

**SENATE BILL REPORT**

**SB 6485**

**AS OF FEBRUARY 24, 1992**

**Brief Description:** Exempting use of "CHFC" from definition of investment adviser.

**SPONSORS:** Senator von Reichbauer

**SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE**

**Staff:** Benson Porter (786-7470)

**Hearing Dates:** February 7, 1992

**BACKGROUND:**

In 1989, the Legislature made it unlawful for persons to hold themselves out as a financial planner or other similar term unless they registered as an investment advisor or investment advisor salesperson. The legislation also authorized the director of the Department of Licensing to adopt rules specifying terms similar to financial planner.

Pursuant to this rule-making authority, the director has specified that the term "chartered financial consultant" (ChFC) is a similar term. As such, a person using the designation of ChFC has to satisfy the registration requirements for a financial planner except in certain situations. For example, a licensed insurance agent who is not required to be a licensed securities salesperson can use the ChFC designation if the person discloses that his or her business is limited to insurance products.

Concern has been expressed about certain other persons using the ChFC designation having to comply with the financial planner regulations.

**SUMMARY:**

A person who uses the designation "ChFC" in an advertisement, on a card or letterhead, or otherwise is not considered an investment advisor.

**Appropriation:** none

**Revenue:** none

**Fiscal Note:** none requested