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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  
2 consumers, particularly seniors, from abusive financial services  
3 practices, by adopting model regulations of the National  
4 Association of Insurance Commissioners ("NAIC"), and comply with  
5 the senior investor protections in section 989A of the federal  
6 Dodd-Frank Wall Street Reform and Consumer Protection Act of  
7 2010. In 2007, the legislature passed Act 257, Session Laws of  
8 Hawaii 2007, which established standards and procedures for  
9 insurers and insurance producers that make recommendations to  
10 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 II of this Act protects consumers from misleading and  
2 fraudulent marketing practices with respect to the use of  
3 senior-specific certifications and professional designations in  
4 the solicitation, sale, or purchase of, or advice made in  
5 connection with, a life insurance or annuity product.

6 PART I

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

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

18 (b) Any insurance producer who is authorized to sell life  
19 or accident and health or sickness insurance and who engages in  
20 the sale of annuity products shall complete by January 31, 2012,  
21 a one-time training course approved by the commissioner and  
22 conducted by a valid continuing education course provider. Any



1 insurance producer who obtains a life insurance line of  
2 authority after January 31, 2012, may not engage in the sale of  
3 annuities until the requirements of this subsection have been  
4 met:

5 (1) The minimum length of training required under this  
6 subsection shall be sufficient to qualify for at least  
7 four continuing education credits;

8 (2) The training required under this subsection shall  
9 include information on the following topics:

10 (A) The types of annuities and various  
11 classifications of annuities;

12 (B) Identification of the parties to an annuity;

13 (C) How fixed, variable, and indexed annuity contract  
14 provisions affect consumers;

15 (D) The application of income taxation to qualified  
16 and non-qualified annuities;

17 (E) The primary uses of annuities;

18 (F) Appropriate sales practices, replacement, and  
19 disclosure requirements; and

20 (3) A course provider shall not present any marketing  
21 information or provide training on sales techniques or



1 provide specific information about a particular  
2 insurer's products.

3 (c) An insurer shall verify that an insurance producer has  
4 completed the annuity training course required under this  
5 section before allowing the producer to sell an annuity product  
6 for the insurer. An insurer may satisfy its responsibility  
7 under this section by obtaining certificates of completion of  
8 the training course or by obtaining reports provided by  
9 commissioner-sponsored database systems or vendors, or from a  
10 reasonably reliable commercial database vendor that has a  
11 reporting arrangement with approved insurance continuing  
12 education providers."

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

15 "~~+~~§431:10D-621~~+~~ **Scope.** (a) This part applies to any  
16 recommendation to purchase ~~[e]~~, exchange, or replace an annuity  
17 made to a consumer by an insurance producer, or an insurer where  
18 no producer is involved, that results in the purchase ~~[e]~~,  
19 exchange, or replacement recommended.

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



- 1 (1) Direct-response solicitations where there is no  
2 recommendation based on information collected from the  
3 consumer pursuant to this part; or
- 4 (2) Contracts used to fund:
- 5 (A) An employee pension or welfare benefit plan that  
6 is covered by the Employee Retirement and Income  
7 Security Act;
- 8 (B) A plan described by [~~sections~~] Sections 401(a),  
9 401(k), 403(b), 408(k), or 408(p) of the Internal  
10 Revenue Code of 1986, as amended, if established  
11 or maintained by an employer;
- 12 (C) A government or church plan defined in [~~section~~]  
13 Section 414 of the Internal Revenue Code of 1986,  
14 as amended, a government or church welfare  
15 benefit plan, or a deferred compensation plan of  
16 a state or local government or tax exempt  
17 organization under [~~section~~] Section 457 of the  
18 Internal Revenue Code of 1986, as amended;
- 19 (D) A non-qualified deferred compensation arrangement  
20 established or maintained by an employer or plan  
21 sponsor;



- 1 (E) Settlements of or assumptions of liabilities  
2 associated with personal injury litigation or any  
3 dispute or claim resolution process; or  
4 (F) Formal prepaid funeral contracts.

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

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

9 1. By adding three definitions to be appropriately  
10 inserted and to read:

11 "FINRA" means the Financial Industry Regulatory Authority  
12 or successor agency.

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

18 (1) Lapsed, forfeited, surrendered or partially  
19 surrendered, assigned to the replacing insurer, or  
20 otherwise terminated;

21 (2) Converted to reduced paid-up insurance, continued as  
22 extended term insurance, or otherwise reduced in value



- 1           by the use of nonforfeiture benefits or other policy  
2           values;
- 3           (3) Amended so as to affect either a reduction in benefits  
4           or in the term for which coverage would otherwise  
5           remain in force or for which benefits would be paid;
- 6           (4) Reissued with any reduction in cash value; or
- 7           (5) Used in a finance purchase.
- 8           "Suitability information" means information that is  
9           reasonably related to the determination of the appropriateness  
10          of a recommendation including:
- 11          (1) Age;
- 12          (2) Annual income;
- 13          (3) Financial situation and needs, including the financial  
14          resources used for the funding of the annuity;
- 15          (4) Financial experience;
- 16          (5) Financial objectives;
- 17          (6) Intended use of the annuity;
- 18          (7) Financial time horizon;
- 19          (8) Existing assets, including investment and life  
20          insurance holdings;
- 21          (9) Liquidity needs;
- 22          (10) Liquid net worth;



1        (11) Risk tolerance; and

2        (12) Tax status."

3            2. By amending the definitions of "annuity" and  
4 "recommendation" to read:

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

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

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

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





1 investments, other insurance products, financial situation, and  
2 needs[-], including the consumer's suitability information, and  
3 that there is a reasonable basis to believe all of the  
4 following:

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



1 consumer based on the consumer's suitability

2 information; and

3 (4) In the case of an exchange or replacement of an

4 annuity, the exchange or replacement is suitable

5 including taking into consideration whether:

6 (A) The consumer will incur a surrender charge, be

7 subject to the commencement of a new surrender

8 period, lose existing benefits such as death,

9 living, or other contractual benefits, or be

10 subject to increased fees, investment advisory

11 fees, or charges for riders and similar product

12 enhancements;

13 (B) The consumer would benefit from product

14 enhancements and improvements; and

15 (C) The consumer has had another annuity exchange or

16 replacement and, in particular, an exchange or

17 replacement within the preceding thirty-six

18 months.

19 (b) Prior to the execution of a purchase [~~or~~], exchange,

20 or replacement of an annuity resulting from a recommendation, an

21 insurance producer, or an insurer where no producer is involved,



1 shall make reasonable efforts to obtain the consumer's  
2 suitability information [~~concerning:~~  
3 (1) ~~The consumer's financial status;~~  
4 (2) ~~The consumer's tax status;~~  
5 (3) ~~The consumer's investment objectives; and~~  
6 (4) ~~Such other information used or considered to be~~  
7 ~~reasonable by the insurance producer, or the insurer~~  
8 ~~where no producer is involved, in making~~  
9 ~~recommendations to the consumer].~~

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

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

19 (A) No recommendation is made;  
20 (B) A recommendation was made and was later found to  
21 have been prepared based on materially inaccurate  
22 information provided by the consumer;



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

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

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

20           (1) Make a record of any recommendation subject to this  
21           section;



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

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

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

16       ~~(1) Maintaining written procedures; and~~

17       ~~(2) Conducting a periodic review of the insurer's records~~  
18       ~~that is reasonably designed to assist in detecting and~~  
19       ~~preventing violations of this part.~~

20       ~~(c) A managing general agent and independent agency shall~~  
21       ~~adopt a system established by an insurer to supervise~~  
22       ~~recommendations of its insurance producers that is reasonably~~



1 ~~designed to achieve compliance with this part, or establish and~~  
2 ~~maintain such a system, which shall include but not be limited~~  
3 ~~to:~~

4 ~~(1) Maintaining written procedures; and~~

5 ~~(2) Conducting a periodic review of records that is~~  
6 ~~reasonably designed to assist in detecting and~~  
7 ~~preventing violations of this part.~~

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

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

20 ~~(1) Annually obtaining a certification from a third party~~  
21 ~~senior manager who has responsibility for the~~  
22 ~~delegated functions that the manager has a reasonable~~



1 ~~basis to represent, and does represent, that the third~~  
2 ~~party is performing the required functions, provided~~  
3 ~~that no person may provide a certification unless:~~

4 ~~(A) The person is a senior manager with~~

5 ~~responsibility for the delegated functions; and~~

6 ~~(B) The person has a reasonable basis for making the~~  
7 ~~certification; and~~

8 ~~(2) Based on reasonable selection criteria, periodically~~  
9 ~~reviewing the performance of selected third parties~~  
10 ~~contracting under subsection (f) to determine whether~~  
11 ~~the third parties are performing the required~~  
12 ~~functions. The insurer shall perform those procedures~~  
13 ~~to conduct the review that are reasonable under the~~  
14 ~~circumstances.~~

15 ~~(h) An insurer that contracts with a third party pursuant~~  
16 ~~to subsection (f) and that complies with the requirements to~~  
17 ~~supervise in subsection (g) shall have fulfilled its~~  
18 ~~responsibilities under subsection (d)]. For the supervision~~  
19 ~~system, the insurer shall:~~

20 ~~(1) Maintain reasonable procedures to inform its insurance~~  
21 ~~producers of the requirements of this part and shall~~



1           incorporate the requirements of this part into  
2           relevant insurance producer training manuals;  
3        (2) Establish standards for insurance producer product  
4           training and shall maintain reasonable procedures to  
5           require its insurance producers to comply with the  
6           requirements of section 431:10D-A;  
7        (3) Provide product-specific training and training  
8           materials that explain all material features of its  
9           annuity products to its insurance producers;  
10       (4) Prior to issuance of an annuity, maintain procedures  
11           for review of each recommendation that are designed to  
12           ensure that there is a reasonable basis to determine  
13           that a recommendation is suitable. These review  
14           procedures may apply a screening system for the  
15           purpose of identifying selected transactions for  
16           additional review and may be accomplished  
17           electronically or through other means including  
18           physical review. An electronic or other system may be  
19           designed to require additional review only of those  
20           transactions identified for additional review by the  
21           selection criteria;





- 1        (5) Maintain reasonable procedures to detect  
2        recommendations that are not suitable. These may  
3        include but are not limited to confirmation of  
4        consumer suitability information, systematic customer  
5        surveys, interviews, confirmation letters, and  
6        programs of internal monitoring. Nothing in this  
7        paragraph prevents an insurer from complying with this  
8        paragraph by applying sampling procedures or by  
9        confirming suitability information after issuance or  
10       delivery of the annuity; and
- 11       (6) Annually provide a report to senior management,  
12       including to the senior manager responsible for audit  
13       functions, which details a review, with appropriate  
14       testing, reasonably designed to determine the  
15       effectiveness of the supervision system, the  
16       exceptions found, and corrective action taken or  
17       recommended, if any.
- 18       (g) Nothing in this section restricts an insurer from  
19       contracting for performance of a function, including maintenance  
20       of procedures, required under subsection (f). An insurer is  
21       responsible for taking appropriate mitigating action and may be  
22       subject to sanctions and penalties pursuant to section 431:10D-



1 624 regardless of whether the insurer contracts for performance  
2 of a function and regardless of the insurer's compliance with  
3 subsection (h).

4 (h) An insurer's supervision system shall include  
5 supervision of contractual performance under this section,  
6 including:

7 (1) Monitoring and, as appropriate, conducting audits to  
8 assure that the contracted function is properly  
9 performed; and

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

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

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

19 ~~(2) Include] to include in its system of supervision an~~  
20 ~~insurance producer's recommendations to consumers of~~  
21 ~~products other than the annuities offered by the~~



1 insurer[, ~~managing general agent, or independent~~  
2 ~~agency.~~

3 ~~(j) A managing general agent or independent agency who~~  
4 ~~contracts with an insurer under subsection (f) shall promptly,~~  
5 ~~when requested by the insurer under subsection (g), give a~~  
6 ~~certification as described in subsection (g) or give a clear~~  
7 ~~statement that it is unable to satisfy the certification~~  
8 ~~criteria].~~

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

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

13 (2) Filing a complaint; or

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

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



- 1        (1) Monitor the FINRA member broker-dealer using  
2                    information collected in the normal course of an  
3                    insurer's business; and
- 4        (2) Provide to the FINRA member broker-dealer information  
5                    and reports that are reasonably appropriate to assist  
6                    the FINRA member broker-dealer to maintain its  
7                    supervision system.

8        This subsection applies to FINRA broker-dealer sales of variable  
9        annuities and fixed annuities if the suitability and supervision  
10       is similar to those applied to variable annuity sales. Nothing  
11       in this subsection shall limit the insurance commissioner's  
12       ability to enforce this part."

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

15       "~~{ } §431:10D-624 { } Mitigation of responsibility.~~

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

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



1           (2) ~~[An]~~ A business entity, general agency, independent  
2                   agency, or the insurance producer to take reasonably  
3                   appropriate corrective action for any consumer harmed  
4                   by the insurance producer's violation of this part;  
5                   and

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

12           (3) Appropriate penalties and sanctions.

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



1 PART II

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

5 "PART . USE OF SENIOR-SPECIFIC DESIGNATIONS  
6 AND PROFESSIONAL DESIGNATIONS

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



1           (b) The prohibited use of senior-specific certifications  
2 or professional designations includes:

3           (1) Use of a certification or professional designation by  
4           an insurance producer who has not actually earned or  
5           is otherwise ineligible to use the certification or  
6           designation;

7           (2) Use of a non-existent, false, or self-conferred  
8           certification or professional designation;

9           (3) Use of a certification or professional designation  
10           that indicates or implies a level of occupational  
11           qualifications obtained through education, training,  
12           or experience that the insurance producer using the  
13           certification or designation does not have; and

14           (4) Use of a certification or professional designation  
15           that was obtained from a certifying or designating  
16           organization that:

17           (A) Is primarily engaged in the business of  
18           instruction in sales or marketing;

19           (B) Does not have reasonable standards or procedures  
20           for assuring the competency of its certificants  
21           or designees;



1 (C) Does not have reasonable standards or procedures  
2 for monitoring and disciplining its certificants  
3 or designees for improper or unethical conduct;  
4 or

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

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

- 14 (1) The American National Standards Institute;  
15 (2) The National Commission for Certifying Agencies; or  
16 (3) Any organization that is on the United States  
17 Department of Education's list entitled "Accrediting  
18 Agencies Recognized for Title IV Purposes."

19 (d) In determining whether a combination of words or an  
20 acronym standing for a combination of words constitutes a  
21 certification or professional designation indicating or implying





1 that a person has special certification or training in advising  
2 or servicing seniors, factors to be considered shall include:

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

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

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

16 (1) Indicates seniority or standing within the  
17 organization; or

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

20 PART III

21 SECTION 8. In codifying the new section added by section 2  
22 of this Act, the revisor of statutes shall substitute an



1 appropriate section number for the letter used in designating  
2 the new section in this Act.

3 SECTION 9. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 10. This Act shall take effect on January 1, 2012.



**Report Title:**

Insurance

**Description:**

Adopts model regulations of the 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. Effective January 1, 2012. (HB1051 HD2)

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

