

## In The Know

- Keeping you informed is what it's all about

## So You Say You Are A What?

We seem to be seeing more of them being used; Financial Specialist, Financial Advisor, Retirement Specialist, Senior Benefit Specialist, Senior Advisor, Financial Planner, Senior Health Advisor, etc.

The list is exhaustive and many of these titles and designations can imply that one has specialized training, knowledge or expertise when actually, they may not. The more recognized designations like; Chartered Life Underwriter (CLU), Chartered Financial Consultant (ChFC), Chartered Property & Casualty Underwriter (CPCU) Registered Investment Advisor (RIA), Registered Health Underwriter (RHU) and Certified Financial Planner (CFP) represent commitment to specialized training and education through extensive coursework and examinations and usually requires continuing education to maintain. It is becoming common to see designations or titles being “fabricated” because they sound impressive and may open the door of a trusting consumer. If a licensee is using a questionable title or designation, they may be asked by our investigators to provide evidence of specialized education or training to warrant their use of such a designation or title.

If a complaint is received from a consumer stating they decided to purchase insurance products from a licensee who is representing they possess a specific level of knowledge and they do not, fitness and trustworthiness and/or misrepresentation could be alleged during the course of the investigation. If you look at definitions of “Financial Planning” there are common phrases used such as; long term estate and retirement planning, developing a financial program considering a client's present and anticipated assets and liabilities, tax planning and asset allocation and making recommendations including savings, investments, retirement and risk management. If you are licensed to sell life insurance or annuities but are not qualified to discuss or offer other financial services to your client, should you be referring to yourself as a Financial Planner, Financial Advisor or other title that implies you have specialized knowledge when you may not? The following Statute is very clear on this point; [sec. 626.9541 \(1\) \(ff\)](#), F.S.

Unlawful use of designations; misrepresentation of agent qualifications.—

1. A licensee may not, in any sales presentation or solicitation for insurance, use a designation or title in such a way as to falsely imply that the licensee:

a. Possesses special financial knowledge or has obtained specialized financial training; or

b. Is certified or qualified to provide specialized financial advice to senior citizens.

2. A licensee may not use terms such as “financial advisor” in such a way as to falsely imply that the licensee is licensed or qualified to discuss, sell, or recommend financial products other than insurance products.

3. A licensee may not, in any sales presentation or solicitation for insurance, falsely imply that he or she is qualified to discuss, recommend, or sell securities or other investment products in addition to insurance products.

4. A licensee who also holds a designation as a certified financial planner (CFP), chartered life underwriter (CLU), chartered financial consultant (ChFC), life underwriter training council fellow (LUTC), or the appropriate license to sell securities from the Financial Industry Regulatory Authority (FINRA) may inform the customer of those licenses or designations and make recommendations in accordance with those licenses or designations, and in so doing does not violate this paragraph.

Those marketing Life and Annuity products also need to be familiar with the following statute; [626.99 \(5\) \(b\) & \(c\)](#), F.S.

(b) An agent shall inform the prospective purchaser, prior to commencing a life insurance sales presentation, that he or she is acting as a life insurance agent and shall inform the prospective purchaser of the full name of the insurance company which the agent is representing. In sales situations in which an agent is not involved, the insurer shall identify its full name.

(c) Terms such as “financial planner,” “investment adviser,” “financial consultant,” or “financial counseling” shall not be used in such a way as to imply that the insurance agent is generally engaged in an advisory business in which compensation is unrelated to sales unless such is actually the case. We do not approve designations, so please do not ask us to. When in doubt, seek guidance from a company you represent or refrain from using a questionable designation. Be honest with yourself and your client.

## **Title Agency Scams**

We have recently learned of a scam that is being perpetrated using the name of a title agency. Unfortunately, the scam is the result of someone hacking into the account of someone else. A hacker will locate a computer with weak security protocols which could be a small real estate agent, a sole mortgage broker, the buyer or seller in a transaction, etc.

After gaining access to the computer, the hacker downloads all the information about the transactions on that computer. The hacker uses this information to send an email to the proposed buyer to alert the buyer of a problem that requires the deposit to be sent to a new address for the title agency. Of course, the title agency is not located at the address shown in the email.

If the scam is successful, the buyer loses their deposit for the real estate closing. The real estate transaction falls through and the buyer may look to the title agency for causing the closing to fall through.

To avoid this, we recommend title agencies contact the buyer on any property the agency is assigned to hold escrow funds for to establish immediate communication between your agency and the buyer. Agencies may also want to advise customers of the agency’s security procedures, encryption protocols, and the information the agency will or will not transmit electronically.

We encourage agencies to advise customers to call the agency immediately if they receive any correspondence, electronic or otherwise, that changes the terms of their transaction, especially if it involves escrow funds.

If you believe someone is trying to use this scam or any other scam against your agency or your customers, please contact the local law enforcement agency for your area, the insurers you represent, your bank, and the FBI's Internet Crime Complaint Center at [www.ic3.gov/complaint/default.aspx](http://www.ic3.gov/complaint/default.aspx).

## Lesser Known Causes of Suspension, Revocation or Other Disciplinary Action

There are a number of laws in the Florida Insurance Code that require the Department to take disciplinary action against a licensee that may not be directly related to the business of insurance. Examples include a licensee pleading no-contest, guilty or being convicted of a felony crime; disciplinary action taken against a licensee by another government or regulatory agency, such as the Office of Financial Regulation, FINRA, the Commodities Future Trading Commission (CFTC), the Securities and Exchange Commission (SEC), and Child Support enforcement actions.

The Department requires that any licensee who is the subject of disciplinary action as defined in [sec. 626.536](#), F.S., report the disciplinary action within 30 days.

## How To "Look-Up" Department Licensees

Department licensing and appointment records for agents, adjusters, navigators, and agencies can be viewed at the Department's public portal [Licensee Search](#) . The portal offers additional functions including the ability to download lists. Department regulatory actions can also be accessed through the web page.

## Industry Awareness

The Division of Insurance Agent and Agency Services' website provides easy access to frequently accessed internal and external websites at [Industry Awareness](#).

## Need a Department Form?

A variety of forms used by Department licensees and applicants can be found on our website at [Forms](#). The forms offered include education-related forms, licensing forms, bond forms, Bail Bond agent forms, and annuity suitability and disclosure forms.

The forms section can also be accessed through the "Quick Links" section of the website, which also offers a link to the license qualifications page to verify which forms are needed by license type.