

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

INSURANCE BUREAU

ACCIDENT AND SICKNESS INSURANCE ADVERTISING

(By authority conferred on the commissioner of insurance by sections 210 and 2007 of Act No. 218 of the Public Acts of 1956, being SS500.210 and 500.2007 of the Michigan Compiled Laws)

R 500.651 Definitions.

Rule 1. As used in these rules:

(a) "Accident and sickness insurance" means disability insurance as defined in section 606 of the code, coverage comparable to that defined in section 606 of the code offered by multiple employer welfare arrangements, and credit accident and health insurance as defined in section 3 of Act No. 173 of the Public Acts of 1958, as amended, being S550.603 of the Michigan Compiled Laws.

(b) "Advertisement" means all of the following:

(i) Printed and published material, audiovisual material, and descriptive literature used by or on behalf of an insurer in any of the following:

- (A) Direct mail.
- (B) Newspapers.
- (C) Magazines.
- (D) Radio scripts.
- (E) Television scripts.
- (F) Billboards.
- (G) Other similar displays.

(ii) Descriptive literature and sales aids of all kinds issued or used by an insurer, agent, or other person for presentation to members of the public, including any of the following:

- (A) Circulars.
- (B) Leaflets.
- (C) Booklets.
- (D) Depictions.
- (E) Illustrations.
- (F) Form letters.
- (G) Lead-generating devices of all kinds.

(iii) Prepared sales talks, presentations, and material for use by agents or other persons, whether prepared for or by the insurer, agent, or other person.

(iv) Advertising material included with a policy when the policy is delivered.

(v) Advertising material used in the solicitation of renewals, reinstatements, and alterations.

(c) "Bureau" means the insurance bureau of the department of licensing and regulation.

(d) "Code" means Act No. 218 of the Public Acts of 1956, as amended, being S500.101 et seq. of the Michigan Compiled Laws.

(e) "Exception" means a provision in a policy whereby coverage for a specified hazard is entirely eliminated; it is a statement of a risk not assumed under the policy.

(f) "Institutional advertisement" means an advertisement that has as its sole or primary purpose the promotion of the reader's, viewer's, or listener's interest in the concept of accident and sickness insurance or the promotion of the insurer.

(g) "Insurer" means an entity that is defined as an insurer or a multiple employer welfare arrangement in the code.

(h) "Invitation to contract" means an advertisement which is neither an invitation to inquire nor an institutional advertisement.

(i) "Invitation to inquire" means an advertisement which is limited to a brief description of coverage, which has as its objective the creation of a desire to inquire further about accident and sickness insurance, and which shall contain a provision in the following or substantially similar form: "This policy has exclusions, reduction of

benefits or terms under which the policy may be continued in force or discontinued. For costs and complete details of the coverage, call or write your insurance agent or the insurance company."

(j) "Lead-generating device" means any communication directed to the public which, regardless of form, content, or stated purpose, is intended to result in the compilation or qualification of a list containing names and other personal information to be used to solicit residents of this state for the purchase of accident and sickness insurance.

(k) "Limitation" means a provision which restricts coverage under a policy, other than an exception or a reduction.

(l) "Person" means any of the following entities:

(i) A natural person.

(ii) An association.

(iii) An organization.

(iv) A partnership.

(v) A trust.

(vi) A group.

(vii) A discretionary group.

(viii) A corporation.

(ix) Any other entity.

(m) "Policy" means a policy, plan, certificate, contract, agreement, statement of coverage, rider, or endorsement which provides accident or sickness benefits or medical, surgical, or hospital expense benefits, whether on an indemnity, reimbursement, service, or prepaid basis, except when issued in connection with another kind of insurance other than life and except for disability, waiver of premium, and double indemnity benefits included in life and annuity contracts.

(n) "Reduction" means a provision which reduces the amount of the benefit; a risk of loss is assumed, but payments upon the occurrence of the loss are limited to some amount or period less than would be otherwise payable had the reduction not been used.

History: 1979 AC; 1991 AACS.

R 500.652 Purpose and applicability.

Rule 2. (1) These rules shall be construed to provide insureds and prospective purchasers with clear and unambiguous statements in the advertisement of accident and sickness insurance and to assure the clear and truthful disclosure of the benefits, limitations, and exclusions of policies sold as accident and sickness insurance.

(2) Unless otherwise specified, these rules apply to any accident and sickness insurance advertisement which the insurer knows or reasonably should know is intended for presentation, distribution, or dissemination in this state, either directly or indirectly by or on behalf of an insurer, agent, or other person as defined in the code and these rules.

(3) Every advertisement covered by these rules shall be presumed to have been caused, directly or indirectly, to be created, published, disseminated, circulated, or placed before the public by the insurer whose policy or policies are the subject of the advertisement. Every insurer shall establish, and at all times maintain, a system of control over the content, form, and method of dissemination of all of its accident and sickness insurance advertisements. All such advertisements, regardless of by whom written, created, designed, or presented, shall be the responsibility of the insurer or insurers whose policies are so advertised.

History: 1979 AC; 1991 AACS.

R 500.653 Method of disclosure of required information.

Rule 3. Information required to be disclosed by these rules shall be set out conspicuously and in close conjunction with the statements to which the information relates or under appropriate captions of such prominence that it shall not be minimized, rendered obscure, presented in an ambiguous fashion, or intermingled with the context of the advertisement so as to be confusing or misleading.

History: 1979 AC.

R 500.654 Form and content of advertisements.

Rule 4. (1) The format and content of an advertisement of an accident or sickness insurance policy shall be sufficiently complete and clear to avoid deception or the capacity or tendency to mislead or deceive. Whether an advertisement has a capacity or tendency to mislead or deceive shall be determined by the commissioner from the overall impression that the advertisement may be reasonably expected to create upon a person of average education or intelligence within the segment of the public to which the advertisement is directed.

(2) An advertisement shall be truthful and not misleading in fact or in implication. Words or phrases, the meaning of which is clear only by implication or by familiarity with insurance terminology, shall not be used.

(3) An insurer shall clearly identify its accident and sickness insurance as an insurance policy. A policy trade name shall be followed by the words "insurance policy" or similar words which clearly identify the fact that an insurance policy is being offered.

(4) An insurer, agent, or other person shall not solicit a resident of this state for the purchase of accident and sickness insurance in connection with, or as the result of, the use of any advertisement by such person or any other person where the advertisement does either of the following:

(a) Contains any misleading representations or misrepresentations or is otherwise untrue, deceptive, or misleading with regard to the information imparted, the status, character, or representative capacity of such person, or the true purpose of the advertisement.

(b) Otherwise violates the provisions of these rules.

(5) An insurer, agent, or other person shall not solicit residents of this state for the purchase of accident and sickness insurance through the use of a true or fictitious name which is deceptive or misleading with regard to the status, character, or proprietary or representative capacity of such person or the true purpose of the advertisement.

(6) An insurer, agent, or other person shall not use a lead-generating device or list of prospective insureds compiled therefrom unless such lead-generating device contains the following or substantially similar language in the same size of type as the rest of the information and is not hidden or placed in a position to render it obscure: "This request for information is insurance related and if you respond you may be contacted in an attempt to sell you insurance."

(7) An insurer, agent, or other person shall not use a lead-generating device or list of prospective insureds compiled therefrom if the insurer, agent, or other person knew or reasonably should have known that the lead-generating device or list of prospective members was obtained in a manner which violates any provision of the Michigan insurance code or otherwise violates the provisions of these rules. A list of prospective insureds shall not be purchased unless the purchaser requests from the seller any lead-generating device that was used to compile the list and obtains a specimen copy of any such device that is disclosed. An agent or insurer may use a list obtained through lead-generating devices before the effective date of these rules for up to 6 months after the effective date if the lead-generating devices used to compile the lists are retained on file by the agent or insurer for inspection by the insurance bureau.

(8) The contents of all advertisements, including lead-generating devices, regardless of by whom prepared, created, designed, or presented, shall be the responsibility of any insurer benefiting directly or indirectly from their use.

History: 1979 AC; 1991 AACS.

R 500.655 Deceptive words, phrases, or illustrations prohibited.

Rule 5. (1) An advertisement shall not omit information or use words, phrases, statements, references, or illustrations if the omission of the information or use of the words, phrases, statements, references, or illustrations has the capacity, tendency, or effect of misleading or deceiving purchasers or prospective purchasers as to the nature or extent of a policy benefit payable, loss covered, or premium payable. The fact that the policy offered is made available to a prospective insured for inspection before consummation of the sale or that an offer is made to refund the premium if the purchaser is not satisfied does not remedy misleading statements.

(2) An advertisement shall not contain or use words or phrases such as "all," "full," "comprehensive," "complete," "unlimited," "up to," "as high as," "this policy will help fill some of the gaps that medicare and your present insurance leave out," or "the policy will help to replace your income" or any similar words and phrases in a manner which exaggerates any benefits beyond the terms of the policy.

(3) An advertisement for a medicare supplement policy shall not contain or use words or phrases such as "this policy pays all that medicare doesn't" or any similar words and phrases in a manner which exaggerates any benefit beyond the terms of the policy.

(4) An advertisement shall not contain a description of a policy limitation, exception, or reduction that is worded in a positive manner to imply that it is a benefit, such as describing a waiting period as a "benefit builder" or stating "even preexisting conditions are covered after 2 years." Words and phrases used in an advertisement to describe these policy limitations, exceptions, and reductions shall fairly and accurately describe the negative features of the limitations, exceptions, and reductions of the policy offered.

(5) An advertisement of a benefit for which payment is conditional upon confinement in a hospital or similar facility shall not use language which has the tendency or capacity to lead a potential insured to believe that the policy's purpose is to enable him or her to make a net profit from being hospitalized or confined. The advertisement shall not use words or phrases such as "tax free," "extra cash," "extra income," or "extra pay" or similar words or phrases.

(6) An advertisement of a hospital or other similar facility confinement benefit shall not advertise that the amount of the benefit is payable on a monthly or weekly basis when, in fact, the amount of the benefit payable is based upon a daily pro rata basis relating to the number of days of confinement, unless the daily amount is emphasized and precedes the weekly or monthly benefit amounts. When the policy contains a limit on the number of days of coverage provided, the limit shall appear in the advertisement.

(7) An advertisement for a policy providing benefits for specified illnesses only, such as cancer, or for specified accidents only, such as automobile accidents, shall clearly, and in type which is not less than 2 points larger than the type in the body of the advertisement, state the limited nature of the policy. The statement shall be worded in language identical to, or substantially similar to, the following: "this is a limited policy," "this is a cancer only policy," or "this is an automobile accident only policy."

(8) An advertisement shall not contain a claim stating or implying that acquisition and servicing costs for the plan advertised are lower than equivalent costs for other generally used means of marketing similar insurance, unless that is the fact. An example of a misleading phrase is: "We deal directly with you so our costs are lower," when the acquisition and servicing costs for the advertised plan are actually not lower than equivalent costs for other similar plans.

(9) An advertisement which also is an invitation to join an association, trust, or discretionary group shall solicit insurance coverage on a separate and distinct application. Each of these applications shall require separate signatures, but need not be in a separate document or contained in a separate mailing. The insurance program shall be presented so as not to mislead or deceive the prospective members that they are purchasing insurance as well as applying for membership, if that is the case.

(10) Notwithstanding the provisions of subrule (8) of this rule, an advertisement of accident and sickness insurance sold by direct response shall not state or imply that because no insurance agent will call and no commissions will be paid to agents, it is a low-cost plan or use other similar words or phrases.

History: 1979 AC; 1991 AACS.

R 500.655a Specified disease policies.

Rule 5a. In addition to the other provisions of these rules, an advertisement for a policy that covers only 1 disease or a list of specified diseases shall be in compliance with both of the following provisions:

(a) An advertisement shall not imply coverage beyond the terms of the policy. Synonymous terms shall not be used to refer to any single disease so as to imply broader coverage than is the fact.

(b) An advertisement shall not be used if the purpose of the advertisement appears to be to induce or create fear in prospective policyholders. An advertisement shall not use statistics, words, phrases, symbols, insignias or characteristics which are calculated to arouse fear, alarm, anxiety, dread, shock, fright, or panic.

History: 1991 AACS.

R 500.656 Exceptions, reductions, and limitations.

Rule 6. (1) When an advertisement which is an invitation to contract refers to a dollar amount, a period of time for which a benefit is payable, the cost of the policy, a specific policy benefit, or the loss for which the benefit is payable, the advertisement shall also disclose those exceptions, reductions, and limitations affecting the basic provisions of the policy without which the advertisement would have the capacity or tendency to mislead or deceive.

(2) When a policy contains a waiting, elimination, probationary, or similar time period between the effective date of the policy and the effective date of coverage under the policy at a time period between the date a loss occurs and the date benefits begin to accrue for the loss, an advertisement which is subject to the requirements of subrule (1) of this rule shall disclose the existence of the period.

(3) The use of words or phrases in a context which understates the extent of the policy's exceptions, reductions, or limitations is considered misleading. An advertisement shall not use the word "only," "just," "merely," "minimum," or "necessary" or similar words or phrases to describe the applicability of any exceptions and reductions.

History: 1979 AC; 1991 AACS.

R 500.657 Preexisting conditions.

Rule 7. (1) An advertisement which is an invitation to contract shall disclose, in negative terms, the extent to which a loss is not covered if the cause of the loss is traceable to a condition that existed before the effective date of the policy. The term "preexisting condition," without an appropriate definition or description, shall not be used.

(2) When a policy does not cover losses resulting from a preexisting condition, an advertisement of the policy shall not state or imply that the applicant's physical condition or medical history will not affect the issuance of the policy or payment of a claim thereunder. Within this context, the advertisement shall not contain the phrase "no medical examination required" or phrases of similar import. This rule does not prohibit explaining the phrase "automatic issue." If an insurer requires a medical examination for a specified policy, the advertisement, if it is an invitation to contract, shall disclose that a medical examination is required.

(3) When an advertisement contains an application form to be completed by the applicant and returned by mail, the application form shall contain a question or statement appearing in upper case type or contrasting color which reflects the preexisting condition provisions of the policy immediately preceding the blank space for the applicant's signature. An application form shall be in compliance with either of the following provisions:

(a) Contain a question or statement substantially as follows:

Do you understand that this policy will not pay _____ benefits during the first _____ month(s) after _____ the issued date for a disease or physical condition YES which you now have or have had in the past.

(b) Contain a statement substantially as follows: I understand that the policy applied for will not pay benefits for any loss incurred during the first _____ month(s) after the issue date on account of disease or physical condition which I now have or have had in the past.

History: 1979 AC; 1991 AACS.

R 500.658 Disclosure of renewability, cancellability, termination, and modification.

Rule 8. An advertisement which is an invitation to contract shall disclose the provisions relating to renewability, cancellability, termination, and a modification of benefits, losses covered, or premiums because of age or for other reasons in a manner which shall not minimize or render the qualifying conditions obscure.

History: 1979 AC; 1991 AACS.

R 500.659 Rescinded.

History: 1979 AC; 1991 AACS; 1997 AACS.

R 500.660 Use of statistics.

Rule 10. (1) An advertisement relating to the dollar amounts of claims paid, the number of persons insured, or similar statistical information relating to an insurer or policy shall not be used unless it accurately reflects all material facts necessary to fairly apprise potential purchasers of the significance of the statistics. An advertisement shall not imply that statistics are derived from the policy advertised unless true and, when applicable to other policies or plans, shall specifically so state.

(2) An advertisement shall specifically identify the sickness and accident insurance policy to which statistics relate and, where statistics are given which are applicable to a different policy, it shall be stated clearly that the data do not relate to the policy being advertised.

(3) An advertisement that uses statistics which describe aspects of an insurer, such as assets, corporate structure, financial standing, age, product lines, or relative position in the insurance business, shall not be used unless relevant to the product being advertised.

(4) An advertisement shall not represent or imply that a claim settlement by the insurer is "liberal" or "generous" or use words of similar import, or that a claim settlement is or will be beyond the actual terms of the contract. An unusual amount paid for a unique claim for the policy advertised is misleading and shall not be used.

(5) The source of statistics used in an advertisement shall be identified in the advertisement.

History: 1979 AC; 1991 AACS.

R 500.661 Identification of plan or number of policies.

Rule 11. (1) When a choice of the amount of benefits is referred to, an advertisement which is an invitation to contract shall disclose that the amount of benefits provided depends upon the plan selected and that the premium will vary with the amount of the benefits selected.

(2) When an advertisement which is an invitation to contract refers to various benefits which may be contained in 2 or more policies, other than group master policies, the advertisement shall disclose that the benefits are provided only through a combination of the policies.

History: 1954 ACS 84, Eff. Aug. 22, 1975; 1979 AC.

R 500.662 Disparaging comparisons and statements.

Rule 12. An advertisement shall not directly or indirectly make unfair or incomplete comparisons of policies or benefits or comparisons of noncomparable policies of other insurers, and shall not disparage competitors, their policies, services, or business methods, and shall not disparage or unfairly minimize competing methods of marketing business.

History: 1979 AC.

R 500.663 Jurisdictional licensing and status of insurer.

Rule 13. (1) An advertisement which is intended to be seen or heard beyond the limits of the jurisdiction in which the insurer is licensed shall not imply licensing beyond those limits.

(2) An advertisement shall not create the impression, directly or indirectly, that the insurer, its financial condition or status, the payment of its claims, or the merits, desirability, or advisability of its policy forms or kinds or plans of insurance are approved, endorsed, or accredited by a division or agency of this state or the federal government.

(3) An advertisement shall not imply or state that approval, endorsement, or accreditation of policy forms or advertising has been granted by any division or agency of this state or the federal government. "Approval" of either policy forms or advertising shall not be used by an insurer to imply or state that a governmental agency has endorsed or recommended the insurer, its policies, its advertising, or its financial condition.

History: 1979 AC; 1991 AACS.

R 500.664 Identity of insurer.

Rule 14. (1) The name of the actual insurer shall be stated conspicuously in all of its advertisements. The form number of the policy advertised shall be stated in an advertisement which is an invitation to contract. An advertisement shall not use any of the following without disclosing the name of the actual insurer:

- (a) A trade name.
- (b) An insurance group designation.
- (c) Name of the parent company of the insurer.
- (d) Name of a particular division of the insurer.
- (e) Service mark.
- (f) Slogan.
- (g) Symbol.
- (h) Any other device which would have the capacity and tendency to mislead or deceive as to the true identity of the insurer.

(2) An advertisement shall not use a combination of words, symbols, or physical material which, by content, phraseology, shape, color, or other characteristics, is so similar to combinations of words, symbols, or physical materials used by agencies of the federal government or of this state or which otherwise appear to be of such a nature that it tends to confuse or mislead prospective insureds into believing that the solicitation is in some manner connected with an agency of the municipal, state, or federal government.

(3) Advertisements, envelopes, or stationery which employs color, words, letters, initials, symbols, or other devices which are similar to those used by governmental agencies is not permitted if it may lead the public to believe either of the following:

- (a) That the advertised coverages are somehow provided or endorsed by such governmental agencies.
- (b) That the advertiser is the same as, is connected with, or is endorsed by, such governmental agencies.
- (4) Advertisements, envelopes, or stationery which employs words, letters, initials, symbols, or other devices which are similar to those used by other insurers is not permitted if it may lead the public to believe either of the following:

- (a) That the advertised coverages are somehow provided by or are endorsed by such other insurers.
- (b) That the advertiser is the same as, is connected with, or is endorsed by, such other insurers.

(5) An advertisement shall not use the name of a state or political subdivision thereof in a policy name or description.

(6) An advertisement in the form of envelopes or stationery of any kind shall not use any color, name, service mark, slogan, symbol, or any device in a manner that implies that the insurer or the policy advertised, or that any agent who may call upon the consumer in response to the advertisement, is connected with a governmental agency, such as the social security administration or the veterans administration.

(7) An advertisement shall not incorporate the word "medicare" in the title of the plan or policy being advertised, unless, wherever it appears, it is qualified by language differentiating it from medicare. An advertisement shall not use the phrase " _____ medicare department of the _____ insurance company," or similar language of similar import.

(8) An advertisement for medicare supplement insurance shall include a disclaimer similar to the following: "Not connected with or endorsed by the United States Government or the Federal Medicare Program."

(9) An advertisement shall not imply that the reader may lose a right or privilege or benefit under federal, state, or local law if he or she fails to respond to the advertisement.

(10) The use of letters, initials, or symbols of the corporate name or trademark that would have the tendency or capacity to mislead or deceive the public as to the true identity of the insurer is prohibited, unless the true, correct, and complete name of the insurer is in close conjunction to, and in the same size type as, the letters, initials, or symbols of the corporate name or trademark.

(11) The use of the name of an agency or "_____ underwriters" or "_____ plan" in a type, size, and location that has the capacity and tendency to mislead or deceive as to the true identity of the insurer is prohibited.

(12) The use of an address so as to mislead or deceive as to the true identity of the insurer, its location, or licensing status is prohibited.

(13) An insurer shall not use, in the trade name of its insurance policy, any terminology or words so similar to the name of a governmental agency or governmental program as to have the tendency to confuse, deceive, or mislead a prospective purchaser.

(14) All advertisements used by agents of an insurer shall have prior written approval of the insurer before they may be used.

(15) An agent who makes contact with a consumer as a result of acquiring that consumer's name from a lead-generating device shall disclose such fact in the initial contact with the consumer.

History: 1979 AC; 1991 AACS.

R 500.665 Group or quasi-group implications.

Rule 15. (1) An advertisement of a particular policy shall not state or imply that prospective insureds become group or quasi-group members covered under a group policy and as such enjoy special rates or underwriting privileges, unless that is the fact.

(2) This rule prohibits the solicitation of a particular class, such as governmental employees, by use of advertisements which state or imply that its occupational status entitles it to reduced rates on a group or other basis when, in fact, the policy being advertised is sold only on an individual basis at regular rates.

History: 1979 AC; 1991 AACS.

R 500.666 Introductory, initial, or special offers.

Rule 16. (1) An advertisement of an individual policy shall not directly or by implication represent that a contract or combination of contracts is an introductory, initial, or special offer, that applicants will receive substantial advantages not available at a later date, or that the offer is available only to a specified group of individuals, unless that is the fact. An advertisement shall not contain phrases describing an enrollment period as "special" or "limited" or use similar words or phrases when the insurer uses the enrollment periods as the usual method of advertising accident and sickness insurance. The use of such words or phrases is permitted if the enrollment periods for a policy are separated by not less than 3 months.

(2) An enrollment period during which a particular insurance product may be purchased on an individual basis shall not be offered within this state unless there has been a lapse of not less than 3 months between the close of the immediately preceding enrollment period for the same product and the opening of the new enrollment period with not more than 2 enrollment periods in 1 calendar year for a particular insurance product. The advertisement shall indicate the date by which the applicant shall mail the application, which shall be not less than 10 days and not more than 40 days from the date that the enrollment period is advertised for the first time. This rule applies to all advertising media by any insurer. This rule does not apply to solicitations of employees or members of a particular group or association which otherwise would be eligible under specific provisions of the code for group, blanket, or franchise insurance. The phrase "any insurer" includes all the affiliated companies of a group of insurance companies under common management or control.

(3) This rule prohibits a statement or implication to the effect that only a specific number of policies will be sold or that a time is fixed for the discontinuance of the sale of the particular policy advertised because of special advantages available in the policy, unless that is the fact.

(4) The phrase "a particular insurance product" in subrule (2) of this rule means an insurance policy which provides substantially different benefits than those contained in any other policy. Different terms of renewability, an increase or decrease in the dollar amounts of benefits, or an increase or decrease in an elimination period or waiting period from those policies available during an enrollment period for another policy shall not be sufficient to constitute the product being offered as a different product eligible for concurrent or overlapping enrollment periods.

(5) Special awards, such as a safe driver award, shall not be used in connection with advertisements of accident or accident and sickness insurance.

(6) An advertisement shall not offer a policy which utilizes a reduced initial premium in a manner which overemphasizes the availability and the amount of the reduced initial premium. When an insurer charges an initial premium that differs in amount from the renewal premium payable on the same mode, the advertisement shall not display the amount of the reduced initial premium either more frequently or more prominently than the renewal premium, and both the reduced initial premium and the renewal premium shall be stated in juxtaposition in each portion of the advertisement where the reduced initial premium appears. The term "juxtaposition" means side by side or immediately above or below.

History: 1979 AC; 1991 AACS.

R 500.667 Statements about insurer.

Rule 17. An advertisement shall not contain a statement which is untrue, in fact, or by implication misleading with respect to the assets, corporate structure, financial standing, age, or relative position of the insurer in the insurance business. An advertisement shall not contain a recommendation of a commercial rating organization unless the limitations of the scope and extent of the recommendation are fully explained.

History: 1979 AC.

R 500.668 Enforcement.

Rule 18. (1) Each insurer shall maintain, at its home or principal office, a complete file containing every printed, published, or prepared advertisement of its individual policies and typical printed, published, or prepared advertisements of its blanket, franchise, and group policies and certificates disseminated in this state, with a notation attached to each advertisement which indicates the manner and the extent of distribution and the form number of any policy advertised. The files shall be made available for periodic inspection by the bureau. All advertisements shall be maintained in the file for a period from the previous regular report on examination through the next report on examination. Following the completion of a regular report on examination, noncurrent advertising material may be removed from the file.

(2) Each agent shall maintain, at the home agency or principal office, a complete file containing every printed, published, or prepared advertisement which is generated by the agency and which is not product or company specific. Each advertisement on file shall have a notation attached which indicates the manner and the extent of distribution and shall be kept on file by the agency for at least 3 years beyond its last date of use.

(3) Each insurer that is required to file an annual statement which now is, or which hereafter becomes, subject to these rules shall file with the bureau, with its annual statement, a certificate of compliance executed by an authorized officer of the insurer. The certificate shall contain a statement that, to the best of the officer's knowledge, information, and belief, the advertisements which were disseminated by the insurer during the preceding statement year complied, or were made to comply, in all respects with these rules and the insurance laws of this state.

(4) Advertising intended for use in this state shall meet the standards of these rules. National advertising that is not intended for use in this state shall contain a disclaimer for this state.

History: 1979 AC; 1991 AACS; 1997 AACS.

R 500.669 Rescinded.

History: 1979 AC; 1997 AACS.