

Recognizing Financial Exploitation

Recognizing and Helping to Prevent Financial Exploitation of Seniors

As the U.S. population ages, the financial abuse of seniors and vulnerable adults has become an increasingly important consumer and compliance issue. According to a MetLife study, the financial exploitation of seniors is \$2.9 billion annually and likely to grow. To help protect elderly and vulnerable clients, financial representatives and all customer-interacting personnel must remain alert for any signs of potential financial exploitation and respond to reasonable suspicions in an effective and compliant manner.

Recognizing Financial Exploitation, an online, scenario-based education program developed by the LIMRA LOMA Secure Retirement Institute, provides an overview of financial exploitation; including the current regulatory environment, red flags, and steps financial representatives can take to help protect seniors and other vulnerable clients.

Whether required or not it is in the industry's best interest to get ahead of this issue. While training may not be mandatory for companies not subject to FINRA and State rules, an annual development plan may be and this is a great elective to include.

This program explains the new FINRA Rule 2165, Financial Exploitation of Specified Adults, which becomes effective on February 5, 2018, and the NASAA model adopted by many states.

This program can be used as part of your Firm Element training plan in recognition of FINRA Rule 2165. It allows financial institutions more latitude to put funds on hold while allowing for an investigation into potential exploitation.



KEY CONSIDERATIONS



Demographics

- ▶ As the U.S. population ages this will become an issue of growing importance.



Let's Get Ahead of the Next Issue

- ▶ The course provides educational content consistent with "best interest" and "know your customer" environment.
- ▶ Chief Risk Officers will want to ensure sales and service representatives have proper training on how to recognize financial abuse.
- ▶ A proactive effort will shine a positive light on the industry.
- ▶ Insurance and financial organizations committed to serving their clients' best interest have an opportunity to go beyond the DOL toward truly knowing their customers.



Better to Buy Than Build

- ▶ The course is built to an industry standard and was developed by industry executives.
- ▶ The Secure Retirement Institute owns the burden of building content as well as maintaining content updates.
- ▶ The Secure Retirement Institute is well positioned to create and deliver this content via its Compliance Education Platform.