

Agent Advertising Guidelines

The Department of Insurance does NOT REVIEW or APPROVE advertising materials submitted directly by agents. All agents should submit advertising materials to their appointed company for approval PRIOR to use. Many insurers maintain strict control over the content of advertising to avoid possible deceptive practices which may hold them liable. In fact, many agents have signed contracts with appointed companies which require advertising approval by the company prior to use.

Many product advertising materials must be approved by the Life and Health Division prior to use. Those products include Long-Term Care, Annuities, Medicare Supplement, and Interest Sensitive Life. All advertisements, regardless of by whom written, created, designed or presented, shall be the responsibility of the insurer. The Life and Health Division reviews these materials when submitted by insurers and will hold insurers responsible for advertising materials.

The Agent Services Division has found some agents out of compliance that developed and used unapproved advertising material for products that require approval prior to use and were not aware that the materials that they developed met the definitions of "advertisements" that are found in the North Carolina Administrative Code. Two particular areas of concern that have been identified are materials used in sales seminars conducted by agents and sales presentation spreadsheets which consolidate the policy terms and conditions of different insurers for side by side comparison by the prospective purchaser.

North Carolina Administrative Code 11 NCAC 12.0517 defines accident and health advertisements to include the following:

- 1) printed and published material, audio visual material and descriptive literature of an insurer used in direct mail, newspapers, magazines, radio scripts, TV scripts, billboards and similar displays; and
- 2) descriptive literature and sales aids of ALL kinds issued by an insurer, agent or broker for presentation to members of the insurance buying public, including but not limited to circulars, leaflets, booklets, depictions, illustrations and form letters; and
- 3) prepared sales talks, presentations and material for use by agents, brokers and solicitors.

North Carolina Administrative Code 11 NCAC 12.0424 defines life insurance and annuity advertising to include all of above definitions found in accident and health advertisements and also adds:

- 4) material designed to create public interest in life insurance or annuities or in an insurer, or to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy;
- 5) material used for recruitment, training, and education of an insurer's sales personnel, agents, solicitors, and brokers which is designed to be used or is used to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy.

The Agent Services Division has ruled that generic business cards identifying licensees qualifications DO NOT require prior approval by the Department, however should you have questions regarding logos or content of the business card, you should consult with your appointed company.

All agents should submit advertising materials to their appointed company for approval PRIOR to use and consult with them directly on any questions they may have in developing material to ensure it is in compliance with company and Department of Insurance requirements.