

January 20, 2022

The Honorable Chris Van Hollen
United States Senate
110 Hart Senate Office Building
Washington, DC 20510

The Honorable Tim Scott
United States Senate
104 Hart Senate Office Building
Washington, DC 20510

Re: The Empowering States to Protect Seniors from Bad Actors Act

Dear Senator Van Hollen and Senator Scott:

On behalf of the National Association of Insurance Commissioners (NAIC)¹, we write in support of the “Empowering States to Protect Seniors from Bad Actors Act.” Thank you for introducing this legislation which would amend Section 989(A) of the Dodd-Frank Act to establish a senior investor protection grant program at the U.S. Securities and Exchange Commission (SEC) to support state efforts to target senior fraud.

As you know, senior financial exploitation continues to be a growing problem in this country, particularly with COVID-19 related fraud. It is estimated that roughly one in five older Americans have been victimized by financial fraud and have consequently lost an estimated \$2.9 billion per year. In fact, since 2013 financial institutions have reported over 180,000 instances of potential fraudulently activity targeting the elderly population.² Aging seniors cannot afford to lose these valuable funds that are critical to ensuring a secure retirement. This problem is particularly troubling considering the aging of the baby boom generation and that millions of Americans have not saved enough for retirement. Combating senior financial exploitation is critical to ensuring that the retirement crisis is not further exacerbated.

This legislation would create a grant program that was initially authorized as part of the Dodd-Frank Act, but never established, to assist states with protecting seniors against financial exploitation. This program will provide additional resources to state insurance departments and other state agencies to combat fraud against seniors. We are pleased that your legislation would provide state regulators with funding for technology, training, and equipment to prosecute those who target seniors for fraud.

¹ As part of our state-based system of insurance regulation in the United States, the NAIC provides expertise, data, and analysis for insurance commissioners to effectively regulate the industry and protect consumers. The U.S. standard-setting organization is governed by the chief insurance regulators from the 50 states, the District of Columbia and five U.S. territories. Through the NAIC, state insurance regulators establish standards and best practices, conduct peer reviews, and coordinate regulatory oversight. NAIC staff supports these efforts and represents the collective views of state regulators domestically and internationally. For more information, visit www.naic.org.

² https://files.consumerfinance.gov/f/documents/cfpb_suspicious-activity-reports-elder-financial-exploitation_report.pdf

It will also grant much needed funding for educational materials and to raise awareness of misleading or fraudulent marketing practices toward seniors.

The NAIC thanks you both for your leadership on this issue and looks forward to continuing to work with you as the legislative process moves forward. Should you have any questions, don't hesitate to contact Brooke Stringer, Assistant Director of Financial Policy and Legislation at (202) 471-3974 or bstringer@naic.org, or Patrick Celestine, Financial Services Policy and Legislative Counsel at (202) 471-3987 or pcelestine@naic.org.

Sincerely,



Dean L. Cameron
NAIC President
Director
Idaho Department of Insurance



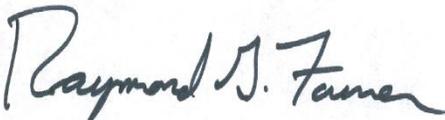
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