



May 8, 2024

The Honorable Representative Josh Gottheimer
United States House of Representatives
203 Cannon House Office Building
Washington, DC 20515

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

Dear Representative Gottheimer,

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 989A of the *Dodd-Frank Wall Street Reform for Consumer Protection 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. It is estimated that roughly one in five older Americans have been victimized by financial fraud and have consequently lost an estimated \$2.9 billion². 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 boomer 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.

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 Consumer Fin. Prot. Bureau, *Suspicious Activity Reports on Elder Financial Exploitation: Issues and Trends (2019)*, available at https://files.consumerfinance.gov/f/documents/cfpb_suspicious-activity-reports-elder-financial-exploitation_report.pdf.



This legislation would create a grant program authorized as part of the Dodd-Frank Act but never established to assist states with protecting seniors against financial exploitation. It would 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. It would 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 Shana Oppenheim, Assistant Director of Financial Policy and Legislation at (202) 649-4982 or soppenheim@naic.org, or Alexander Swindle, Senior Financial Services Policy and Legislative Advisor at (202) 649-4985 or aswindle@naic.org.

Sincerely,

Andrew N. Mais (*He/Him/His*)
NAIC President
Commissioner
Connecticut Insurance Department

Jon Godfread
NAIC President-Elect
Commissioner
North Dakota Insurance Department

Scott White
NAIC Vice President
Commissioner
Virginia Insurance Department

Elizabeth Kelleher Dwyer
NAIC Secretary-Treasurer
Director
Rhode Island Department of Business Regulation