



KANSAS INSURANCE DEPARTMENT

Vicki Schmidt, Commissioner

Proponent Testimony for SB 62 – Protecting Vulnerable Adults from Financial Exploitation

February 15, 2023

Chairman Longbine and Members of the Committee,

Thank you for the opportunity to testify in support of Senate Bill 62.

Senate Bill 62 requires securities registrants, who reasonably believe that financial exploitation of an adult with a disability or an elderly adult is taking place, to report the matter to the Office of the Securities Commissioner, a division of the Kansas Insurance Department. The bill grants immunity from civil and administrative liability to registrants who act in good faith and report this type of suspicious activity.

In the event a registrant suspects financial exploitation of a vulnerable adult and believes that the disbursement of their funds may further such exploitation, Senate Bill 62 grants them the option to delay such disbursement. In this case, registrants must notify the account holder and the Office of the Securities Commissioner and explain the impetus for the delay. The maximum limit for that delay cannot exceed 15 business days, unless the Office of the Securities Commissioner requests an extension—then the delay cannot exceed 25 business days. In extreme cases, this would grant employees of the Department, the ability to intercede and potentially prevent a fraudulent scheme from resulting in a loss of assets for a vulnerable adult.

Senate Bill 62 mirrors the language of the North American Securities Administrators Association (NASAA) Model Act to Protect Vulnerable Adults from Financial Exploitation. Thirty-four states have already enacted legislation based on this model act for securities registrants, including all four of our surrounding states.

Other professions outlined in K.S.A. 39-1431, such as medical professionals, firefighters, law enforcement, etc., must report suspected financial exploitation to the Kansas Department for Children and Families. Professions not mentioned in this statute, including securities registrants, are not currently required to report suspected financial exploitation. Senate Bill 62 is the most effective way to get registrants to report suspicious behavior, while not exposing them to criminal liability for making such reports. This mechanism offers that opportunity and ultimately will lead to the further protection of vulnerable adults.

Thank you for the opportunity to submit testimony in support of Senate Bill 62.

Eric Turek
Director of Government and Public Affairs