

SENATE BILL NO. 383—SENATOR FORD

MARCH 20, 2017

Referred to Committee on Commerce, Labor and Energy

SUMMARY—Revises provisions governing financial planners. (BDR 54-1150)

FISCAL NOTE: Effect on Local Government: No. Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to financial planners; revising the definition of “financial planner” for certain purposes; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing law: (1) defines a “financial planner” as a person who for compensation, among other activities, advises others as to the investment of money, but excludes certain persons from the definition; (2) provides that a financial planner has the duty of a fiduciary toward a client; and (3) provides for civil liability of a financial planner under certain circumstances. (Chapter 628A of NRS) Section 1 of this bill revises the definition of financial planner to remove the exclusions for a broker-dealer and an investment adviser, thereby making such persons subject to the provisions of existing law governing financial planners. Existing law provides that certain persons defined as a financial planner must be licensed as insurance consultants for certain purposes related to viatical settlements. (NRS 688C.212) Section 2 of this bill maintains the existing definition of financial planner for such purposes.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 628A.010 is hereby amended to read as follows: 628A.010 As used in this chapter, unless the context otherwise requires: 1. “Client” means a person who receives advice from a financial planner.



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1 2. "Compensation" means a fee for services provided by a
2 financial planner to a client or a commission or other remuneration
3 derived by a financial planner from a person other than the client as
4 the result of the purchase of a good or service by the client.

5 3. "Financial planner" means a person who for compensation
6 advises others upon the investment of money or upon provision for
7 income to be needed in the future, or who holds himself or herself
8 out as qualified to perform either of these functions, but does not
9 include:

10 (a) An attorney and counselor at law admitted by the Supreme
11 Court of this State;

12 (b) A certified public accountant or a public accountant licensed
13 pursuant to NRS 628.190 to 628.310, inclusive, or 628.350;

14 (c) A ~~broker-dealer or~~ sales representative licensed pursuant to
15 NRS 90.310 or exempt under NRS 90.320; *or*

16 (d) ~~An investment adviser licensed pursuant to NRS 90.330 or~~
17 ~~exempt under NRS 90.340; or~~

18 ~~—(e)~~ A producer of insurance licensed pursuant to chapter 683A
19 of NRS or an insurance consultant licensed pursuant to chapter
20 683C of NRS,

21 ~~↳~~ whose advice upon investment or provision of future income is
22 incidental to the practice of his or her profession or business.

23 **Sec. 2.** NRS 688C.212 is hereby amended to read as follows:

24 688C.212 *1.* A financial planner ~~is, as defined in subsection 3~~
25 ~~of NRS 628A.010,~~ who, on behalf of a viator and for a fee,
26 commission or other valuable consideration not paid by a provider
27 or purchaser of viatical settlements, offers or attempts to negotiate a
28 viatical settlement between the viator and one or more providers or
29 brokers of viatical settlements must be licensed as an insurance
30 consultant pursuant to NRS 683C.020.

31 *2.* *As used in this section, "financial planner" means a*
32 *person who for compensation advises others upon the investment*
33 *of money or upon provision for income to be needed in the future,*
34 *or who holds himself or herself out as qualified to perform either*
35 *of these functions, but does not include:*

36 (a) *An attorney and counselor at law admitted by the Supreme*
37 *Court of this State;*

38 (b) *A certified public accountant or a public accountant*
39 *licensed pursuant to NRS 628.190 to 628.310, inclusive, or*
40 *628.350;*

41 (c) *A broker-dealer or sales representative licensed pursuant to*
42 *NRS 90.310 or exempt under NRS 90.320;*

43 (d) *An investment adviser licensed pursuant to NRS 90.330 or*
44 *exempt under NRS 90.340; or*



1 *(e) A producer of insurance licensed pursuant to chapter 683A*
2 *of NRS or an insurance consultant licensed pursuant to chapter*
3 *683C of NRS,*

4 *↳ whose advice upon investment or provision of future income is*
5 *incidental to the practice of his or her profession or business.*

6 **Sec. 3.** This act becomes effective on July 1, 2017.



