~and maintained by complying with subsections (f), (g), and (h),~~  
11 ~~or establish and maintain such a system, which shall include but~~  
12 ~~not be limited to:~~

13       ~~(1) Maintaining written procedures; and~~  
14       ~~(2) Conducting a periodic review of the insurer's records~~  
15       ~~that is reasonably designed to assist in detecting and~~  
16       ~~preventing violations of this part.~~

17       ~~(e) A managing general agent and independent agency shall~~  
18 ~~adopt a system established by an insurer to supervise~~  
19 ~~recommendations of its insurance producers that is reasonably~~  
20 ~~designed to achieve compliance with this part, or establish and~~  
21 ~~maintain such a system, which shall include but not be limited~~  
22 ~~to:~~



1       ~~(1) Maintaining written procedures; and~~  
2       ~~(2) Conducting a periodic review of records that is~~  
3               ~~reasonably designed to assist in detecting and~~  
4               ~~preventing violations of this part.~~

5       ~~(f) An insurer may contract with a third party, including~~  
6       ~~a managing general agent or independent agency, to comply with~~  
7       ~~the requirement of subsection (d) to establish and maintain a~~  
8       ~~system of supervision of insurance producers under contract with~~  
9       ~~or employed by the third party.~~

10       ~~(g) An insurer shall make reasonable inquiry to ensure~~  
11       ~~that the third party contracting under subsection (f) is~~  
12       ~~performing the functions required under subsection (d) and shall~~  
13       ~~take such action as is reasonable under the circumstances to~~  
14       ~~enforce the contractual obligation to perform the functions. An~~  
15       ~~insurer may comply with its obligation to make reasonable~~  
16       ~~inquiry by:~~

17       ~~(1) Annually obtaining a certification from a third party~~  
18               ~~senior manager who has responsibility for the~~  
19               ~~delegated functions that the manager has a reasonable~~  
20               ~~basis to represent, and does represent, that the third~~  
21               ~~party is performing the required functions; provided~~  
22               ~~that no person may provide a certification unless:~~



- 1           ~~(A) The person is a senior manager with~~  
2                     ~~responsibility for the delegated functions, and~~
- 3           ~~(B) The person has a reasonable basis for making the~~  
4                     ~~certification, and~~
- 5       ~~(2) Based on reasonable selection criteria, periodically~~  
6                     ~~reviewing the performance of selected third parties~~  
7                     ~~contracting under subsection (f) to determine whether~~  
8                     ~~the third parties are performing the required~~  
9                     ~~functions. The insurer shall perform those procedures~~  
10                    ~~to conduct the review that are reasonable under the~~  
11                    ~~circumstances.~~
- 12       ~~(h) An insurer that contracts with a third party pursuant~~  
13                     ~~to subsection (f) and that complies with the requirements to~~  
14                     ~~supervise in subsection (g) shall have fulfilled its~~  
15                     ~~responsibilities under subsection (d).]~~ including the following:
- 16           (1) The insurer shall maintain reasonable procedures to  
17                     inform its insurance producers of the requirements of  
18                     this part and shall incorporate the requirements of  
19                     this part into relevant insurance producer training  
20                     manuals;
- 21           (2) The insurer shall establish standards for insurance  
22                     producer product training and shall maintain



1 reasonable procedures to require its insurance  
2 producers to comply with the requirements of section  
3 431:10D-A;

4 (3) The insurer shall provide product-specific training  
5 and training materials which explain all material  
6 features of its annuity products to its insurance  
7 producers;

8 (4) Prior to issuance of an annuity, the insurer shall  
9 maintain procedures for review of each recommendation  
10 that are designed to ensure that there is a reasonable  
11 basis to determine that a recommendation is suitable.  
12 These review procedures may apply a screening system  
13 for the purpose of identifying selected transactions  
14 for additional review and may be accomplished  
15 electronically or through other means including  
16 physical review. An electronic or other system may be  
17 designed to require additional review only of those  
18 transactions identified for additional review by the  
19 selection criteria;

20 (5) The insurer shall maintain reasonable procedures to  
21 detect recommendations that are not suitable. These  
22 may include but are not limited to confirmation of





1 consumer suitability information, systematic customer  
2 surveys, interviews, confirmation letters, and  
3 programs of internal monitoring. Nothing in this  
4 paragraph prevents an insurer from complying with this  
5 paragraph by applying sampling procedures or by  
6 confirming suitability information after issuance or  
7 delivery of the annuity; and

8 (6) The insurer shall annually provide a report to senior  
9 management, including to the senior manager  
10 responsible for audit functions, which details a  
11 review, with appropriate testing, reasonably designed  
12 to determine the effectiveness of the supervision  
13 system, the exceptions found, and corrective action  
14 taken or recommended, if any.

15 (g) Nothing in this section restricts an insurer from  
16 contracting for performance of a function, including maintenance  
17 of procedures, required under subsection (f). An insurer is  
18 responsible for taking appropriate corrective action and may be  
19 subject to sanctions and penalties pursuant to section 431:10D-  
20 624 regardless of whether the insurer contracts for performance  
21 of a function and regardless of the insurer's compliance with  
22 subsection (h).



1       (h) An insurer's supervision system shall include  
2 supervision of contractual performance under this section,  
3 including the following:

4       (1) Monitoring and, as appropriate, conducting audits to  
5 assure that the contracted function is properly  
6 performed; and

7       (2) Annually obtaining a certification from a senior  
8 manager, who has responsibility for the contracted  
9 function, that the manager has a reasonable basis to  
10 represent and does represent that the function is  
11 properly performed.

12       (i) An insurer [~~, managing general agent, or independent~~  
13 ~~agency] is not required [by subsections (d) and (e) to:~~

14 ~~(1) Review, or provide for review of, all insurance~~  
15 ~~producer-solicited transactions; or~~

16 ~~(2) Include] include in its system of supervision an~~  
17 ~~insurance producer's recommendations to consumers of~~  
18 ~~products other than the annuities offered by the~~  
19 ~~insurer [~~, managing general agent, or independent~~~~  
20 ~~agency.~~

21       ~~(j) A managing general agent or independent agency who~~  
22 ~~contracts with an insurer under subsection (f) shall promptly,~~



1 ~~when requested by the insurer under subsection (g), give a~~  
2 ~~certification as described in subsection (g) or give a clear~~  
3 ~~statement that it is unable to satisfy the certification~~  
4 ~~criteria.]~~

5 (j) An insurance producer shall not dissuade, or attempt  
6 to dissuade, a consumer from:

7 (1) Truthfully responding to an insurer's request for  
8 confirmation of suitability information;

9 (2) Filing a complaint; or

10 (3) Cooperating with the investigation of a complaint.

11 ~~(k) [Compliance with the National Association of~~  
12 ~~Securities Dealers Conduct Rules]~~ Sales made in compliance with  
13 FINRA requirements pertaining to suitability and supervision of  
14 annuity transactions shall satisfy the requirements under this  
15 section [for recommending variable annuities.]; provided that an  
16 insurer shall:

17 (1) Monitor the FINRA member broker-dealer using  
18 information collected in the normal course of an  
19 insurer's business; and

20 (2) Provide to the FINRA member broker-dealer information  
21 and reports that are reasonably appropriate to assist



1           the FINRA member broker-dealer to maintain its  
2           supervision system.

3   This subsection applies to FINRA broker-dealer sales of variable  
4   annuities and fixed annuities if the suitability and supervision  
5   is similar to those applied to variable annuity sales. Nothing  
6   in this subsection shall limit the insurance commissioner's  
7   ability to enforce this part."

8           SECTION 6. Section 431:10D-624, Hawaii Revised Statutes,  
9   is amended to read as follows:

10           "~~{ } §431:10D-624 { } — Mitigation of responsibility.~~

11   Compliance mitigation; penalties. (a) [The] An insurer is  
12   responsible for compliance with this part. If a violation  
13   occurs, either because of the action or inaction of the insurer  
14   or its insurance producer, the commissioner may order:

15           (1) An insurer to take reasonably appropriate corrective  
16           action for any consumer harmed by the insurer's, or by  
17           its insurance producer's, violation of this part;

18           (2) [An] A business entity, general agency, independent  
19           agency, or the insurance producer to take reasonably  
20           appropriate corrective action for any consumer harmed  
21           by the insurance producer's violation of this part;

22           and



1 ~~[(3) A general agency or independent agency that employs or~~  
 2 ~~contracts with an insurance producer to sell or~~  
 3 ~~solicit the sale of annuities to consumers, to take~~  
 4 ~~reasonably appropriate corrective action for any~~  
 5 ~~consumer harmed by the insurance producer's violation~~  
 6 ~~of this part.]~~

7 (3) Appropriate penalties and sanctions.

8 (b) Any penalty applicable to an insurer, a managing  
 9 general agent, independent agencies, or a producer under article  
 10 13 of chapter 431 may apply for a violation [~~of section 431:10D-~~  
 11 ~~623(a), (b), and (c)] of this part and may be reduced or  
 12 eliminated if corrective action for the consumer was taken  
 13 promptly after a violation was discovered~~[-]~~ or the violation  
 14 was not part of a pattern or practice."~~

15 PART II

16 SECTION 7. Chapter 431, Hawaii Revised Statutes, is  
 17 amended by adding a new part to article 10D to be appropriately  
 18 designated and to read as follows:

19 "PART . USE OF SENIOR-SPECIFIC DESIGNATIONS  
 20 AND PROFESSIONAL DESIGNATIONS

21 **§431:10D- Purpose.** The purpose of this part is to  
 22 protect consumers from misleading and fraudulent marketing



1 practices with respect to the use of senior-specific  
2 certifications and professional designations in the  
3 solicitation, sale, or purchase of, or advice made in connection  
4 with, a life insurance or annuity product.

5           **§431:10D- Prohibited uses of senior-specific**  
6 **certifications and professional designations.** (a) It is an  
7 unfair and deceptive act or practice in the business of  
8 insurance within the meaning of article 13 for an insurance  
9 producer to use a senior-specific certification or professional  
10 designation that indicates or implies in such a way as to  
11 mislead a purchaser or prospective purchaser that the insurance  
12 producer has a special certification or training in advising or  
13 servicing seniors in connection with the solicitation, sale, or  
14 purchase of a life insurance or annuity product or in providing  
15 advice as to the value of or the advisability of purchasing or  
16 selling a life insurance or annuity product, either directly or  
17 indirectly through publications or writings, or by issuing or  
18 promulgating analyses or reports related to a life insurance or  
19 annuity product.

20           (b) The prohibited use of senior-specific certifications  
21 or professional designations includes the following:



- 1           (1) Use of a certification or professional designation by  
2           an insurance producer who has not actually earned or  
3           is otherwise ineligible to use the certification or  
4           designation;
- 5           (2) Use of a non-existent, false, or self-conferred  
6           certification or professional designation;
- 7           (3) Use of a certification or professional designation  
8           that indicates or implies a level of occupational  
9           qualifications obtained through education, training,  
10          or experience that the insurance producer using the  
11          certification or designation does not have; and
- 12          (4) Use of a certification or professional designation  
13          that was obtained from a certifying or designating  
14          organization that:
- 15                (A) Is primarily engaged in the business of  
16                instruction in sales or marketing;
- 17                (B) Does not have reasonable standards or procedures  
18                for assuring the competency of its certificants  
19                or designees;
- 20                (C) Does not have reasonable standards or procedures  
21                for monitoring and disciplining its certificants



1 or designees for improper or unethical conduct;

2 or

3 (D) Does not have reasonable continuing education  
4 requirements for its certificants or designees to  
5 maintain the certificate or designation.

6 (c) There is a rebuttable presumption that a certifying or  
7 designating organization is not disqualified solely for purposes  
8 of subsection (b) when the certification or designation issued  
9 from the organization does not primarily apply to sales or  
10 marketing and when the organization or the certification or  
11 designation in question has been accredited by:

12 (1) The American National Standards Institute;

13 (2) The National Commission for Certifying Agencies; or

14 (3) Any organization that is on the United States

15 Department of Education's list entitled "Accrediting  
16 Agencies Recognized for Title IV Purposes."

17 (d) In determining whether a combination of words or an  
18 acronym standing for a combination of words constitutes a  
19 certification or professional designation indicating or implying  
20 that a person has special certification or training in advising  
21 or servicing seniors, factors to be considered shall include:





1 (1) Use of one or more words such as "senior",  
2 "retirement", "elder", or like words combined with one  
3 or more words such as "certified", "registered",  
4 "chartered", "adviser", "specialist", "consultant",  
5 "planner", or like words, in the name of the  
6 certification or professional designation; and

7 (2) The manner in which those words are combined.

8 (e) For purposes of this section, a job title within an  
9 organization that is licensed or registered by a state or  
10 federal financial services regulatory agency is not a  
11 certification or professional designation, unless it is used in  
12 a manner that would confuse or mislead a reasonable consumer,  
13 when the job title:

14 (1) Indicates seniority or standing within the  
15 organization; or

16 (2) Specifies an individual's area of specialization  
17 within the organization."

18 PART III

19 SECTION 8. In codifying the new section added by section 2  
20 of this Act, the revisor of statutes shall substitute an  
21 appropriate section number for the letter used in designating  
22 the new section in this Act.



1 SECTION 9. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 10. This Act shall take effect upon its approval.



**Report Title:**

Insurance

**Description:**

Adopts model regulations of National Association of Insurance Commissioners in conformity with senior investor protections in section 989A of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. (HB1051 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

