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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

1995-96

(session year)

Assembly

(Assembly, Senate or Joint)

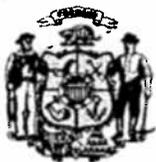
Committee on Insurance, Securities and Corporate Policy...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(**ab** = Assembly Bill) (**ar** = Assembly Resolution) (**ajr** = Assembly Joint Resolution)
(**sb** = Senate Bill) (**sr** = Senate Resolution) (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**



State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tommy G. Thompson
Governor

Josephine W. Musser
Commissioner

121 East Wilson Street
P.O. Box 7873
Madison, Wisconsin 53707-7873
(608) 266-3585

Testimony relating to AB150

offered by Peter Farrow, Office of the Commissioner of Insurance

March 23, 1995

Good afternoon Chairperson Albers and members of the Assembly Committee on Insurance, Securities, and Corporate Policy. My name is Peter Farrow. I am the Executive Assistant for the Commissioner of Insurance. I appreciate the opportunity to discuss pending budgetary items and commend you for your initiative in drawing a forum to further understand these complicated issues.

This afternoon, I will offer comments on two components of Governor Thompson's budget relating to the Office of the Commissioner of Insurance (OCI). First, I will discuss the components and objectives of the agent continuing education program. I will also give an explanation of the background and impact of the proposed health care provider information resource center.

Agent Continuing Education

Wisconsin is currently one of five states that does not have an agent continuing education program. These programs are designed to provide insurance intermediaries (agents) with needed information on insurance ethics, insurance laws, and changing regulations. To better understand the need for this program, allow me to describe some background on the proposal and its development as well as its objectives.

Background

Last year, at the request of insurers and agent groups, the Commissioner convened an advisory council to begin the process of drafting an administrative rule to implement an agent

continuing education program. The advisory council, consisting of representatives from the agent community, insurance companies, and state government, met 4 times to discuss details in the drafting process as well as the draft language.

Proposed requirements

Having conducted analysis of requirements in other states, the Commissioner convened the advisory council to discuss Wisconsin needs, and examined submitted comments by interested parties, OCI developed the following base requirements for insurance agents licensed to do business in Wisconsin:

- insurance agents for the major lines of property, casualty, life, or accident and health as well as the limited line of automobile insurance must complete 24 credit hours of approved continuing education instruction every two years; and,
- the instruction must be received by an approved instructor who meets specified and extensive requirements established by the OCI.

Following a distribution of a draft rule, OCI received written comments from over 35 interested parties and telephone calls from over 175 concerned individuals. Each comment was tracked and taken into consideration by the drafting team, after which another draft was developed.

Statutory change

Under section 628.04 (3), Wis. Stat., the Commissioner currently has the authority to establish a continuing education program for intermediaries. Because reviewing and ensuring the quality of education programs is key to the success of the continuing education requirement, OCI has proposed a structure to review and accredit all continuing education course providers.

Statutory changes are required in order to collect fees for providers of continuing education, provide funding for auditing courses and schools. These changes would affect chs. 601.31, 628.04, 628.10, and 601.31, Wis. Stat. as well as Ins. 6.58 (5) (a), Wis. Admin. Code.

No 'general purpose revenues' will be sought or used by the continuing education program. And, no additional staff is being sought by OCI, which will handle the new program with existing staff resources.

Implementing an agent continuing education requirement would ensure agents are receiving the necessary information to remain abreast of the changing insurance markets. It

would also assist Wisconsin insurance agents in dealing with the continuing education programs of other states in which they do business. Currently, Wisconsin agents holding nonresident licenses in other states have many hoops to jump through to comply with their requirements. Establishing a Wisconsin program would ease that situation by promoting reciprocity.

Health Care Provider Information Center

The Office of Health Care Information (OHCI) has a statutory obligation to collect information on health care providers other than hospitals. OHCI has worked with the Department of Regulation and Licensing to locate providers, identify provider practice areas, and examine credentials. To date, due to funding limitations, OHCI has performed the associated tasks in a piecemeal manner. A comprehensive and steady analysis of provider information would benefit a number of groups — providers, insurers, consumers, and government.

Background

Effective April 1, 1992, OHCI began fulfilling its charge to collect information on health care providers. This requirement involved collecting 90,000 profile surveys from 14 provider groups each biennium.

Due to funding restraints, OHCI has not been able to analyze and disseminate the information to other parties in a more 'friendly' format. After assessing the resource capacity available within OHCI, a more cost-effective approach was identified — contract to have the surveys conducted and to have health care professional databases produced for OHCI.

With this approach, the task would be completed without additional staffing and the dissemination process would build upon OHCI's already solid efforts/record.

Benefits: State

The activities surrounding this center provide better understanding of the provider community. It will also allow policy leaders to better understand the needs of the state. For example, rural and urban provider availability and overall provider concentrations.

Benefits: Insurers

The trend of market-based health reform has stimulated the development of measures, which have been forwarded by health insurers, similar to OHCI's provider profiles. The success of managed care in many ways relies on a plan's ability to identify the needs of its members and meet those needs in the most efficient manner. Designating OHCI as a central information repository would ensure easy access to understandable information and avoid unnecessary duplication of effort.

Benefits: Others

To make informed decisions about their health care, consumers need to obtain information. OHCI has a statutory responsibility to provide that information. Once this provider information is collected, analyzed, and disseminated, a whole new community of informed health care users will emerge. This development will improve our health care system, both in the areas of cost and quality. Providers will have a heightened understanding of their practice. Consumers will have an increased awareness about the health care environment.

Statutory change

A statutory amendment is needed to include this health care provider task with the general operations of OCI so that OCI's program revenue funds would cover the cost of the contracting. This change would affect s. 20.125, Wis. Stat.

Justification

Allowing OHCI to contract out for this task, under OCI operations, would satisfy the continued calls for the results of this data collection effort without increasing staff or placing excessive financial burdens on the provider community. The data involved are necessary components in establishing goals and objectives for the containment of health care costs. Once baselines are established for each various provider groups, they can be maintained and merged with other data to enable the public, employers, and third party payers to make better informed decisions regarding provider selection.



Independent Insurance Agents of Wisconsin



July 6, 1995

Representative Sheryl Albers, Chairperson
Assembly Insurance,
Securities and Corporate Policy Committee
P.O. Box 8952
Madison, WI 53708

Subject: Continuing Education Rule

Chairperson Albers,

It is our understanding that the Wisconsin Office of the Commissioner of Insurance is sending you the final recommended language for the state's new insurance agent continuing education rule.

The fee schedule for course providers was approved as part of the state budget bill. This was the final funding hurdle.

The Independent Insurance Agents of Wisconsin wholeheartedly supports the concept of mandatory continuing education to upgrade the professionalism of the insurance industry. We also totally concur with the final language recommended by OCI and ask that you consider giving quick approval to the rule exactly as presented.

We are grateful for the commitment and effort you provided in helping make continuing education a reality. We also are deeply appreciative of your leadership in securing important tort reform legislation so early during the session. You are a great friend of Wisconsin business and the citizens of Wisconsin.

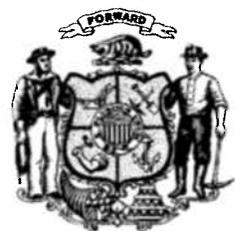
Robert C. Jartz
Executive Vice President

RCJ/nm

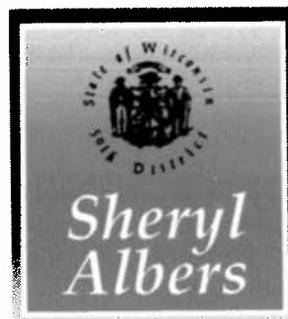
cc Senator Peggy Rosenzweig



WISCONSIN STATE LEGISLATURE



MEMORANDUM



TO: Insurance, Securities and Corporate Policy Committee Members
FROM: Representative Sheryl K. Albers, Chair
DATE: August 15, 1995
RE: Clearinghouse Rule 95-043

Clearinghouse Rule 95-043 has been referred to the Assembly Committee on Insurance, Securities and Corporate Policy.

Clearinghouse Rule 95-043 is AN ORDER to amend Ins. 6.63(1); and to create chapter Ins. 28, relating to implementing the requirement of continuing education for insurance intermediaries.

My office received the clearinghouse rule on August 10, 1995. The committee's initial jurisdiction extends for 30 days. If you wish to submit comments or request a hearing, please do so as soon as possible. Please contact my office (266-8531) to receive a copy of this rule.

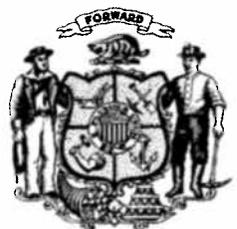
Office: P.O. Box 8952 • State Capitol • Madison, WI 53708-8952 • (608) 266-8531
Message Hotline: (800) 362-9472

Home: S6896 Seeley Creek Rd. • Loganville, WI 53943 • (608) 727-5084

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WISCONSIN STATE LEGISLATURE



**CERTIFIED
FINANCIAL
PLANNER**
BOARD OF STANDARDS

AUG 29 1995

1660 Lincoln Street
Suite 3050
Denver, Colorado 80264-3001
303 830-7543
Fax 303 860-7388

August 25, 1995

Sheryl Albers, Chairwoman
House Insurance
Securities & Corporate Policies Committee
State Capitol
Madison, WI 53702

Dear Ms. Albers:

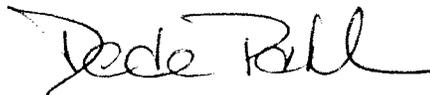
Thank you for the opportunity to comment on the proposed amendment to Wisconsin s. Ins. 6.63 (1) and New Chapter Ins. 28, Wis. Adm. Code. The Certified Financial Planner Board of Standards, Inc. (CFP Board) is in full support of continuing education requirements for professionals. We have had a continuing education requirement since 1988 for our Certified Financial Planner designees. I have included a list of the topics which are accepted for continuing education credit under our current continuing education requirements. Many of the topics - life, health, property and casualty coverages, estate planning, retirement benefits and social insurance - are topics covered by the other designations listed in the current proposed amendment

There are currently 461 CFP licensees in Wisconsin who also maintain insurance licenses. By including the CFP designation on the list, you will benefit from reduced record keeping and from the knowledge that at least 461 licensed agents/brokers are maintaining a high standard of continued professionalism.

The CFP Board is a non-profit professional regulatory organization founded in 1985 to benefit and protect the public by establishing and enforcing education, examination, experience and ethics requirements for Certified Financial Planner licensees. An independent certifying organization, the CFP Board owns the CFP certification mark and the marks CFP and Certified Financial Planner and licenses individuals who meet its initial and continuing requirements to use them.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Dede Pahl
Director of Certification and Examinations

*Ask Gordon Garrow
Pahl
what do other
states do w/
these folks -
they is this not a problem
in CO but would be
here -*





State of Wisconsin / OFFICE OF THE COMMISSIONER OF INSURANCE

Tommy G. Thompson
Governor

Josephine W. Musser
Commissioner

September 7, 1995

121 East Wilson Street
P.O. Box 7873
Madison, Wisconsin 53707-7873
(608) 266-3585

Senator Peggy Rosenzweig
Chair, Senate Committee on Insurance
State Capitol, Room 14 South
Madison, Wisconsin 53707

Representative Sheryl Albers
Chair, Committee on Insurance, Securities and Corporate Policy
State Capitol, Room 127 West
Madison, Wisconsin 53708

Dear Senator Rosenzweig and Representative Albers:

Over the last few weeks your offices have received a number of contacts regarding my office's agent continuing education rule now being reviewed by the Legislature. I want to share a few comments with you about the rule and the planning process which has been undertaken to develop it.

Wisconsin is one of five states that currently does not require continuing education for insurance agents. A continuing education program will accomplish two goals: help ensure a high quality agent force in the state, and allow Wisconsin agents licensed in other states to fulfill continuing education requirements without having to travel to other states where they hold a license.

Continuing education was sought by the agent community. In writing this rule, I appointed an advisory committee that included industry representatives so that the rule would be workable and accomplish our goals without placing any undue burden on agents. The strong support we have received by the agent community for the rule confirms that this goal will be accomplished.

A key concern in writing this rule was the timing involved. While the rule had been written, and public hearings were held, OCI needed to wait until the budget was enacted to send the rule to the Legislature. This was necessary because the budget bill included authorizations for OCI to require continuing education.

Our goal remains to have the continuing education requirements in place by January 1, 1996. This timeline is aggressive, which is why we have attempted to address every legitimate concern during the creation of this rule to minimize resistance along the way.

At the time the rule was messaged to Legislature, one issue remained a concern for some interested parties. That issue was self study courses.

Because of the volume of courses that will need to be accredited before January 1, 1996, and the lack of proper oversight of these programs of study, the decision was made not to include self study courses in the rule. Recognizing that not having any self study courses may pose a logistics problem in attending courses, especially for rural agents, we decided to authorize courses related to seven professional designations that were directly related to the insurance industry. These designations will provide numerous self study courses, with proctored exams, for agents to utilize in fulfilling continuing education requirements.

Compiling this list was not easy. A number of other designations were reviewed and not included for various reasons. One of these designations was the Certified Financial Planner (CFP). My office

reviewed this designation and found that in the coursework required, only one of the five courses dealt significantly with insurance. My staff determined, and I agree, that we would be in direct conflict with the goals of requiring insurance continuing education if the rule allowed courses that did not relate to insurance.

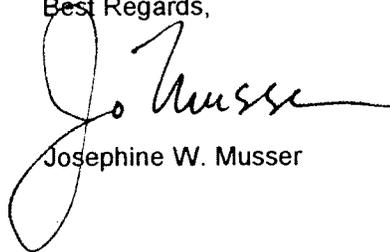
Self study is not a closed issue. I have committed my staff to reviewing the issue of self study once the implementation of the program is complete and I feel that we have sufficient information on how it has worked. I expect this review to be conducted next year. My staff will continue to review self study courses, and the effectiveness of courses that require proctored exams as opposed to those that do not.

I understand that representatives of the CFP were informed that the one course for the designation that deals with insurance could be restructured into a classroom setting and be considered for approval for 1996. The other option is to wait until the rule is expanded after the implementation phase and apply to have the course approved at that time.

My goal throughout this process is to ensure that agents will have a sufficient selection of courses to fulfill their insurance continuing education requirements. The overwhelming support from the industry for the rule hopefully confirms that this goal has been accomplished.

As always, I value your input and urge you and your colleagues to keep me and my office informed of any reactions you receive during the implementation of this program. If you have any questions, please let me know, or contact Peter Farrow on my staff at 264-6239.

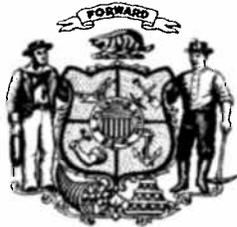
Best Regards,

A handwritten signature in cursive script, appearing to read "Jo Musser". The signature is written in black ink and is positioned above the typed name.

Josephine W. Musser



WISCONSIN STATE LEGISLATURE



GORDON RALPH & ASSOCIATES

Registered Investment Adviser

5150 N. Port Washington Road • Suite 160 • Milwaukee, WI 53217

414/962-LIFE
Office 414/962-5433
Mobile 414/581-5433
FAX 414/962-1721
Residence 414/352-7475

Thursday, September 07, 1995

SEP 11 1995

Representative Sheryl K. Albers
Chairperson Assembly Insurance Committee
P.O. Box 8952
Madison, WI 53708

Dear Representative Albers:

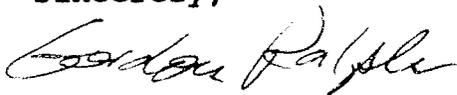
The state statute requiring continuing education has been passed by the legislature and signed by the governor. The Office of the Insurance Commissioner has prepared an administrative rule to implement the legal requirement. The rule has been sent to the Senate and Assembly Insurance Committees. Those Committees must now review and say yea or nay. They could take up to 30 days and then another 30 days to review the administrative rule. The longer it takes to review the rule, the longer it takes to implement. Therefore it seems appropriate to request you as chairperson to promptly review and approve the rule now and get the continuing education requirement going. If any changes in the rule are necessary, such changes could take place later. The continuing education requirement could begin in 1996 if the rule gets prompt approval. If not, it may be 1997 before the rule becomes effective.

Implementation seems important because:

- a. It will be of benefit to the insurance industry by raising the level of understanding of insurance by the many insurance agents in the state.
- b. It will be of benefit to an agent like myself who is licensed in Wisconsin and also licensed as nonresident in other states. I must meet a variety of CE requirements in those other states. This complication to doing business would be simplified if Wisconsin's continuing education program becomes operative.

Thank you for your prompt attention to this.

Sincerely,



Gordon P. Ralph, CLU, ChFC

Committee file
Send to him copy of
our "no action taken"
notice -
Aunt
DSD





WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

September 19, 1995

Don Brown
Don Brown and Associates
240 Craig Rd.
Edgerton, WI 53534

Dear Mr. Brown,

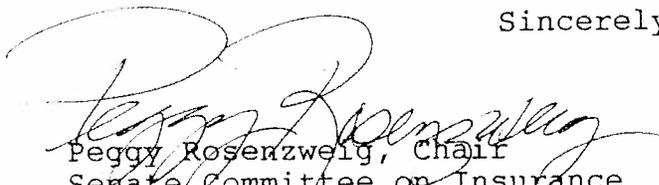
We have reviewed your request to modify Clearinghouse Rule 95-043 to include certified financial planners in the list of professional designations that are recognized as programs of study.

We appreciate your bringing this matter to our attention; however, we have made a decision not to modify the rule based on time constraints for its implementation and the commitment of the Insurance Commissioner to consider your request in the near future.

Attached for you is a letter from Insurance Commissioner Josephine Musser laying out the process used to write the rule and stating her willingness to review next year the inclusion of other self-study programs.

Thank you and please contact us if you have further questions.

Sincerely,


Peggy Rosenzweig, Chair
Senate Committee on Insurance


Sheryl Albers, Chair
Assembly Committee on
Insurance, Securities and
Corporate Policy

1/5 of edue re ins.
so can't accept it

Amendment to allow
some home study courses
count to come later

Peggy Rosenzweig
agrees w/OCI

September 5, 1995

sent
9-5
DJO

Don Brown
240 Craig Road
Edgerton, WI 53534

Dear Mr. Brown:

I appreciate your letter of August 25 regarding Certified Financial Planner inclusion in recognized programs of study.

It is unfair to expect insurance offices to certify and contract out for programs which have little to do with insurance but more to do with securities. I do realize life insurance is one aspect of what you do and that most all CFP's hold life insurance licenses.

I have shared my concerns with the office of the Commissioner of Insurance but am also concerned about holding up the rules as it would then be difficult for OCI to adhere to the January 1, 1996 implementation date. I am also looking into what other states have

done to accommodate

^{OCI} The office has assured me that the rule itself will be reviewed for effectiveness the middle of next year, that self study programs will be considered between now and then and that other avenues will have to be looked at to address the types of study programs that would be useful to CFP's and beneficial to the public.

CFP's, as

I understand

Co.

has ~~letter~~

~~some~~

~~auto~~

CFP cont'd
requirements.

Sincerely,

Sheryl K. Albers
State Representative
50th Assembly District

Gordon



**DON BROWN
AND
ASSOCIATES**

*240 Craig Rd
Edgerton WI
53534*

**Don Brown
Certified Financial Planner**



August 25, 1995

**TRANSMITTED BY FAX TO
608-266-7038**

Honorable Sheryl Albers
House Insurance, Securities, & Corporate Policy Committee Chair
State Capitol
Madison, WI 53702

Dear Chairwoman Albers:

I am writing you today to urge you to amend the Insurance Commissioner's rule regarding continuing education to include the CFP designation among the recognized programs of study.

As a Certified Financial Planner (CFP) in addition to being a licensed insurance agent, I am required to maintain a quality continuing education program that includes insurance, estate tax, retirement planning and investment strategies.

In order that myself (and other CFP's in similar circumstances), are not placed under an additional duplicate burden, I would hope that the CFP designation will be added to the other professional designations under Section 28.09, Recognized Programs of Study.

Thank you for your consideration,

Don Brown
Don Brown, CFP

I appreciate your letter of 8/25 re inclusion in CFP recognized programs of study. It is important to expect Ins Office to outline & contract out for program content have letter to be written out more thoroughly. I will make a copy of

*Letter coming from
FBI*

one input of what we do & that must be

CP World Life has licenses.

I have shared my concerns with the
Commissioners office, but I am also
concerned about holding up the rules as
it would then be difficult for OCI to
adhere to the Jan 1st 96 implementation date.

The office has assured me that ~~self study~~ ^{the rule}
~~itself~~ will be reviewed for effectiveness
and next year - that self study ^{programs} will be ~~made~~
~~available~~ considered between now + then, +
that other avenues will have to be looked
at to address the types of study programs
Certified planners ^{that} would be useful + beneficial
to the public. As banking + ins. merge - +
see
~~some~~ organics ~~may~~ - I think ~~some~~ ^{that}
collaborative body may

Re my letter w/ Farrow
or see if his former message



WISCONSIN STATE LEGISLATURE





WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

September 19, 1995

Betty J. Custer
Custer Financial Services
4610 University Ave., Suite 420
Madison, WI 53705

Dear Ms. Custer,

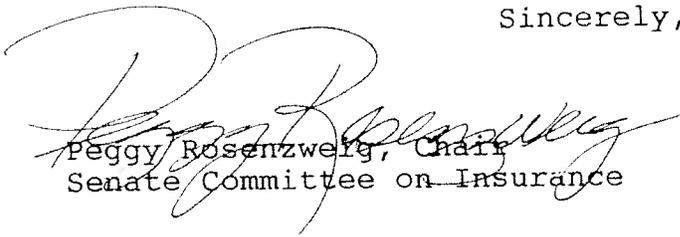
We have reviewed your request to modify Clearinghouse Rule 95-043 to include certified financial planners in the list of professional designations that are recognized as programs of study.

We appreciate your bringing this matter to our attention; however, we have made a decision not to modify the rule based on time constraints for its implementation and the commitment of the Insurance Commissioner to consider your request in the near future.

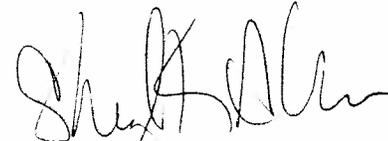
Attached for you is a letter from Insurance Commissioner Josephine Musser laying out the process used to write the rule and stating her willingness to review next year the inclusion of other self-study programs.

Thank you and please contact us if you have further questions.

Sincerely,



Peggy Rosenzweig, Chair
Senate Committee on Insurance



Sheryl Albers, Chair
Assembly Committee on
Insurance, Securities and
Corporate Policy

BETTY J. CUSTER, CFP

(608) 238-8388

1-800-346-8864



August 24, 1995

Representative Sheryl Albers, Chair
House Insurance, Securities & Corporate Policy Committee

Via Fax: (608) 266-7038

Dear Ms. Albers:

I am the President of the Madison Society of the ICFP which represents all of the Certified Financial Planners in the Madison area. Many of us, as part of our financial planning profession, hold insurance and securities licenses.

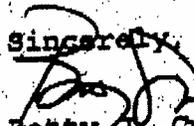
We have just been advised that the bill pending before you with regard to Continuing Education for licensed insurance agents makes some exceptions for classroom training for eight groups, but does not include those with CFP designations as a group.

I have been told that this was an oversight by the insurance industry representatives working on this bill. I can personally attest after twenty five years in the insurance industry and a similar number of years in the financial planning field, to the quality of the continuing education that is available to those with the CFP designation, and the rigorous requirements that we already are held to by our own governing body.

Our Society supports this effort to improve the quality of insurance representation to the State's citizens, and knows that Continuing Education is a critical component in that process. But we ask that the work that those with CFP designations are already doing in self-study be included as qualifying for the insurance requirements as are those similar courses by other designated groups now listed in the bill.

If I can personally be of any help in this process, or the local Society can be, please advise.

Sincerely,


Betty J. Custer, CFP
President, Madison Society ICFP

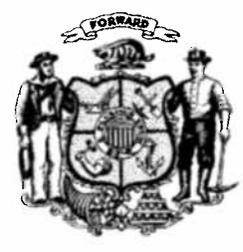
CUSTER FINANCIAL SERVICES

4610 University Avenue, Suite 420
P.O. Box 55087 • Madison, WI 53705
FAX: (608) 238-7207

REGISTERED REPRESENTATIVE OF AND SECURITIES OFFERED THROUGH THE LINCOLN NATIONAL LIFE INSURANCE COMPANY.
MEMBER NASD, AND LNC EQUITY SALES CORPORATION, MEMBER NASD, SIPC.
BRANCH OFFICE OF BROKER DEALER: 1468 N. HIGH POINT RD., #201 • MIDDLETON, WI 53562-0590 • (608) 836-5100



WISCONSIN STATE LEGISLATURE





WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

September 19, 1995

Richard J. Reese
Retirement Resources
437 S. Yellowstone Dr., Suite 102
Madison, WI 53719

Dear Mr. Reese,

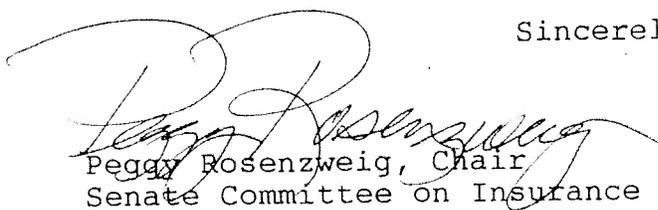
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We appreciate your bringing this matter to our attention; however, we have made a decision not to modify the rule based on time constraints for its implementation and the commitment of the Insurance Commissioner to consider your request in the near future.

Attached for you is a letter from Insurance Commissioner Josephine Musser laying out the process used to write the rule and stating her willingness to review next year the inclusion of other self-study programs.

Thank you and please contact us if you have further questions.

Sincerely,



Peggy Rosenzweig, Chair
Senate Committee on Insurance



Sheryl Albers, Chair
Assembly Committee on
Insurance, Securities and
Corporate Policy



Financial Planning and Investment Services

Retirement Resources

Richard J. Reese, CFP, CFS

FAX TRANSMITTAL FORM

TO: REPRESENTATIVE SHERYL ALBERS
HOUSE INSURANCE, SECURITIES & CORPORATE POLICY COMMITTEE

FROM: RICK REESE

DATE: 8-24-95

TOTAL OF 4 PAGES INCLUDING COVER

RE: INSURANCE INTERMEDIARY CONTINUING
EDUCATION REQUIREMENTS

IF YOU HAVE ANY PROBLEMS RECEIVING THIS MESSAGE, PLEASE CALL
(608) 271-6886 IMMEDIATELY. THANK YOU!

FAX (608) 271-6835

437 S. Yellowstone Dr., Suite 102 ■ Madison, WI 53719 ■ (608) 271-6886 ■ (800) 300-6886

Securities offered through Harbour Investments, Inc. One Odana Court Madison, WI 53719 (608) 274-7744



Financial Planning and Investment Services

Retirement Resources

Richard J. Reese, CFP, CFS

August 24, 1995

Representative Sheryl Albers, Chair
House Insurance, Securities & Corporate Policy Committee

Dear Representative Albers:

As a resident agent/intermediary for twenty-four years, this FAX is to inform you of my strong support for a continuing education requirement for insurance intermediaries. However, this morning I discovered that the proposal to require C.E. apparently does not recognize programs of study approved for C.E. for Certified Financial Planners.

All CFP licensees have completed extensive study courses followed by rigorous examinations covering an incredibly broad range of financial topics (list of 175 topic areas on following 2 pages). Each CFP is required to complete 15 hours per year of continuing education in a variety of areas, including ethics. Many of these topics relate directly to activities of insurance intermediaries, particularly areas regarded by the insurance industry as "advanced markets".

I request that you include CFP continuing education courses in the list of approved studies for the C.E. requirements of Wisconsin insurance intermediaries.

Sincerely,

Richard J. Reese

437 S. Yellowstone Dr., Suite 102 ■ Madison, WI 53719 ■ (608) 271-6886 ■ (800) 300-6886

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Retirement Res

003

INCOME TAX PLANNING

- 86. Ethical considerations in tax planning and management
- 87. Tax law research
- 88. The audit process
- 89. Taxation terminology
- 90. Tax-generated economic value
- 91. Tax calculations
- 92. Tax accounting
- 93. Tax and non-tax characteristics of business forms
- 94. Basis and cost recovery concepts
- 95. Concepts of property dispositions
- 96. Calculate capital gains and losses
- 97. Tax management techniques
- 98. Employee benefits
- 99. Like-kind exchanges
- 100. Dispositions of personal residence
- 101. Installment sales
- 102. Direct participation programs (DPP)
- 103. Passive activity loss rules
- 104. Investment interest expense-General provisions
- 105. Tax implications of securities
- 106. Tax impact on time value analysis of investments
- 107. Tax implications of life insurance and annuities
- 108. Intrafamily transfers
- 109. Charitable contributions
- 110. Tax implications of marriage dissolution
- 111. Non-qualified deferred compensation
- 112. Qualified plans
- 113. Alternative Minimum Tax (AMT) concepts
- 114. Social Security self-employment tax
- 115. Home office and vacation home rules
- 116. Penalty taxes and other tax traps
- 117. Tax penalties

RETIREMENT PLANNING AND EMPLOYEE BENEFITS

- 118. Ethical considerations in retirement planning and employee benefits
- 119. Social Security and Medicare
- 120. Individual Retirement Accounts (IRAs)-Basic provisions
- 121. Tax-Sheltered Annuities (TSAs)-Basic provisions
- 122. Profit-sharing plans
- 123. 401(k) plans
- 124. Money purchase plans
- 125. Defined benefit plans
- 126. Target benefit plans
- 127. Stock bonus plans: ESOPs and LESOPs
- 128. Simplified Employee Plans: SEPs and SARSEPs
- 129. Feasibility of installation of a qualified plan
- 130. Qualified plan coverage and eligibility requirements
- 131. Qualified plan vesting schedule
- 132. Integration with Social Security/disparity limits
- 133. Factors affecting qualified plan contributions or benefits
- 134. Actuarial methods and assumptions in defined benefit plans
- 135. Top-heavy plans
- 136. Retirement plan distribution options
- 137. Tax treatment of plan distributions
- 138. Group life insurance used in employee benefit program
- 139. Group health insurance used in employee benefit program
- 140. Group disability income insurance used in employee benefit program
- 141. Other employee benefits
- 142. Non-Qualified deferred compensation
- 143. Retirement needs analysis
- 144. Recommendation of the most appropriate type of qualified retirement plan (case scenario)
- 145. Suitability of an investment portfolio for a qualified plan situation (case scenario)
- 146. Employee benefit analysis and application (case scenario)

ESTATE PLANNING

- 147. Estate planning overview
- 148. Estate planning pitfalls and weaknesses
- 149. Methods for property transfer at death
- 150. Estate planning documents
- 151. Overview of the Federal Unified Tax System
- 152. Federal gift taxation
- 153. Federal gross estate
- 154. Valuation techniques and the Federal gross estate
- 155. Federal estate tax deductions
- 156. Calculation of Federal estate tax liability
- 157. Characteristics and tax aspects of property interests
- 158. Probate avoidance
- 159. Liquidity planning
- 160. Powers of appointment
- 161. Features of trusts
- 162. Taxation of trusts and estates
- 163. Life insurance for estate planning
- 164. Gifts
- 165. Taxation of gifts
- 166. Recommendation and justification of the most appropriate property to give as a gift
- 167. Marital deduction and bypass planning
- 168. Federal estate tax implications of the marital deduction and bypass planning
- 169. Recommendation of the most appropriate marital or nonmarital transfer
- 170. Estate planning for nontraditional relationships
- 171. Charitable transfers
- 172. Intra-family business and property transfers
- 173. Postmortem planning techniques
- 174. Planning for incapacity
- 175. Special topics

FUNDAMENTALS OF FINANCIAL PLANNING

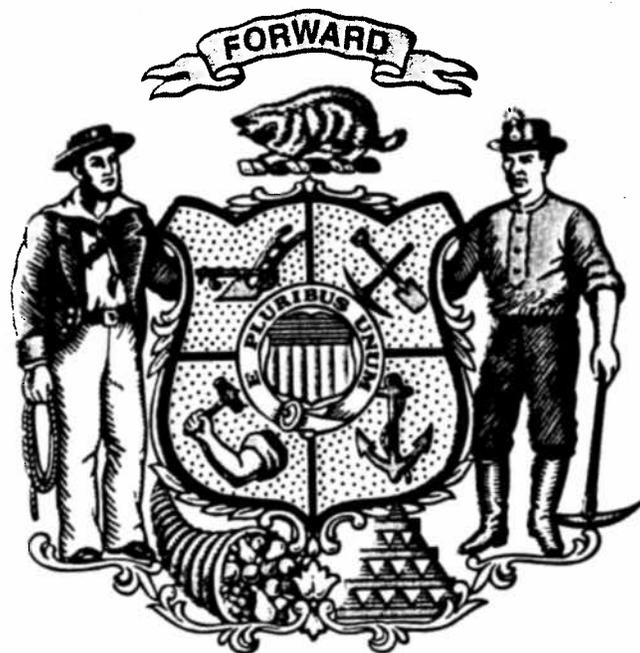
1. Financial planning functions
2. Gathering client data
3. Identification of financial strengths and weaknesses in a client's situation
4. Sources, uses and interpretation of planning information
5. Utility, risk and client behavior
6. Financial planning for special needs
7. Basic economic concepts
8. Monetary and fiscal policy
9. The business cycle
10. Financial institutions
11. Calculate and interpret time value of money
12. Capital budgeting techniques
13. Asset valuation for financial planning functions
14. Forms of business ownership/entity relationships
15. Ways of taking title to property (sole, joint, etc.)
16. Consumer legislation
17. Legal aspects of financial planning
18. Budgeting
19. Personal Use-Assets Management
20. Regulatory requirements
21. Ethical and professional considerations in financial planning

INSURANCE PLANNING

22. Principles of insurance.
23. Life exposures
24. Health exposures
25. Homeowners exposures
26. Auto exposures

IBCFP TOPIC AREAS

27. Other property and liability exposures
 28. The law of agency as applied to insurance
 29. Tort liability as applied to insurance
 30. Law and the insurance contract
 31. Loss adjustment for various types of insurance
 32. Homeowners insurance policy analysis
 33. Personal auto insurance policy analysis
 34. Other liability insurance policy analysis
 35. Life insurance policy provisions
 36. Life insurance policy riders
 37. Types of Life insurance
 38. Life insurance needs analysis
 39. Life insurance policy selection and replacement
 40. Medical expense policy analysis
 41. Long-term care
 42. Disability income policy analysis
 43. Group life insurance
 44. Group medical insurance
 45. Group disability income
 46. Social Security eligibility and coverage
 47. Social Security benefits
 48. Other forms of social insurance
 49. Insurance industry regulation
 50. Basic principles of insurance policy taxation
 51. Business applications of life and disability insurance
 52. Selecting companies and agencies
- INVESTMENT PLANNING**
53. Regulation of securities and markets
 54. Corporate bonds
 55. U.S. government and agency securities
 56. Mortgage-backed securities
 57. Municipal bonds
 58. Options, futures
 59. Insurance-based investments
 60. Investment companies
 61. Certificates of deposit and cash equivalents
 62. Common stock
 63. Real estate, investor-managed
 64. Real estate, indirect ownership
 65. International investments
 66. Miscellaneous:
 67. Client assessment
 68. Marketability/liquidity
 69. Types of investment risk
 70. Measurement of risk
 71. Influence of time on investment risk
 72. Types and measures of investment returns
 73. Bond and stock valuation methods
 74. Economic environment and indicators
 75. Portfolio performance measurement
 76. Formula investing
 77. "Active" and "passive" strategies
 78. Leverage and use of borrowed funds
 79. Hedging and option strategies
 80. Asset allocation: active and passive
 81. Tax aspects of investments
 82. Pricing models
 83. Aspects of Modern Portfolio Theory
 84. Efficient Market Hypothesis
 85. Matching investment vehicles to client needs





WISCONSIN LEGISLATURE

P.O. Box 7882 • Madison, WI 53707-7882

September 19, 1995

Duane Thompson
Certified Financial Planners
7600 E. Eastman Ave.
Suite 301
Denver, CO 80231-4397

Dear Mr. Thompson,

We have reviewed your request to modify Clearinghouse Rule 95-043 to include certified financial planners in the list of professional designations that are recognized as programs of study.

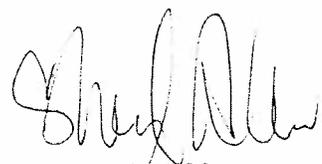
We appreciate your bringing this matter to our attention; however, we have made a decision not to modify the rule based on time constraints for its implementation and the commitment of the Insurance Commissioner to consider your request in the near future.

Attached for you is a letter from Insurance Commissioner Josephine Musser laying out the process used to write the rule and stating her willingness to review next year the inclusion of other self-study programs.

Thank you and please contact us if you have further questions.

Sincerely,


Peggy Rosenzweig, Chair
Senate Committee on Insurance


Sheryl Albers, Chair
Assembly Committee on
Insurance, Securities and
Corporate Policy

08/23 15:16 1995

FROM:

303 751 1037

TO: 6082667038

PAGE: 1



Institute of Certified Financial Planners
7600 E. Eastman Avenue, Suite 301
Denver, CO 80231-4397
(303) 751-7600 • Fax (303) 751-1037

FAX COVER

DATE: 8/23/95

PAGES (including cover) 2

Project Code: 272

TO: REP. SHERYL ALBERS

FROM: DUANE THOMPSON

ATTN. JULIE

FAX # (608) 266-7038

FAX (303) 751-1037

PHONE (303) 751-7600 - extension 129



7600 E. EASTMAN AVENUE
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August 23, 1995

Honorable Sheryl Albers
House Insurance, Securities
and Corporate Policy Committee Chair
State Capitol
Madison, Wisconsin 53702

Dear Chairwoman Albers:

I am writing to ask your assistance on an insurance rulemaking issue which came to our attention only recently. It involves a proposed order by the state Commissioner of Insurance to create a new chapter implementing a requirement for continuing education for insurance licensees.

The Institute of Certified Financial Planners serves as a resource and expert witness to state and federal legislative bodies on behalf of its 9,500 members nationwide. In the state of Wisconsin, there are 461 CFP licensees who maintain insurance licenses and who would be affected by this new rule. Our members are required to be trained and tested on their competency in a number of areas, including not only insurance, but estate, tax, college and retirement planning and investment strategies as well. Generally only 50 to 60% of candidates pass the rigorous exam offered twice a year by the Certified Financial Planner Board of Standards.

We would strongly urge you to offer a technical amendment adding the Certified Financial Planner designation to the eight other professional designations under Section 28.09, Recognized Programs of Study, so that our Wisconsin members can work on a "level playing field" with the other approved programs in maintaining their insurance certification. Given the technical aspects of this request, we would hope that this can be accomplished within the rulemaking process without requiring a general public hearing. If it does require a hearing, however, we would urge you to hold one, and would of course work with the Committee in this process.

Like the insurance industry groups that initiated this proposal, the Institute strongly supports the concept of a continuing education requirement as a benefit to the consumer. I would note that Rob Reis, who was president of the Wisconsin Association of Life Underwriters during part of this process, and who is a CFP licensee as well, many months ago asked WALU's lobbyist to include the CFP designation in the proposed rule. Apparently it was inadvertently left out. We hope that a simple correction can be made to this oversight.

If you have any questions, please do not hesitate to contact me.

Sincerely,

Duane R. Thompson
Director of Government Relations

cc: Wisconsin societies

One Profession...One Designation

Ask Gordon - can this be achieved via rules or would separate legislation be required to include certified financial planners.



WISCONSIN STATE LEGISLATURE





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October 4, 1995

Honorable Sheryl Albers
House Insurance, Securities
and Corporate Policy Committee Chair
State Capitol, Room 127 West
Madison, Wisconsin 53708

Dear Chairwoman Albers:

Thank you for forwarding a copy of the September 7, 1995, letter to you from Commissioner Musser in which she expressed an interest in considering CFP curricula as a recognized self-study program for continuing education credits. The letter's reference to contacts with "representatives of the CFP" regarding restructuring the program for future consideration is puzzling inasmuch as the ICFP and our Wisconsin societies are unaware of this group and we obviously want to share our concerns with all interested parties. Nonetheless, we will initiate discussions with the Office of the Commissioner to determine what needs to be done to have the Certified Financial Planner program fairly considered for recognition in 1996.

In the meantime, if you have any suggestions or comments regarding the timing of this process as it relates to the legislature's oversight responsibilities, as well as any other questions, please do not hesitate to contact me.

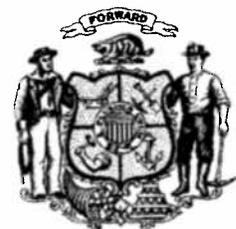
Sincerely,

Duane R. Thompson
Director of Government Relations

cc: Wisconsin societies



WISCONSIN STATE LEGISLATURE





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DENVER, COLORADO 80231-4397
(303) 751-7600
FAX (303) 751-1037

October 4, 1995

Honorable Josephine W. Musser
Commissioner of Insurance
121 East Wilson Street
P.O. Box 7873
Madison, Wisconsin 53707-7873

Dear Commissioner Musser:

The chairs of the Senate and Assembly insurance committees were kind enough to forward to me a copy of your September 7, 1995, letter to them regarding the new rule for continuing education credits. Senator Rosenzweig and Representative Albers indicated that you have expressed a willingness to review the Certified Financial Planner program in 1996 for inclusion as a self-study program.

I realize that you are busy with implementation of the initial stages of this program by January 1. However, I would like to get a general sense of the department's time frame for reviewing new self-study programs next year, and what information we could provide that would be helpful in that process. Of primary concern is our impression that the depth of the CFP curricula was misunderstood, in that there are many more insurance-related topics which are part of the CFP education and examination components than the one course indicated in your letter.

Although your department apparently was in touch with some CFP licensees, according to your letter, it would be extremely helpful from our perspective to contact us directly as we are the primary legislative and regulatory advocate for the 30,000 CFP licensees nationwide, including some 700 in Wisconsin.

We very much appreciate the opportunity to revisit this issue and work with you on this important program in the coming months.

Sincerely,

Duane R. Thompson
Director of Government Relations

cc: Senator Peggy Rosenzweig
Representative Sheryl Albers
Wisconsin societies
Dede Pahl, CFP Board of Standards