



DATE: February 7, 2022

TO: All Insurers, Agents, and Interested Parties

FROM: Nathan Houdek, Commissioner of Insurance

SUBJECT: Sale of Non-Insurance Investment Products

The Wisconsin Commissioner of Insurance ("the Commissioner") is alerting insurance agents to the dangers of selling certain non-insurance investment products.

Licensed insurance agents may be targeted to market or sell unregistered securities such as promissory notes, investments tied to cryptocurrencies and digital assets, and investments connected to self-directed individual retirement accounts. Insurance agents are increasingly being targeted by issuers, promoters, and marketing agents to sell high-risk speculative investments to their customers. Agents are sometimes told these are nonsecurities products that do not have to be sold through a securities broker or dealer. Some of these unregulated products carry a risk of total loss of the consumers' investment.

The sale of unregistered securities to an insurance customer is a violation of insurance law and could endanger an agent's insurance license in accordance with Wis. Admin. Code § Ins 6.60(2)(c).

If there are any questions about this bulletin or if a licensed insurance agent has a question about whether a product is considered an unregistered security, you may contact Lauren Van Buren with the Office of the Commissioner of Insurance at Lauren.VanBuren@wisconsin.gov.