

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

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: No.

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.
2. “Compensation” means a fee for services provided by a financial planner to a client or a commission or other remuneration derived by a financial planner from a person other than the client as the result of the purchase of a good or service by the client.
3. “Financial planner” means a person who for compensation advises others upon the investment of money or upon provision for income to be needed in the future, or who holds himself or herself out as qualified to perform either of these functions, but does not include:
 - (a) An attorney and counselor at law admitted by the Supreme Court of this State;
 - (b) A certified public accountant or a public accountant licensed pursuant to NRS 628.190 to 628.310, inclusive, or 628.350;
 - (c) A ~~broker-dealer or~~ sales representative licensed pursuant to NRS 90.310 or exempt under NRS 90.320; *or*
 - (d) ~~{An investment adviser licensed pursuant to NRS 90.330 or exempt under NRS 90.340; or~~
 - ~~—(e)}~~ A producer of insurance licensed pursuant to chapter 683A of NRS or an insurance consultant licensed pursuant to chapter 683C of NRS,



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

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

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

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

- (a) An attorney and counselor at law admitted by the Supreme Court of this State;*
- (b) A certified public accountant or a public accountant licensed pursuant to NRS 628.190 to 628.310, inclusive, or 628.350;*
- (c) A broker-dealer or sales representative licensed pursuant to NRS 90.310 or exempt under NRS 90.320;*
- (d) An investment adviser licensed pursuant to NRS 90.330 or exempt under NRS 90.340;*
or
- (e) A producer of insurance licensed pursuant to chapter 683A of NRS or an insurance consultant licensed pursuant to chapter 683C of NRS,*



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

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

