



AGENT MARKETING GUIDE

BEST PRACTICES IN LIFE & ANNUITY ADVERTISING

2020

TABLE OF CONTENTS

Marketing Life Insurance, Annuity and Final Expense Products 3

Advertising Definition 4

Marketing Form and Content 4

Disclosure Requirements. 5

Testimonials and Endorsements by Third Parties 6

Identity of and Statements About the Insurer 7

Marketing Best Practices. 7

Resources – Life, Annuity and Final Expense Products 9



MARKETING LIFE INSURANCE, ANNUITY & FINAL EXPENSE PRODUCTS

The NAIC provides regulations for advertising Life and Annuity products. All advertisements are the responsibility of both the insurer and the agent who creates or presents the advertisement. Agents should work closely with insurers on procedures for their approval prior to the use of any advertisements that are not provided by the insurer.

MARKETING LIFE INSURANCE, ANNUITY & FINAL EXPENSE PRODUCTS

ADVERTISING DEFINITION

Advertisements are materials which are designed to create consumer interest in life insurance or annuities or to induce them to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy including:

- Printed and published material, A/V material, direct mail, newspapers, magazines, radio and television scripts, telemarketing scripts, billboards and similar displays, and the Internet or any other mass communication media
- Sales aids, such as: circulars, leaflets, booklets, web pages, depictions, illustrations and form letters
- Prepared sales talks, presentations and materials for use by insurance producers

MARKETING FORM AND CONTENT

All marketing and advertising must be **truthful** and **not misleading** either directly or by implication. The form relates to how an advertisement is creatively constructed, including imagery, colors and other composition traits. Both the form and content of an advertisement of a policy must be complete and clear enough to avoid any deception.

- Marketing materials may not use language that could mislead the purchaser into believing they will receive anything other than the policy, including but not limited to such terms as: **“investment,” “investment plan,” “deposit,” “profit,” “profit sharing,” “interest plan,” “savings,” “private pension plan” or “retirement plan”**

MARKETING LIFE INSURANCE, ANNUITY & FINAL EXPENSE PRODUCTS

DISCLOSURE REQUIREMENTS

Disclosure information must be clearly presented and may not be minimized, obscured or presented in an ambiguous fashion or intermingled with the text of the advertisement so as to be confusing or misleading. Agents should refer to insurer guidelines and government regulations for a complete list of disclosure requirements. The list that follows is a highlight of NAIC disclosure requirements.

- If an advertisement uses “non-medical,” “no medical examination required” or similar terms where issue is not guaranteed, a further disclosure of equal prominence is needed.
- Marketing materials must prominently describe the type of policy advertised, using the words “life insurance” or “annuity.”
- An advertisement of an insurance policy cannot state or imply that because there is no agent/broker commission involved there will be a cost saving to prospective purchasers unless that is the fact. Such cases must be approved prior to use by the commissioner.
- Marketing for guaranteed issue policies cannot use the words “inexpensive,” “low cost,” or other similar phrases.
- Premiums Disclosures
 - Policies with non-level premiums must prominently describe the premium changes.
 - Policies where the insurer reserves the right to change the amount of the premium during the policy term must be prominently described.
 - Advertisements cannot state that a benefit has a “profit” or “return” on the premium paid.
- The words “free,” “no cost” or similar words or phrases related to policy benefits or services may not be used unless true, in which case the identity of the payor must be prominently disclosed.
- Terms such as “financial planner,” “investment adviser” or similar may not be used to imply that the agent is engaged in an advisory business.

MARKETING LIFE INSURANCE, ANNUITY & FINAL EXPENSE PRODUCTS

- Statistical information relating to any insurer or policy may not be used unless it accurately reflects recent and relevant facts. The source of any statistics used must be stated.
- Unfair or incomplete comparisons of policies, benefits, dividends or rates of other insurers are not allowed. Disparaging content about other insurers, insurance producers, policies, etc. are not permitted.
- Marketing for the sale of a preneed funeral contract or prearrangement that is funded or to be funded by a life insurance policy or annuity contract must also disclose the following:
 - The fact that a life insurance policy or annuity contract is being used to fund a prearrangement; and
 - The nature of the relationship among the soliciting agent or agents, the provider of the funeral or cemetery merchandise services, the administrator and any other person.

TESTIMONIALS AND ENDORSEMENTS BY THIRD PARTIES

Testimonials, appraisals or analysis that are used in marketing must be genuine; represent the current opinion of the author; be applicable to the policy advertised, if any; and be accurately reproduced to avoid misleading or deceiving prospective purchasers. Additionally:

- If the individual making a testimonial or endorsement has a financial interest in or is an employee of the insurer, or receives any benefit directly or indirectly other than required union scale wages, that fact must be prominently disclosed in the advertisement.
- Endorsements may only be made if true. If the entity making the endorsement is owned, controlled or managed by the insurer, or receives any payment for making an endorsement or testimonial, that fact must be disclosed in the advertisement.

MARKETING LIFE INSURANCE, ANNUITY & FINAL EXPENSE PRODUCTS

IDENTITY OF AND STATEMENTS ABOUT THE INSURER

The name of the insurer must be clearly identified in all advertisements. Marketing materials cannot imply in any way that the insurer is connected with a governmental program or agency.

Advertisements cannot:

- Contain statements, pictures or illustrations that are false or misleading with respect to the assets, liabilities, insurance in force, corporate structure, financial condition, age or relative position of the insurer in the insurance business.
- Contain a recommendation by any commercial rating system unless it clearly defines the scope and extent of the recommendation.

BEST PRACTICES

According to Policygenius, only 57% of American adults have life insurance and, of that, 32% only have group coverage, which usually isn't enough (and is rarely portable). The Integrity Platform is all about being there for people on the worst days of their lives. With everything that's going on today, there's never been a better time to reach and serve these consumers. So get ready to build your business by following some of these best practices in Life and Annuity marketing.

- It all starts and ends with the trust your clients have in **YOU** so be sure to build and stay true to your personal brand. If something doesn't feel authentic to you, don't do it or say it. Always act with integrity and let your personality shine through.
- Position yourself as a valuable resource that your clients will feel comfortable going to with any questions – and especially when they're ready to make an enrollment decision.
- Create your own library of content and offer to be a presenter at an educational event. Whether it's Life Insurance 101, hosting a "lunch and learn," or speaking at a local convention, building your own content and practicing a great delivery will help ensure you're ready for those opportunities.

MARKETING LIFE INSURANCE, ANNUITY & FINAL EXPENSE PRODUCTS

- Direct Mail is still an industry workhorse, but you definitely need to up your digital game. Develop your own content calendar and use social media. Integrity Marketing Group has a great social media guide that can help with ideas and tactics to expand your influence.
- Use plain language in your advertising materials. Avoid confusing or misleading content at all costs.
- To avoid the cost and aggravation of returned mail, work with a best-in-class list vendor and ensure the mail list is scrubbed against the SSA list of deceased individuals, the national change of address data base and any other suppression lists.
- Follow other industry leaders. Like and Share their posts.
- Subscribe to industry research to stay abreast of consumer trends.

When it comes to creative, make sure yours gets noticed.

- **Photos** – Most people see themselves as younger than they really are. Select photos that are a little younger than your target audience but keep them realistic. Photos should convey emotion, be relatable and take into consideration local flavor and diversity.
- Other images, such as **icons**, are helpful in creative layouts and provide digestible chunks, which help guide readers efficiently through different copy sections to your call to action.
- **Reverse Type** – It's recommended to only use reverse/white type with large fonts, such as headlines and sub heads. Stay away from using reversed type on lightly colored backgrounds (especially yellow) or reversing out smaller type at all. Same with reversing type out of a photo.
- If you're using **direct mail**, you want your piece to stand out in the mailbox. Envelopes the size of standard greeting cards or oversized postcards are more noticeable from standard business mail.
- Help keep your copy compliant by staying away from superlatives and absolutes.

RESOURCES & CONTACTS

The regulations for insurance advertising may change from time to time and can sometimes seem overly complex or confusing.

When in doubt, check the NAIC regulations directly at the link below, or reach out to your Compliance team. We're here to help with any questions you may have.

[NAIC Model Advertising Regulations - Life and Annuities](#)

COMPLIANCE OFFICER	Matt Fry matt.fry@cornerstoneseniormarketing.com
COMPLIANCE EMAIL	compliance@cornerstoneseniormarketing.com