



October 27, 2021

The Honorable Robert P. Casey, Jr.
Chairman
Special Committee on Aging
United States Senate
Washington, DC 20515

The Honorable Tim Scott
Ranking Member
Special Committee on Aging
United States Senate
Washington, DC 20515

Dear Chairman Casey and Ranking Member Scott:

Thank you for the opportunity to comment on the U.S. Senate Special Committee on Aging's request for information on improving financial literacy and decision-making for older adults and people with disabilities.

The National Association of Insurance and Financial Advisors (NAIFA) is the preeminent membership association for the multigenerational community of financial professionals in the United States. NAIFA has 53 state and territorial chapters and 35 large metropolitan local chapters. Our members in every congressional district advocate on behalf of producers and consumers at the state, interstate, and federal levels. NAIFA strongly supports efforts to increase the financial security of America's seniors.

According to a 2018 Government Accountability Office report, financial fraud targeting older Americans is a growing epidemic that costs seniors an estimated \$2.9 billion annually. Too often, vulnerable seniors are victims of actions by unscrupulous individuals – particularly seniors suffering from cognitive decline. In the coming years, millions of Americans will be transitioning from the workforce into retirement and will be living on fixed incomes and other assets that need to be preserved to protect their financial independence and security. NAIFA members continue to lead this vital effort to protect our nation's seniors.

When a person retires, their need for insurance and financial services guidance doesn't end. In fact, for many it's just the beginning. NAIFA members help their retired clients adjust their budgets and estimate expenses, develop disbursement strategies for their retirement savings, find healthcare as well as limited and extended care solutions, and create legacies to leave for loved ones or charities. NAIFA members also provide front-line protection against scams targeting older Americans.

NAIFA financial advisors have long understood what it means to serve the most vulnerable of Americans. In a 2021 survey conducted by NAIFA, over 300 respondents said that working with senior clients was an integral part of their insurance and investment portfolios.

Financial exploitation is a problem that hits home for older Americans, their families, and the financial industry. One in five older Americans are victims of financial exploitation, with each victim losing more than \$120,000, on average. Further, the U.S. financial industry loses roughly \$1 billion every year because of exploitation of adults over 50.



Of those respondents on the NAIFA survey that work with senior clients, 100% had developed strategies to increase the confidence of older Americans in trusting their financial advice, with over 59.8% ensuring the inclusion and involvement of a trusted person of their older client is involved in the planning process with their financial security.

NAIFA has helped lead the way for senior financial protection at the federal level by working closely with Congressional lawmakers on both the Senior Safe Act, signed into law in 2018 and the Senior Security Act of 2019.

Additionally, NAIFA worked with FINRA on a rule that allows broker-dealers to temporarily delay a senior client's disbursement request if the broker-dealer suspects that financial exploitation may be involved.

Recently NAIFA has teamed up with AARP to distribute BankSafe, a first-of-its-kind online training platform that empowers financial advisors with knowledge, skills, and confidence to spot and stop the financial exploitation of older Americans. NAIFA and AARP partnered to develop a free training that combines AARP's understanding of the wants and needs of older adults with the expertise of the financial industry.

NAIFA, AARP, and other financial industry partners developed the new course specifically for financial advisors and it has the potential to exponentially increase our collective impact in the fight against financial exploitation—protecting millions more older adults from losing their hard-earned savings. The financial advisor BankSafe training platform arms NAIFA's registered representatives of broker-dealers, financial advisors, and asset managers with the skills and confidence to take action to protect senior investors.

NAIFA members work with senior clients daily, recognizing that it is these individuals that are most in need of protection from financial exploitation. NAIFA continues its work with federal and state lawmakers, industry partners, and individual stakeholders to ensure that seniors receive the financial advice they need. Through education and advocacy, we can make sure that those that most need protection are the ones that receive protection.

We look forward to continuing this important dialogue with The Senate Special Committee on Aging and applaud the efforts of the Committee as we collectively work towards enacting policies that foster a safer and more secure financial landscape for all seniors. For further information or questions, please contact NAIFA's Senior Vice President of Government Relations, Diane Boyle, at dboyle@naifa.org or Director of Government Relations, Mike Hedge, at mhedge@naifa.org.

Sincerely,

A handwritten signature in black ink, appearing to read "K.M. Mayeux".

Kevin M. Mayeux, CAE
Chief Executive Officer



Protecting Older Americans Survey Results

The U.S. Senate's Special Committee on Aging sought feedback on questions surrounding the financial care of older Americans. NAIFA members serve and protect older Americans through education, communication, and access to financial planning.

