

December 4, 2019

The Honorable Maxine Waters
Chairwoman
House Committee on Financial Services
Washington, D.C. 20515

The Honorable Patrick McHenry
Ranking Member
House Committee on Financial Services
Washington, D.C. 20515

Dear Chairwoman Waters and Ranking Member McHenry:

ACLI, AALU, IRI and NAIFA¹ are writing to express our members' support for draft legislation titled, "The Empowering States to Protect Seniors from Bad Actors Act." This draft legislation would amend the Dodd-Frank Act to clarify that the senior investor protection grant program should be funded in the same manner as all other Consumer Financial Protection Bureau (CFPB) programs.

ACLI, AALU, IRI, and NAIFA and our companies are firmly committed to prohibiting abusive sales and marketing practices in our industry, particularly those targeting seniors. Given that the number of older adults continues to climb, elder financial abuse has become a problem in the United States. Unfortunately, bad actors target unsuspecting seniors due to isolation, vulnerability or deteriorating cognitive skills.

To help address this problem we were a strong supporter of the Senior Safe Act enacted in 2018. That law encourages better communication between financial services companies and regulatory agencies. The draft legislation is another step that will help states combat senior fraud.

Dodd-Frank Section 989(A) authorizes a grant program by the CFPB to assist states with protecting seniors against financial exploitation. Such a program will provide additional resources to state insurance departments and other state agencies to combat fraud against seniors. The state receiving such funds must have implemented rules that conform to minimum requirements set forth by the National Association of Insurance Commissioners (NAIC) and the North American Securities Administrators (NASAA).

While the program was initially authorized in 2010 as part of the Dodd-Frank Act, it was never established, ostensibly due to certain alleged funding impediments. This legislation will remove those impediments and make clear that the CFPB has an ongoing obligation to establish and fund these grants.

Thank you for your attention to this important issue and for the opportunity to voice our support for this bill. We look forward to working with you to move the legislative process forward.

Sincerely,

Susan K. Neely
ACLI President and CEO

Marc Cadin
AALU President and CEO

Wayne Chopus
IRI President and CEO

Kevin M. Mayeux, CAE
NAIFA CEO

¹ The American Council of Life Insurers (ACLI) advocates on behalf of 280 member companies dedicated to providing products and services that promote consumers' financial and retirement security. 90 million American families depend on our members for life insurance, annuities, retirement plans, long-term care insurance, disability income insurance, reinsurance, dental and vision and other supplemental benefits. ACLI represents member companies in state, federal and international forums for public policy that supports the industry marketplace and the families that rely on life insurers' products for peace of mind. ACLI members represent 95 percent of industry assets in the United States.

AALU is the leading organization of financial professional who provide life insurance and retirement planning solutions for individual, families, and businesses. AALU has a rich history of success with a single focus on the issues impacting life and annuity products, and the clients its members serve. Headquartered in Washington, D.C., AALU is committed to providing its members with the essential tools and services required to help grow their businesses, serve their clients, and protect the financial and retirement security of the American people.

The Insured Retirement Institute (IRI) is the leading association for retirement income industry and only association representing the entire supply chain of insured retirement strategies. Our mission is to advocate for sustainable retirement solutions Americans need to help achieve a secure and dignified retirement; provide consumer education and outreach efforts to promote the value of retirement income planning; and raise consumer knowledge of retirement income strategies through public engagement campaigns. Our members include major insurers, asset managers, broker-dealers/distributors, banks, solution providers and more than 150,000 financial professionals. Our member companies account for more than 95% of annuity assets in the United States and include the top 10 distributors of annuities ranked by assets under management.

Founded in 1890, the National Association of Insurance and Financial Advisors (NAIFA) is the oldest, largest and most prestigious association representing the interests of insurance professionals from every congressional district in the United States. NAIFA members assist consumers by focusing their practices on one or more of the following: life insurance and annuities, health insurance and employee benefits, retirement planning, multiline, and financial advising and investments. NAIFA's mission is to advocate for a positive legislative and regulatory environment, enhance business and professional skills, and promote the ethical conduct of its members.