

LEGAL EASE



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Check your adviser's senior 'certification'

Good estate planning, particularly for those people with significant assets, should involve a team of advisors, including an attorney, a financial planner, and an accountant. However, oftentimes those of us with more modest means look for financial advice to assist in planning for the future, particularly for retirement, and to provide assistance with managing assets during the retirement years. Be careful, however, since a recent *New York Times* article, reported in *Elder Law Answers* (www.elderlawanswers.com, updated on 7/13/2007), that many insurance companies are using sales agents with impressive sounding credentials to sell annuities to seniors.

Becoming a certified financial planner takes years of rigorous study. However, titles such as "certified senior advisor," "certified retirement counselor," and "certified retirement financial advisor" are possible to obtain by taking a short course and passing an easy test. Many times there is no requirement to have a college degree to obtain the "certification." That is **not** to say that every certified senior advisor obtained the title by this route. Many qualified financial advisors have many other legitimate certifications as well, and have just added this title to their repertoire to add to their knowledge base when assisting senior citizens. But beware of insurance companies who use sales persons with these designations to sell annuities to seniors. Senior citizens are often comforted by the fact that the sales person indicates that he or she is "certified senior advisor," because it would seem that that person must know what is best for a senior citizen. The senior should not take the salesperson's abilities at face value, however.

Annuities are insurance contracts, which can result in immediate or deferred payments. Deferred payment annuities are preferred by sales people since these products result in higher commissions for the sales person. However, it is not a good financial product for seniors who live off of their savings, as the money may be tied up for many years.

An example of what can happen if seniors are not careful to investigate the actual credentials of financial advisors was reported on www.boomer-living.com. The Senate Special Committee on Aging recently heard the story of a 79 year old retired machinist in Norristown who attended a "free lunch" where he received a "free financial evaluation." A salesman, posing as a financial expert, talked this man into converting his savings into a complex, deferred annuity, which he could not access for 10 years without incurring huge financial penalties. He died less than a year later, in ill health, and depressed about the fact that he had been "taken." On the day of his funeral, a letter arrived from the insurance company agreeing to terminate the deal and return the money, thanks to the assistance of a financial planner to which the family had turned. His son tucked a copy of the letter into his father's suit jacket to show him that resolution had been obtained, despite the price it took on this man's health and well-being.

There is no such thing as a free lunch, and no shortcuts to becoming a true financial advisor. Reach out to find out if the financial advisor with whom you trust your future is actually qualified to help you.