



National Association of Insurance and Financial Advisors

2901 Telestar Court • Falls Church, VA 22042-1205 • (703) 770-8188 • www.naifa.org

December 7, 2007

Ms. Melanie Lubin
OAG, Securities Division
200 Saint Paul Place
Baltimore, MD 21202-2020

Mr. Rex Staples
NASAA
750 First Street, NE
Suite 1140
Washington, DC 20002

Re: Proposed Adoption of NASAA Model Rule on the Use of Senior Specific Certifications and Professional Designations

VIA E-Mail

Dear Ms. Lubin and Mr. Staples:

The National Association of Insurance and Financial Advisors (NAIFA) appreciates the opportunity to provide you with comments regarding the North American Securities Administrators Association (NASAA) proposed model rule regarding the use of senior-specific certifications and professional designations. This is an issue of extreme importance to NAIFA, its members and the consumers that we serve.

Founded in 1890 as the National Association of Life Underwriters, the National Association of Insurance and Financial Advisors is a federation made up of 770 state and local associations representing the business interests of 225,000 members and their employees nationwide. Members focus their practices on one or more of the following: life insurance and annuities, health insurance and employee benefits, multiline, and financial advising and

investments. NAIFA's mission is to advocate for a positive legislative and regulatory environment, enhance business and professional skills, and promote the ethical conduct of its members. NAIFA's website can be accessed at www.naifa.org.

First, we want to make clear that NAIFA supports the adoption of uniform standards that will both help senior citizens and ensure that senior-specific certifications and designations are meaningful and provide holders of certificates and designations with tools to assist their senior clients. Certifications and designations are relied upon by many – particularly seniors – as an indication of expertise. For better or worse, people often do no additional investigation or due diligence to ensure that their investment advisor or other service provider has the necessary experience and knowledge to provide the services the individual needs, so the substance behind a certification or designation becomes that much more important.

If the designation issue is going to be addressed at the state level, the states must work together to ensure that the requirements and standards governing the use of designations are uniform from state to state and are interpreted and implemented uniformly across the country. Although we believe nationwide statutory and regulatory uniformity and consistency is important across the board, it is particularly necessary in the area of certifications and designations. As you can imagine, it would create an extremely difficult situation for financial advisors and other professionals if a designation that is permissible for use in State X is prohibited in State Y, or to keep track of what the differing standards are in States A, B, and C. In addition, consider the confusion for clients presented with informational materials listing an alphabet soup of their advisor's designations and certifications for each state.

With respect to NASAA's proposed model rule, we have both specific and general comments. Our concern about the NASAA approach is not so much with the specifics of the model, but a concern about implementation. Nationwide uniform rules will require coordination and cooperation not only among the various state securities administrators, but with other state regulators. NAIFA members are not only investment advisors; they are also insurance producers subject to regulation by the state insurance commissioners. The state insurance regulators and the National Association of Insurance Commissioners must be included in the development of

any model rule to ensure uniformity and consistency not only across the country but across financial market sectors, as well. The federal government cannot be ignored, either. The designations issue has already been the subject of congressional hearings, and SEC and FINRA interest in the issue is likely to grow to the extent there are further problems in the marketplace. Like multiple state rules, redundant or contradictory state and federal rules on the issue would ~~be~~ make compliance difficult, and lead to more, not less, consumer confusion.

With respect to the specific language of the proposed rule, NAIFA would like to associate ourselves with the comments submitted to you by The American College on November 15, 2007. In its comments, The College has detailed several issues that should be addressed: (1) ensuring the proposal clearly focuses on senior-specific certifications and designations; (2) clarifying the specific responsibilities that educational institutions and designating organizations are responsible for, based on a realistic assessment of what these entities are able to assure and /or monitor; and (3) clarifying that certain provisions of the model rule do not apply to educational organizations that are accredited by certain accrediting organizations recognized by the federal government.

Thank you for your consideration of our views. Please contact us with any questions. We look forward to working with you in the development of strong, clear, uniform standards that will benefit all.

Sincerely,

/s/ Gary A. Sanders

Gary A. Sanders
Senior Counsel
Law and Government Relations

gsanders@naifa.org
703-770-8192