

For Your Information

TO: Pennsylvania Licensed Producers
FROM: Assurity Marketing
DATE: June 7, 2011
RE: Use of Senior Specific Designations

The Pennsylvania Insurance Department cautions producers selling life insurance or annuities to seniors not to make use of any professional designations that may be misleading to seniors and to otherwise comply with their obligations under Pennsylvania law.

Pennsylvania law prohibits certain unfair financial planning practices, such as a producer using a professional designation if the designation is not a formally recognized financial planning or consulting designation and would lead the consumer to believe that the producer is a financial planner, investment adviser, consultant, financial counselor or any other "specialist" engaged in the business of giving financial planning or advice relating to investments, insurance, tax matters or trust and estate matters when in fact that person is engaged only in the sale of life insurance or annuity policies.

See the attached regulation for more information.



INsource on the Web

Pennsylvania
INsight Regulations

Regulatory Activity Notice of May 14, 2011

NOTICES

Use of Misleading Professional Designations by Insurance Producers Selling Life Insurance or Annuities to Seniors; Notice No. 2011-03

**[41 Pa.B. 2504]
[Saturday, May 14, 2011]**

The Insurance Department (Department) issues this notice to caution insurance producers selling life insurance or annuities to seniors not to make use of any professional designations that may be misleading to seniors and to otherwise comply with their obligations under Pennsylvania law. Specifically, Article IV-A of The Insurance Company Law of 1921 (act) (40 P. S. §§ 625-1—625-11) provides standards that producers must follow in the solicitation, sale, issuance and delivery of life insurance products and annuities in this Commonwealth. In doing so, the act prohibits certain unfair financial planning practices. Among these practices, the act prohibits an insurance producer from using a professional designation if the designation is not a formally recognized financial planning or consulting designation and would lead the consumer to believe that the producer is a financial planner, investment adviser, consultant, financial counselor or any other "specialist" engaged in the business of giving financial planning or advice relating to investments, insurance, tax matters or trust and estate matters when in fact that person is engaged only in the sale of life insurance or annuity policies. See section 3(a) of the act (40 P. S. § 625-3(a)). Further, section 5(a)(1)(i) and (2) of the Unfair Insurance Practices Act (40 P. S. § 1171.5(a)(1)(i) and (2)) prohibits producers from making any statement with respect to the business of insurance that is deceptive or misleading or that misrepresents the benefits or advantages of any insurance policy.

While persons holding a formally recognized financial planning or consultant designation are not prohibited from using these designations when selling insurance, they may not charge an additional fee for services that are customarily associated with the solicitation, negotiation or servicing of the insurance or annuity policies. See section 3(a) of the act.

The act places additional disclosure requirements and fee limitations on insurance producers engaging in financial planning activities, and the Department encourages all producers selling life insurance or annuities to review the provisions of the act to ensure that they are operating in compliance with Pennsylvania law. Producers violating the act may be subject to significant penalties, including license revocation and a civil penalty of up to \$5,000.00 for each violation.

Questions regarding this notice should be addressed to Ronald A. Gallagher, Jr., P.E., Deputy Insurance Commissioner, Office of Market Regulation, Insurance Department, 13th Floor, Strawberry Square, Harrisburg, PA 17120, rgallagher@state.pa.us.

MICHAEL F. CONSEDINE,
Insurance Commissioner

[Pa.B. Doc. No. 11-833. Filed for public inspection May 13, 2011, 9:00 a.m.]

Description	This Notice addresses use of misleading professional designations by insurance producers selling life insurance or annuities to seniors. The DOI issues this Notice to caution insurance producers selling life insurance or annuities to seniors not to make use of any professional designations that may be misleading to seniors and to otherwise comply with their obligations under Pennsylvania law. Specifically, the law provides standards that producers must follow in the solicitation, sale, issuance and delivery of life insurance products and annuities. In doing so, the act prohibits certain unfair financial planning practices. Among these practices, the act prohibits an insurance producer from using a professional designation if the designation is not a formally recognized financial planning or consulting designation and would lead the consumer to believe that the producer is a financial planner, investment adviser, consultant, financial counselor or any other "specialist" engaged in the business of giving financial planning or advice relating to investments, insurance, tax matters or trust and estate matters when in fact that person is engaged only in the sale of life insurance or annuity policies. Further, the Unfair Insurance Practices Act prohibits producers from making any statement with respect to the business of insurance that is deceptive or misleading or that misrepresents the benefits or advantages of any insurance policy. While persons holding a formally recognized financial planning or consultant designation are not prohibited from using these designations when selling insurance, they may not charge an additional fee for services that are customarily associated with the solicitation, negotiation or servicing of the insurance or annuity policies. The law places additional disclosure requirements and fee limitations on insurance producers engaging in financial planning activities, and the DOI encourages all producers selling life insurance or annuities to review the provisions of the act to ensure that they are operating in compliance. Producers violating the law may be subject to significant penalties, including license revocation and a civil penalty of up to \$5,000.00 for each violation. Dated May 14, 2011.
Lines of Business	Life
Subject Category	020 - Life insurance / insurers 040 - Annuities 300 - The policy 580 - Fees and taxes 700 - Trade practices 720 - Information practices 840 - Government agencies
Status	New
Actions	New
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Proposed	05/14/2011
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***** END DOCUMENT *****