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October 29, 2015

Lynne Egan  
Chair, NASAA Senior Issues/Diminished  
Capacity Committee  
Deputy Securities Commissioner  
Montana Securities Department  
840 Helena Avenue  
Helena, MT 59601  
Via Email: [legan@mt.gov](mailto:legan@mt.gov)

Patricia Struck  
Vice-Chair, NASAA Senior Issues/Diminished  
Capacity Committee  
Administrator  
Wisconsin Division of Securities  
201 W. Washington Avenue, Suite 300  
Madison, WI 53701-1768  
Via Email: [patricia.struck@dfi.wisconsin.gov](mailto:patricia.struck@dfi.wisconsin.gov)

NASAA Legal Department  
Christopher Staley, Counsel  
NASAA  
750 First Street, NE, Suite 1140  
Washington, DC 20002  
Via Email: [cs@nasaa.org](mailto:cs@nasaa.org)

Re: Proposed Model Legislation or Regulation to Protect Vulnerable Adults from Financial  
Exploitation

Dear Ms. Egan, Ms. Struck, and Mr. Staley:

On behalf of our members, the Insured Retirement Institute (“IRI”) appreciates the opportunity to provide comments to the North American Securities Administrators Association (“NASAA”) regarding NASAA’s Proposed Model Legislation or Regulation to Protect Vulnerable Adults from Financial Exploitation (the “Proposed Model”), as proposed by NASAA’s Board of Directors on September 29, 2015. The Proposed Model would give industry participants and state regulators new tools to help detect and prevent financial exploitation of vulnerable adults. IRI and its members agree with and support the overall objectives of the Proposed Model, and applaud NASAA for taking this positive and timely first step to address this critical issue. In this letter, we will identify and explain a number of

potential unintended consequences, and offer constructive suggestions to address these concerns without impeding the intent of the Proposed Model.

### **About IRI**

IRI is the only national trade association that represents the entire supply chain of the retirement income industry. IRI has more than 500 member companies, including major life insurance companies, broker-dealers, banks, and asset management companies. IRI member companies account for more than 95% of annuity assets in the United States, include the top 10 distributors of annuities ranked by assets under management, and are represented by more than 150,000 financial professionals serving over 22.5 million households in communities across the country.

Much like NASAA, IRI has undertaken significant efforts over the past year to help protect older Americans and other vulnerable adults from financial exploitation. The population of older Americans is one of the fastest growing cohorts in the United States, with this segment of our nation's population expected to double in size to nearly 84 million Americans by 2050. This continued growth highlights the need for greater focus on financial elder abuse, cognitive impairment, and diminished capacity.

Our initiatives are intended to raise awareness of these issues, and to provide a variety of older investor protection resources for consumers, financial advisors, and financial services firms (available at [irionline.org/research-and-education/protecting-older-investors](http://irionline.org/research-and-education/protecting-older-investors)), including:

- An interactive map to find local resources to protect older consumers who may be the victim of financial elder abuse.
- Information for consumers to help prevent becoming the victim of financial fraud.
- Tip sheets for financial advisors on spotting signs of diminished capacity and financial elder abuse.
- Regulatory notices, guidance and reports for financial services firms on interacting with older clients.

IRI also convened its first annual Older Investors Summit earlier this year to explore the issues of diminished capacity and financial elder abuse with key stakeholders, including representatives from the U.S. Department of Health and Human Services Administration for Community Living, the U.S. Securities and Exchange Commission, and U.S. Consumer Financial Protection Board's Office of Older Investors, as well as leading executives from financial services companies, nationally recognized academics and researchers, and other thought leaders. Throughout the event, participants identified a number of best practices and other measures firms and financial professionals can take to protect older clients from financial harm. A report on the findings of the summit is attached for your convenience, and is posted on IRI's website at [www.myirionline.org/docs/default-source/conferences/iri-older-investors-summit-executive-report.pdf?sfvrsn=0](http://www.myirionline.org/docs/default-source/conferences/iri-older-investors-summit-executive-report.pdf?sfvrsn=0).

With this perspective in mind, we respectfully offer the following comments and suggestions to enhance the Proposed Model and avoid potential unintended consequences.

### **Notification and Reporting**

We have a number of comments regarding the notification provisions in Sections 3 and 5 of the Proposed Model, including concerns about (a) the imposition of these requirements on individual “qualified employees,” (b) requiring mandatory notification to the agencies, (c) potential conflicts between these requirements and other applicable laws, rules and regulations, and (d) the need for standards when no third party has been designated.

These concerns are explained in greater detail below. To address these concerns, we request that Sections 3 and 5 of the Proposed Model be combined into a single section, revised to read as follows:

**Section 3. Governmental Disclosures and Third Party Reporting.** ¶ Unless otherwise prohibited from doing so under other applicable laws, rules or regulations, if a qualified employee reasonably believes that financial exploitation of an eligible adult may have occurred, may have been attempted, or is being attempted, the qualified employee shall promptly notify the qualified employee’s broker-dealer or investment adviser, which shall promptly undertake an internal investigation with respect to the qualified employee’s concerns. If, based on such internal investigation, the broker-dealer or investment adviser concurs with the qualified employee’s concerns, a Designated Reporter for the broker-dealer or investment adviser may notify (a) Adult Protective Services and the commissioner of securities (collectively “the Agencies”), and (b) any third party previously designated by the eligible adult, excluding any designated third party that is suspected of financial exploitation or other abuse of the eligible adult. If the eligible adult has not designated a third-party or if the designated third-party is suspected of financial exploitation or other abuse of the eligible adult, notification of suspected financial exploitation may be made to any other adult whom the broker-dealer or investment adviser reasonably believes to be a trusted family member or associate of the eligible adult.

In addition, we request that the following defined terms be added to Section 2 of the Proposed Model:

“Designated Reporter” means a qualified employee designated by a broker-dealer or investment adviser to submit reports on suspected financial exploitation in accordance with Section 3.

### Imposition of Reporting Requirements on Qualified Employees

Section 3 of the Proposed Model requires qualified employees to report suspected financial exploitation to governmental agencies, and Section 5 permits qualified employees to notify designated third-parties of suspected abuse. From a practical perspective, given that multiple qualified employees of a particular firm may have knowledge of a particular case of suspected exploitation, this approach would require all of those employees to submit individual reports in order to avoid any possible inadvertent violations, thereby increasing the burden on the regulators to sift through multiple reports on a single incident. Similarly, designated third-parties would potentially receive notification from multiple points of contact at the firm.

In our view, it would be more appropriate and effective to revise these provisions to apply to the broker-dealer or investment adviser firms rather than individual qualified employees. Doing so would enable firms to develop and supervise streamlined procedures for reporting suspected financial exploitation, including the establishment of consistent standards for initial determinations, internal investigations regarding suspected financial exploitation, and notifications to the appropriate agencies and designated third-parties. To that end, it would be beneficial to include an additional defined term, "Designated Reporter," to refer to the individual qualified employee designated by the firm to submit reports on suspected financial exploitation.

#### Mandatory Notification to the Agencies

As noted throughout this letter, IRI strongly believes that effective collaboration between firms and governmental authorities is essential to the protection of seniors and other vulnerable adults against potential financial abuse. However, we believe it would be more appropriate and effective to permit notification of suspected abuse to the Agencies after firms take the time necessary to conduct a meaningful internal investigation of suspected abuse, rather than requiring prompt notification of suspicious activity. Notification would, of course, be required within the designated time-frames specified in Section 7 of the Proposed Model if a firm decides to delay any transactions based on the results of its internal review, but we do not see any meaningful benefit to requiring notification prior to such time. This is the approach taken in the three states where laws similar to the Proposed Model have already been enacted (Delaware, Missouri and Washington), and we believe the Proposed Model should be revised to follow this same approach.

#### Potential Conflicts with Other Laws, Rules and Regulations

We note that some qualified employees may be subject to conflicting laws or rules that would otherwise prohibit reporting. If, notwithstanding the comments above, NASAA determines to retain the requirement to notify the Agencies under Section 3 of the Proposed Model, we believe it would be appropriate to clearly state that firms and individuals are not required to violate other applicable laws or rules in order to comply with this provision.

#### Need for Standards When No Third Party Has Been Designated

By limiting the third-party notification provision to circumstances when the eligible adult has designated a third-party, the Proposed Model effectively prevents firms and qualified employees from contacting family members or other trusted individuals even when doing so would help to protect the eligible adult from financial exploitation. Moreover, firms may be unable to conduct a comprehensive review of the situation, as required under Section 7, without contacting such individuals. Clearly, firms and qualified employees should not be permitted to notify an individual suspected of involvement in the alleged exploitation. Absent any such suspicion, however, we believe the Proposed Model should be revised to extend the third-party notification provision to permit notification to such other trusted individuals.

## **Immunity**

IRI and its members have a number of comments and concerns about the immunity provisions in the Proposed Model, including (a) the inclusion of three separate immunity provisions, (b) the scope of eligibility for immunity protection, (c) the extent of protection provided by the immunity provisions, and (d) the lack of immunity protection for actions taken to prevent possible future financial exploitation.

These concerns are explained in greater detail below. To address these concerns, we request that Sections 4, 6 and 8 of the Proposed Model be combined into a single section, revised to read as follows:

**Section 4. Immunity.** A broker-dealer, ~~or~~ investment adviser, qualified employee or other employee involved in any actions taken in accordance with this [statute][regulation] that, in good faith and exercising reasonable care, complies with ~~section 7~~ this [statute][regulation] or takes reasonable steps to identify and prevent financial exploitation of eligible adults before such exploitation occurs shall be immune from any administrative or civil liability (including liability in civil suits brought by an eligible adult, a representative of an eligible adult, a government agency or representative thereof, or any other party) that might otherwise arise from such ~~action~~ delay in a disbursement in accordance with this section.

### Multiple Immunity Provisions

The Proposed Model provides immunity for firms and individuals acting in accordance with the provisions on notification and delaying disbursements in three separate sections. To avoid any confusion, we request that these immunity provisions be combined into a single comprehensive immunity section that covers firms and their qualified employees for all acts taken pursuant to the model.

### Eligibility for Immunity

Actions taken by a broker-dealer or investment adviser firm under the Proposed Model will necessarily involve multiple employees. As such, we believe the immunity provisions should not be limited to firms and qualified employees that initially identify potential exploitation. Rather, any individual involved in the process of identifying, investigating and reporting suspected exploitation or in making a decision as to whether to delay disbursements, should be entitled to the protections of the immunity provision.

### Extent of Protection Provided by Immunity

The Proposed Model purports to provide immunity, but does not clearly state the extent of protection provided by such immunity. We believe the immunity provision is intended to provide comprehensive protection for firms and individuals seeking to protect their clients against abuse and exploitation, and should therefore provide complete and comprehensive immunity for liability in any civil suit, whether brought by the eligible adult, a representative of the eligible adult, the government, or any other party.

### Applicability to Actions Involving Potential Future Abuse

While the Proposed Model is appropriately focused on situations in which “financial exploitation of an eligible adult may have occurred, may have been attempted, or is being attempted,” we believe the

immunity provisions should be expanded to encourage firms and qualified employees to proactively take steps to prevent potential financial exploitation that is reasonably likely to occur in the future, even if the potential perpetrator has not yet engaged in abusive activities.

### **Delaying Disbursements**

IRI and its members have a number of comments and concerns about the provisions in the Proposed Model applicable to delaying disbursements, including (a) the limitation on the types of transactions that may be delayed, (b) the applicable time-frames within which internal and governmental investigations must be completed, (c) the content of the notifications required under this section and the method by which such notifications must be provided, and (d) the lack of any requirement that the Agencies provide feedback to broker-dealers and investment advisers to guide their handling of the suspected abusive behavior. These comments are described in greater detail below.

#### Limitation on Transactions that May Be Delayed

Under the Proposed Model, a broker-dealer or investment adviser is permitted to delay disbursements if the firm or a qualified employee “reasonably believes that the requested disbursement will result in financial exploitation of an eligible adult.” However, disbursements are just one way in which financial exploitation can occur. Seniors and other vulnerable adults can also potentially be harmed by, for example, investment re-allocations, beneficiary changes, transfers to a joint account, execution of other brokerage instructions and other account activities. As such, we believe the Proposed Model should be revised to permit firms to delay any financial transaction it reasonably believes will result in financial exploitation by (a) changing the heading of Section 7 to “Delaying Transactions,” and (b) replacing all references to “disbursements” in the Proposed Model to instead refer to “transactions.”

#### Applicable Time-Frames for Internal and Governmental Investigations

We believe the time-frames provided in this section are insufficient and should be extended. Investigations of suspected abuse cannot and should not have to be rushed merely to satisfy an arbitrary deadline. When a qualified employee suspects financial abuse, the employee will have to report such suspicions to the firm’s compliance unit, which will then have to coordinate with the firm’s legal, internal audit, and fraud units, to review and investigate the report before determining whether the transaction should be delayed. It is impractical to expect this process to be effectively completed in two business days. As a result, some transactions where abuse actually is occurring may not be delayed because the firm’s investigation could not be completed in two days, thereby defeating the purpose of the Proposed Model.

Alternatively, some firms may simply decide to use a lower threshold for delaying transactions to maximize the likelihood of preventing financial abuse, thereby significantly increasing the burden on regulators with limited resources to investigate numerous cases in which suspicions ultimately prove to be unfounded. As such, we believe the time frame for reporting delays should be extended to at least seven business days to allow firms adequate time to conduct internal reviews before getting the regulators involved, and the ten business day limit on account freezes should be extended to 30 business days to provide sufficient time for the regulators to complete their investigations.

### Content and Method of Notification

With respect to the required notification of a delay to designated third-parties, we are concerned that including information about the reason for the delay could inadvertently provide an opportunity for individuals engaging in suspected abusive activity to take steps to impede any internal or governmental investigation. We believe this unintended outcome can be avoided without impeding the intent of the notification provision in Section 7(b)(i) by merely requiring that notice of the delay be provided to designated third-party without including the details about the reason for the delay.

The Proposed Model does not specify the means by which written notification must be provided, and does not indicate whether the notification requirement is satisfied when it is sent or when it is received. We believe Section 7(b)(i) should be revised to clearly permit notification by email, first class mail or fax, and to clearly indicate the notification requirement is considered to be met when the notice is sent.

### Lack of Feedback to Firms

While the Proposed Model would require firms to notify the Agencies of decisions to delay disbursements and to assist the Agencies in investigations suspected financial exploitation, it does not provide any mechanism by which the Agencies would provide feedback to firms about the results of their investigations. We believe it is essential that the Agencies and firms work collaboratively to protect seniors and other vulnerable adults from financial abuse. By sharing the results of their investigations, the Agencies could provide guidance for firms about how to handle each reported case. In addition, such feedback would help firms enhance their compliance and supervisory policies and procedures with respect to financial abuse, and educate their employees about how to identify and investigate potential exploitation. We believe the Proposed Model should be revised to require that the Agencies share their findings with reporting firms.

### **Records**

The Proposed Model provides that a broker-dealer or investment adviser may provide access to or copies of records that are relevant to the suspected or attempted financial exploitation. We note, however, that different firms may have different recordkeeping processes and procedures. For example, some firms may centralize recordkeeping functions at the corporate level while others may delegate those functions to designated individuals or business units. As such, we request that the Proposed Model be revised to allow firms to delegate its responsibilities under this section to designated representatives.

### **Need for Regulatory Coordination**

Senior protection is an issue of concern to a wide variety of federal and state regulators. As NASAA continues its efforts to finalize the Proposed Model, we strongly encourage coordination with these other agencies. In particular, IRI and its members believe it is critical that NASAA work with the NAIC and state insurance regulators in an effort to develop a cohesive regulatory framework that extends from product manufacturers (e.g., insurance companies) to distribution (e.g., broker-dealers, investment advisers, insurance agencies and producers), and aligns with related issues (e.g., privacy, anti-money

laundering). This will ensure that all consumers have the same level of protection, regardless of the type of product they buy, avoid imposing potentially conflicting rules on firms that operate in multiple lines of business, and provide a means by which to ensure that all financial industry participants have the means by which to protect their clients against those seeking to take advantage of them in their most vulnerable years.

Thank you again for the opportunity to comment on the Proposed Model. Please feel free to contact Jason Berkowitz, IRI's Vice President and Counsel for Regulatory Affairs ([jberkowitz@irionline.org](mailto:jberkowitz@irionline.org), 202-469-3014), or Paul Richman, IRI's Vice President for Regulatory Affairs and Compliance ([prichman@irionline.org](mailto:prichman@irionline.org), 202-469-3004), if you have any questions or would like to discuss this matter further.

Sincerely,

A handwritten signature in black ink, appearing to read "Catherine J. Weatherford". The signature is fluid and cursive, with a large loop at the end.

Catherine J. Weatherford  
President & CEO  
Insured Retirement Institute

cc: Joseph Brady, Executive Director, North American Securities Administrators Association  
Valerie Mirko, General Counsel, North American Securities Administrators Association

Attachment: IRI 2015 Older Investor Summit Report



## **INSURED RETIREMENT INSTITUTE**

# **IRI OLDER INVESTORS SUMMIT – EXECUTIVE REPORT**

### **BACKGROUND**

The population of older Americans is one of the fastest growing cohorts in the United States and is expected to double in size to nearly 84 million Americans by 2050. This continued growth is necessitating more focus and information on issues specific to this population – including financial elder abuse, cognitive impairment, and diminished capacity.

In response to this important challenge, IRI began a heightened effort in 2014 to focus attention to issues impacting older Americans and to disseminate resources to consumers and the financial professionals who service these customers. As part of this effort, IRI launched a web-based resource center focused on protecting older Americans that features information for consumers, financial advisors, and financial services firms on these issues. The site includes an interactive map to find local resources to protect older consumers who may be the victim of financial elder abuse, information for consumers to help prevent becoming the victim of financial fraud, tip sheets for financial advisors on spotting signs of diminished capacity and financial elder abuse, as well as regulatory notices, guidance and reports for financial services firms on interacting with older clients.

As a next step, to establish a national dialogue on these issues with various stakeholders, IRI convened the first IRI Older Investors Summit: Strengthening Financial Security for Older Americans in New York on May 27, 2015. The event served to explore the issues of diminished capacity and financial elder abuse, and identify best practices and other measures to protect older clients from financial harm.

### **EVENT OVERVIEW**

The IRI Older Investors Summit was designed as a roundtable discussion featuring top executives from financial services companies; nationally recognized academics and researchers; regulators, public policymakers, and other public officials with responsibilities for protecting older investors; and other thought leaders in this area. Throughout the day, attendees provided presentations to engender discussions to identify best practices, initiatives and public policies to protect older investors.

The day commenced with a keynote address from Judith Kozlowski, representing the U.S. Department of Human Services' Administration for Community Living, and an overview of the latest research findings on financial elder abuse led by Allianz Life CEO Walter White. Subsequent discussions were based on themes including regulatory efforts to protect older Americans, training and compliance programs at financial services firms, and best practices for working with older clients.

### **EVENT HIGHLIGHTS & FINDINGS**

- Financial abuse is the fastest growing form of elder abuse. MetLife estimates that the cost of financial exploitation is \$2.9 billion/year, which may be higher due to underreporting.



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- One of the first signs of cognitive capacity is diminished financial decision-making, which generally peaks at 53 and then declines.
- There are two key issues in financial exploitation: cognitive impairment and social isolation. Social isolation can be especially dangerous.
- Different firms are addressing the problem in different ways. There is a need to share best practices across the industry.
- Social service workers and police officers generally do not fully understand the scope of financial elder abuse, including identifying indicators of exploitation.
- Law enforcement can be an important resource in protecting older investors. Law enforcement be deployed to slow certain financial transactions to allow more time to mobilize other resources.
- Victim of financial crimes are often embarrassed, resulting in low reporting rates of financial elder abuse. In other instances, victims may not want to “out” a family member as a perpetrator.
- Firms are showing an increased sensitivity to state issues, including state privacy laws, language of insurance contracts, and educating and training brokers and clients.
- Stronger frontline and field education is needed across the board.

### **DISCUSSION HIGHLIGHTS**

*Retirement Planning and Older Investors – Judith Kozlowski, Senior Advisor for Elder Justice, Administration for Community Living, Department of Health and Human Services:*

- Financial abuse is the fastest growing form of elder abuse.
- While financial abuse is underreported, the cost of financial exploitation is estimated by MetLife to cost at least \$2.9 billion/year.
- Cognitive impairment and social isolation are two issues that contribute to financial exploitation. Social isolation can be particularly dangerous.
- A federal initiative has commenced to collect data from Adult Protective Service agencies across the country to define scope of the problem.
- The Elder Justice Act passed in 2010 and created the Elder Justice Coordinating Council, which includes 12 different agencies working on elder abuse issues.

*Preventing Elder Financial Abuse: The Role of Insurance Carriers - Walter White, President and CEO, Allianz Life:*

- Older Americans are targeted for financial exploitation due to wealth, living alone, dependence, and cognitive impairments or diminished capacity.
- 52 percent of financial elder abuse cases are perpetrated by family, friends, or caregivers.
- Victims of elder abuse are the retirement income industry’s customers and acts of abuse undermine our goal of helping create secure retirements.



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- An Allianz Life study found one in five (19%) adults age 40-64 reported having an older friend or family member who has been a victim of financial elder abuse. Of this 19%, more than half said victims did not report abuse. The average financial loss in these incidents was \$30,000, and 10 percent of victims reported suffering losses of \$100,000 or more.
- Financial professionals are in a unique position to detect abuse. Distributors should utilize proper estate planning documents and validate policies/procedures of product providers.

*Understanding the Issues Facing Older Investors - Ronald Long, Wells Fargo Advisors; Angela Gutchess, Ph.D., Brandeis University; Rosa Maymi, AARP; Gregory Samanez-Larkin, Ph.D., Yale University:*

- Speed of processing information, working memory, and ability to multitask are among the cognitive abilities that decline with age.
- Emotional well-being improves with age, which produces less unnecessary negativity but also creates the potential susceptibility to financial fraud.
- Risk aversion is believed to increase with age, but that may only be a perception. The bottom line is don't assume risk aversion in decision behavior in older-age consumers.
- Any prevention policies should apply to individuals of all ages.
- Victims of financial crimes are embarrassed, which leads to under-reporting of fraud. Under-reporting is also exacerbated by victims' desire not to "out" family members and friends as perpetrators.

*Regulator Roundtable: Initiatives to Educate and Protect Older Americans - Paula Nelson, Global Atlantic Financial Group/Forethought Distributors; Lourdes Gonzalez, U.S. Securities and Exchange Commission; Nora Eisenhower, Consumer Financial Protection Bureau:*

- Seven regulatory agencies issued guidance to financial institutions to clarify the applicability of privacy provisions of the Gramm-Leach-Bliley Act (GLBA) to reporting suspected financial exploitation of older adults.
- Preventing fraud and financial exploitation should start with the most common red flag: money movement.
- Washington State has a 10-day waiting period on financial transactions, which can be a model for other states.
- New resources for consumers include the Department of Justice's local support tool, which identifies local agencies based on zip code, and FINRA's toll-free securities hotline for seniors.

*Investor Education: Media Perspectives - Gregory Crawford, Investment News; Ashlea Ebeling, Forbes; Richard Eisenberg, PBS NextAvenue.org:*

- Journalists can help get the story out on these issues, but need industry professionals to be willing to talk to them.



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- Industry and regulators should consider alternative communication approaches beyond the internet, as not all older Americans have access to the web.

*The Emotional Connection: Financial Planning in the Shadow of Dementia - John Koehler, Senior Vice President of Advanced Markets, Transamerica Capital:*

- Deaths from Alzheimer’s disease increased 71 percent from 2000 to 2013, making it the fastest growing disease in the United States.
- Best practices for helping clients who may have or may incur dementia include:
  - Provide written guidance to employees on senior-related issues
  - Communicate policies regarding durable powers of attorney
  - Suggest customers invite a friend or family member to meetings
  - Revise privacy policies to address diminished capacity
  - Offer training to help registered representatives understand and meet the needs of older investors
  - Provide education to customers about how to avoid being victims of financial fraud or abuse
- The three most important things advisors should do when helping clients with dementia are getting someone else involved, recognize that most forms of dementia are progressive, and suggest your client see a doctor.

*Protecting Older Investors: The Role of Training and Compliance Programs - Timothy Keeton, LPL Financial; Jennifer Lewis, MetLife, and Shawn Scholz, Ameriprise Financial:*

- Reported incidents typically spike following training, when most advisors/agents are most sensitive and aware of financial elder abuse.
- Best practices should be shared across the industry, not performed by one company in a vacuum.

*Best Practices for Working with Older Investors - Thomas M. Mierswa, Morgan Stanley Wealth Management; Jamie Cox, Harris Financial Group; and Wendy Johnson, U.S. Bancorp Investments:*

- Front line staff, equipped with a standard set of procedures, is the first line of defense to protect older clients. The company is engaged only when issues are escalated.
- Best practices include:
  - Always documenting every interaction with the client, and sending follow up letters.
  - Knowing your clients’ family members and other members in spheres of influence.
  - Getting to know elder law attorneys in the community, social service case workers, and professional guardian/POA representatives.
  - Call on local law enforcement for “well checks” if you suspect fraud.



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*Public Policy: Opportunities to Meet the Needs of Older Investors - Lee Covington, Senior Vice President & General Counsel, Insured Retirement Institute:*

- A national oversight agency is needed to coordinate Adult Protective Services. There is no infrastructure that looks at these issues holistically, as Adult Protective Services are funded on the state level. Some states even differ county by county, with no integrated network and computer systems.
- Work is needed on privacy safe harbors.
- Local police departments are ill-equipped to manage these issues. Developing training material and other partnership opportunities with law enforcement should be explored.

### **CONCLUSIONS & RECOMMENDATIONS**

As a result of the conversations during the IRI Older Investors Summit, IRI identified several initiatives, public policy recommendations, and financial services best practices to better protect older Americans.

- Establishing an independent third-party to call when financial abuse is suspected.
- Requiring regular training on elder issues for frontline and field staff.
- Establishing a training video for law enforcement and/or explore other opportunities to partner with law enforcement.
- Creating a fraud watch network, and researching the possible development of a data system algorithm to trigger fraud alert.
- Developing better assessments to determine when intervention is necessary.
- Considering extending waiting periods for financial transactions, such as emulating Washington State's 10-day waiting period.

IRI will continue its work promoting resources to protect consumers from becoming the victim of financial elder abuse and to help advance a national dialogue on issues impacting older Americans. This includes preparing a webinar for members that builds on themes included in the IRI Older Investors Summit. IRI also will continue to examine which initiatives it can help advance, and which public policy recommendations it can help advocate for.

### **ADDITIONAL RESOURCES**

- [IRI's Protecting Older Investors Resource Center](#)
- [IRI Older Investors Summit Final Program](#)
- [Preventing Elder Financial Abuse: The Role of Insurance Carriers - Walter White, President & CEO, Allianz Life](#)
- [Financial Planning in the Shadow of Dementia: The Heart of the Matter - John Koehler, SVP, Advanced Markets, Transamerica](#)



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- [IRI Older Investors Summit: Strengthening Financial Security for Older Americans - Nora Eisenhower, Assistant Director, Office of Older Americans, Consumer Financial Protection Bureau](#)
- [Cognitive Changes with Aging - Angela Gutchess, Ph.D., Associate Professor of Psychology, Brandeis University](#)
- [Understanding the Aging Decision Maker - G.R. Samanez-Larkin, Ph.D, Assistant Professor of Psychology, Cognitive Science and Neuroscience, Yale University](#)
- [Public Policy and the Needs of Older Investors - Lee Covington, Senior vice President and General Counsel, Insured Retirement Institute](#)

### **ACKNOWLEDGEMENTS**

IRI thanks John Papadopoulos, President, Wells Fargo Retirement, Wells Fargo & Company, and the Treasurer/Secretary of the IRI Board of Directors, for his leadership in moderating the IRI Older Investors Summit. IRI also appreciates the participation of Allianz Life CEO Walter White, IRI Board Members Paula Nelson, Executive Vice President, Global Atlantic Financial Group and Head of Annuity Distribution, Forethought Distributors, and Bill Lowe, President Sammons Retirement Solutions. IRI also expresses its appreciation to Nationwide, Forethought, MetLife, Allianz Life, Transamerica and U.S. Bancorp for their support of the IRI Older Investors Summit.