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CFO Sink's Safeguard Our Seniors Legislation Passes Legislature



Florida CFO Alex Sink's Safeguard Our Seniors legislation passed the Florida Legislature on Friday, strengthening senior investor fraud laws. CFO Sink proposed the legislation for the third straight year after hearing hundreds of heartbreaking stories from seniors who had been defrauded by senior scammers, many losing their life savings.



"I commend the Florida Senate, especially Senator Mike Bennett, who stood with me, tirelessly pursuing tougher safeguards for our seniors three years in a row," said CFO Sink. "I'm disappointed that it took the Florida House this long, and that they were not willing to make "twisting" or "churning" an annuity to a senior a third-degree felony, but I applaud the leadership of Representative Maria Sachs for securing the remainder of these important safeguards."

The Safeguard our Seniors Act, originally sponsored by Senator Mike Bennett and Representative Maria Sachs enacts the following safeguards:

- Increases the financial penalty for the willful act of "twisting" or "churning" of an annuity to a maximum of \$75,000, which is intended to be a strong disincentive to this unlawful behavior.
- Limits the period of a surrender charge for an annuity sold to a senior consumer (age 65 or older) to 10 years and limits the surrender charge to 10 percent.
- Extends the "free look" period for the purchase of an annuity by a senior consumer from 14 to 21 days.
- Authorizes the Department of Financial Services to require an agent to make monetary restitution

to a senior consumer harmed by a violation of the insurance code under certain circumstances.

- Includes a third party marketer that aids and abets an insurance agent in the violation of the insurance code involving an annuity sale to a senior consumer as an affiliated party of the insurance agent, bringing that marketer under the regulatory authority of the department.
- Gives the department authority to take license disciplinary action against an agent who has been disciplined under his or her securities broker-dealer license or a related license.
- Prohibits the department from issuing a license to a former licensee who has had his or her license revoked resulting from the solicitation or sale of an insurance product to a senior consumer.
- Extends the prohibition on a life insurance agent being the beneficiary of a life insurance policy by including the agent's family members within the prohibition and by prohibiting the agent from serving as a guardian, trustee, or having power of attorney over the insured.
- Requires an insurer to provide a cover sheet attached to the policy when an annuity is issued informing the purchaser about the free look period and about how to contact the insurer and the department if they have questions about the annuity.
- Allows the use of video depositions in administrative hearings involving a senior consumer and requires compliance with the Rules of Civil Procedure.

CFO Sink's Department of Financial Services has held nearly 400 'Safeguard Our Seniors' workshops throughout the state during the last two years to help seniors become better informed about how to protect themselves from financial fraud. The programs have helped Florida seniors recover nearly \$11.2 million, and helped put some senior scammers behind bars.

To learn more about CFO Sink's Safeguard Our Seniors Task Force, learn what to consider when purchasing annuities, or read the stories of senior victims, please visit www.ilseniors.net. Floridians who believe they may have been the victim of annuity fraud should call (850) 413-3089 or toll-free at 1-877-My-FL-CFO (1-877- 693-5236) or log on to www.MyFloridaCFO.com to file a complaint.
