

Insurance Division, 350 Winter St. NE, Room 200, Salem, Oregon 97301-3878

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For more information:  
Lisa Morawski, 503-947-7897

## Oregon to ban misleading ‘credentials’

*Rules would ensure that titles denote actual expertise in financial services and insurance*

(Salem) – The Department of Consumer and Business Services today filed proposed rules that will better protect Oregon seniors and other investors from misleading sales tactics. The rules prohibit those who sell financial and insurance products from marketing themselves by claiming they are a “specialist,” “adviser,” or similar title when they have no substantive credentials based on legitimate professional training.

“Seniors are particularly vulnerable to this type of deceptive marketing,” said Cory Streisinger, director of the Department of Consumer and Business Services. “They are looking for ways to invest a lifetime of savings and, as a result, are targeted by many people claiming to have specialized expertise.”

Organizations in both the insurance and investment industries issue many valid credentials that require rigorous coursework and continuing education. However, some salespeople give themselves titles with similar-sounding names to imply they have a certain level of expertise. For example, Chartered Life Underwriters (CLU) is a legitimate designation; to use the title, professionals must study and pass exams in areas involving life insurance, estate planning, investments, income taxation, and retirement planning. But someone selling life insurance and annuities to seniors – and who refers to himself or herself as “chartered” – may have no specialized training. Additionally, someone might attend a one-day sales and marketing course and then start using a designation that implies expertise in an area such as financial planning.

The proposed rules prohibit individuals from using credentials that are non-existent or self-conferred, or from organizations that:

- Primarily teach sales/marketing
- Do not take steps to ensure students are competent
- Do not monitor and discipline students for improper conduct
- Do not have reasonable continuing education requirements

Salespeople could face civil penalties of up to \$20,000 for using designations that are not backed by reputable organizations with stringent requirements.

“Having strong standards for the use of titles and credentials will help consumers identify those professionals who truly have specialized knowledge,” Streisinger said.

Using misleading designations, particularly in selling to seniors, has garnered national attention recently. The U.S. House this week introduced the Senior Investment Protection Act, which would give grants to states to target investment professionals falsely claiming expertise in senior financial issues by using false or misleading titles. With the new rules, Oregon will move forward with these efforts without the need to wait for federal action.

The department will hold a public hearing on the proposed rules on Thursday, Oct. 22 at 2 p.m., in the Labor and Industries Building in Salem, Room F. The public can comment on the rules until Thursday, Oct. 29, and

the rules will become effective Nov. 1. To read the rules, go to:

<http://www.cbs.state.or.us/external/dfcs/rulestat.html#proposed> and

<http://www.cbs.state.or.us/external/ins/rules/attachments/proposed/special-designations-text.pdf>.

The proposed rules are part of DCBS' ongoing efforts to protect consumers from financial and insurance fraud and ensure they have the information they need to make good financial decisions. The department has taken many steps to protect seniors, including:

- Developing suitability standards for sales of annuities and life insurance
- Taking enforcement action against companies that target seniors with inappropriate products
- Producing publications, developing a Web page, and conducting presentations around the state to help seniors avoid insurance and financial abuse
- Assisting with legislation that protects seniors who are convinced to buy additional life insurance for the purpose of selling or transferring the policy to investors
- Helping seniors and their families understand their rights and options related to Medicare through the Senior Health Insurance Benefits Assistance (SHIBA) program

For more information, visit [www.dcbs.oregon.gov](http://www.dcbs.oregon.gov) or contact the department's divisions listed below.

The DCBS Insurance Division consumer advocates can help with insurance questions or problems and tell consumers whether an insurance agent is licensed to sell insurance in Oregon: 503-947-7984 or toll-free at 1-888-877-4894. Or, visit [www.insurance.oregon.gov](http://www.insurance.oregon.gov).

The Division of Finance and Corporate Securities at 503-378-4140 or toll-free 1-866-814-9710 can provide information about securities and investment firms and salespersons including licensing status and any regulatory or consumer complaints. Visit [www.dfcs.oregon.gov](http://www.dfcs.oregon.gov) and click on "Securities." Consumers can also look up information through the Financial Industry Regulatory Authority (FINRA) at: [www.finra.org/index.htm](http://www.finra.org/index.htm)

Consumers can find an array of tips on investing at: <http://www.nasaa.org/home/index.cfm>

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