



January 29, 2024

Chairman Hoheisel and Members of the Committee:

On behalf of the Kansas Council on Developmental Disabilities (KCDD), thank you for the opportunity to provide testimony to the House Committee on Financial Institutions and Pensions in support of HB 2562, the Protect Vulnerable Adults from Financial Exploitation Act. *KCDD's mission is to empower individuals with intellectual and developmental disabilities (IDD) and their families to lead systems change, build capacity, and advocate for inclusive, integrated, accessible communities where everyone belongs and thrives throughout our state.* KCDD is made up of self advocates, family members, state agencies and other partners from across the state of Kansas.

The Council supports HB 2562, the Protect Vulnerable Adults from Financial Exploitation Act, which empowers investment advisors and broker dealers to protect elderly and disabled adults from being financially exploited.

KCDD is guided by a five-year state plan for Kansas, which includes increasing protections from abuse, neglect, and exploitation (ANE) for individuals with intellectual and developmental disabilities (IDD). Financial exploitation is a growing issue in Kansas. In SFY 2024, 21.4% of all APS Adult Protective Services reports assigned for investigation were due to alleged financial exploitation.¹ The proposed Kansas bill is a North American Securities Administrators Association (NASAA) model law which supports KCDD's overarching goal to protect disabled adults from financial exploitation. Forty-one states have already enacted legislation based on this model act for securities registrants.

HB 2562 is an effective way to ensure registrants report suspicious behavior, which will increase protections for disabled adults. The proposed legislation would allow for broker-dealers and investment advisors to report suspected financial exploitation and allows disbursement delays to prevent exploitation. Moreover, the bill under consideration allows a firm to have an extra layer of protection to place a temporary hold on that transaction and the firm must notify the Kansas Insurance Department and Adult Protective Services (APS) within 48 hours. When notification is received, the Insurance Department and Adult Protective Services (APS) (also an important partner of KCDD's) conduct investigations and assess the situation to determine if financial exploitation is taking place.

More and more, people with disabilities are having access to the financial freedom that allows all Americans to save, invest and spend. KCDD also works closely with Treasurer Johnson and the KS ABLÉ Savings Program. ABLÉ accounts are a game-changing 529A (ABLE accounts) that allows individuals with disabilities to save, invest and spend funds from an ABLÉ account without jeopardizing benefits like Medicaid. We are excited to report that since this Kansas program started in 2017, 1,821 Kansans with disabilities have opened ABLÉ accounts - and there

¹ [APS assigned intakes by maltreatment type \(ks.gov\)](https://ks.gov)

are close to \$17 million in assets under management (AUM) across all Kansas ABLE accounts. Unlike other financial tools, ABLE accounts are owned by the person with a disability. More so than ever before, Kansans with disabilities have access to financial tools that allow them to accumulate wealth and be in the driver's seat of their own financial freedom. This bill allows individuals to have an extra layer of protection to ensure financial exploitation does not take place.

Moreover, as outlined in K.S.A. 39-1431, professions like medical professionals, firefighters, law enforcement, etc., are required to report suspected financial exploitation to APS. This legislation is an effective way to ensure registrants report suspicious behavior, which will increase protections for vulnerable adults.

Fundamentally, the purpose of this legislation is to protect individuals with disabilities who are also investors from losing an investment in an instant. Too often, the Insurance Department is notified of securities fraud and exploitation after investments have already been evaporated and are unrecoverable. This legislation increases protections and will help keep money in the hands of Kansans with disabilities.

Thank you for the opportunity to submit testimony in support of HB 2562.

Sincerely,

Sara Hart Weir
Executive Director
Kansas Council on Developmental Disabilities
sara@kcdd.org