



January 29, 2024

The Honorable Nick Hoheisel
House Committee on Financial Institutions & Pensions

RE: HB 2562 – Enacting the Protect Vulnerable Adults from Financial Exploitation Act

Dear Chair Hoheisel:

The Securities Industry and Financial Markets Association (SIFMA)¹ is a national trade association which represents over 350 broker-dealers, banks and asset managers, including many in Kansas.² Financial professionals work in partnership with their clients to protect and grow client assets to meet their investment goals such as a secure retirement. Unfortunately, these goals can be destroyed by bad actors that prey upon seniors and other vulnerable adults. SIFMA is proud to be a vocal advocate in the fight against senior financial exploitation. Over the past decade, SIFMA has founded a large working group of member firms to share ideas and best practices, educated policymakers and the general public on the need for increased senior protection within financial services, and worked with state and federal legislators and regulators on various “report and hold” proposals that would allow financial firms to report and place temporary holds on suspicious transactions and disbursements.

Simply put, HB 2562 would allow trained financial services personnel the time necessary to take action to protect senior and vulnerable clients in an effective and transparent way – holding and investigating suspicious disbursements and transactions, reporting suspicious transaction holds to the state securities regulator and the department of children and families and to those on and related to the account, as well as maintaining detailed records for review. Fraudsters are engaged in highly sophisticated efforts to take advantage of seniors and HB 2562 provides investment professionals needed tools to protect customers.

SIFMA strongly supports efforts to protect senior and vulnerable investors and appreciates the work of the Kansas Insurance Department for developing HB 2562. Over the past fourteen years, 41 states³ have enacted senior investor protection laws similar to HB 2562. The provisions of this legislation will provide increased protections to senior investors in Kansas.

¹ SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services. We serve as an industry coordinating body to promote fair and orderly markets, informed regulatory compliance, and efficient market operations and resiliency. We also provide a forum for industry policy and professional development. For more information, visit <http://www.sifma.org>.

² <https://states.sifma.org/#state/ks>

³ Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Hawai'i, Indiana, Iowa, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington State, West Virginia & Wyoming.

Senior investors can be at elevated risk of financial exploitation for many reasons. A key one: Americans over the age of 50 account for 77% of financial assets in the U.S.⁴ Since under-reporting is an unfortunate reality of senior financial exploitation,⁵ laws such as that proposed in HB 2562 are extremely helpful to provide additional reporting and investigation pathways to help resolve potential exploitation, and preserve assets – and therefore independence – of senior clients.

HB 2562 increases the coordination of reporting and investigation of senior financial exploitation and in doing so, will meaningfully protect senior investors in Kansas. Thank you again for your efforts to enact robust protections for senior investors. Please do not hesitate to contact me at aguggenheim@sifma.org or SIFMA's lobbyist John Monroe at 785-408-1381 with any questions.

Sincerely,



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⁴ MarketWatch, *This depressing chart shows the jaw-dropping wealth gap between millennials and boomers*, Dec. 28, 2019, <https://www.marketwatch.com/story/this-depressing-chart-shows-the-jaw-dropping-wealth-gap-between-millennials-and-boomers-2019-12-04>

⁵ National Guidelines for Financial Institutions: Working Together to Protect Older Persons from Financial Abuse (Revised September 2019) citing *Lifespan of Greater Rochester*, Weill Cornell Medical Center of Cornell University, New York City Department for the Aging (2011). Under the Radar: New York State Elder Abuse Prevalence Study.