



General Assembly

Substitute Bill No. 265

February Session, 2016



**AN ACT PROTECTING THE INTERESTS OF CONSUMERS DOING
BUSINESS WITH FINANCIAL PLANNERS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) For purposes of this
2 section and section 2 of this act, (1) "fiduciary duty" means a duty to
3 act with prudence in the best interests of a consumer with undivided
4 loyalty to such consumer, and (2) "financial planner" means a person
5 offering individualized financial planning or investment advice to a
6 consumer for compensation whose advice to the consumer is not
7 otherwise regulated under the Employee Retirement Income Security
8 Act of 1974, the Investment Advisers Act of 1940 or the Securities
9 Exchange Act of 1934, as said acts are amended from time to time.

10 (b) No financial planner shall, in connection with an agreement with
11 a consumer to provide financial planning or investment advice for
12 compensation, use a certificate, professional designation or form of
13 advertising expressing or implying that such person has special
14 training, education or experience in advising or serving senior citizens,
15 unless such person has obtained a certificate, title or designation in
16 accordance with the provisions of section 36b-4 of the general statutes.

17 (c) A financial planner shall disclose to a consumer, upon request,
18 whether or not such financial planner has a fiduciary duty to such

19 consumer for each recommendation such financial planner makes to
 20 such consumer.

21 Sec. 2. (NEW) (*Effective from passage*) The Commissioner of
 22 Consumer Protection, in consultation with the Commissioner of
 23 Banking, shall provide on the Internet web site of the Department of
 24 Consumer Protection, a list of (1) financial planners and other financial
 25 planning professionals doing business in the state who are required to
 26 act in a consumer's best interests pursuant to their certification by the
 27 Certified Financial Planner Board of Standards, and (2) investment
 28 advisers who are required to act in a consumer's best interests
 29 pursuant to chapter 672a of the general statutes. The Commissioner of
 30 Consumer Protection shall also include on the department's Internet
 31 web site information concerning a consumer's right to ask for
 32 disclosure from financial planners or other financial planning
 33 professionals about fees and compensation as required under
 34 applicable state and federal law.

35 Sec. 3. (NEW) (*Effective from passage*) If any provision of sections 1
 36 and 2 of this act is held invalid, such invalidity shall not affect other
 37 provisions of said sections, in accordance with section 1-3 of the
 38 general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section

Statement of Legislative Commissioners:

In Section 1(a)(2), "Employee Retirement Income Security Act" was changed to "Employee Retirement Income Security Act of 1974" for clarity and statutory consistency; in Section 1(c), "such person" was changed to "such financial planner" for clarity and internal consistency; and, in Section 2, "financial planning professionals" was changed to "financial planners and other financial planning professionals" and "financial planners or other financial advisers" was changed to

"financial planners or other financial planning professionals" for internal consistency.

AGE *Joint Favorable Subst.*