



# Life & Annuity Advertising Handbook

2025

---

# Table of Contents

---

## Table of Contents

---

<b>Introduction.....</b>	<b>4</b>
<b>General Advertisement Requirements .....</b>	<b>6</b>
<b>Advertisements Generally.....</b>	<b>6</b>
<b>General Rules that Apply to All Advertisements.....</b>	<b>6</b>
Accuracy and Truthfulness.....	6
Identity of Insurer .....	6
Identity of Product .....	7
Identity of Producer .....	7
<b>General Advertisement Must, Dos, and Don'ts.....</b>	<b>8</b>
Must .....	8
Dos .....	8
Don'ts.....	8
<b>Lead Cards and Use of Professional Designations .....</b>	<b>10</b>
<b>Restrictions on Use of Lead Cards, Lead Generations, and Invitations to Inquire .....</b>	<b>10</b>
Concerns Expressed by State Regulators .....	10
Requests by State Regulators.....	10
<b>Restrictions on Use of Professional Designations .....</b>	<b>10</b>
<b>Annuity Advertising Requirements .....</b>	<b>13</b>
<b>Annuity Must, Dos, and Don'ts .....</b>	<b>13</b>
Must .....	13
Dos .....	13
Don'ts.....	14
<b>Other Advertising Rules for Multi-Year Guaranteed Annuity (MYGA) Products .....</b>	<b>14</b>
<b>Other Advertising Rules for Fixed Index Annuity Products.....</b>	<b>14</b>
<b>Other Advertising Rules for Guaranteed Lifetime Withdrawal Benefits (GLWB) .....</b>	<b>14</b>
<b>List of Common Terms Found in Annuity Advertisements .....</b>	<b>15</b>
<b>Life Advertising Requirements.....</b>	<b>16</b>
<b>Life Insurance Must, Dos and Don'ts .....</b>	<b>16</b>
Must .....	16
Dos .....	16
Don'ts.....	16
<b>Other Advertising Rules for Term Products .....</b>	<b>17</b>
<b>Other Advertising Rules for Cash Value Life Products.....</b>	<b>17</b>
<b>Other Advertising Rules for Fixed Index Universal Life Products.....</b>	<b>18</b>

# Table of Contents

---

Other Advertising Rules for Accelerated Death Benefits (ADB).....	18
<b><i>Approval Requirements</i></b> .....	<b>20</b>
Insurance Company .....	20
Integrity.....	20
<b><i>Advertising Examples</i></b> .....	<b>22</b>
Incomplete Analogies .....	22
Phrases to Avoid and Why .....	22
Phrases to Avoid and Suggested Phrasing .....	24
<b><i>Examples of Regulatory Penalties</i></b> .....	<b>26</b>
California .....	26
Florida .....	26
New York.....	26
Texas .....	27
Minnesota .....	27

# INTRODUCTION

---

Integrity created this Handbook to assist you in developing materials for the advertisement of life and annuity products. This Handbook may not cover every potential situation. If any such situation occurs, Integrity's Compliance team is available to consult with you.

State insurance laws and regulations set forth the requirements for insurance advertising. In general, the state insurance laws and regulations are based on model laws, regulations and guidance developed by the National Association of Insurance Commissioners (NAIC). The key NAIC models are:

- Annuity Disclosure Model Regulation (Model 245) ("Annuity Disclosure Model").
- Use of Senior Specific Certifications and Professional Designations in the Sale of Life Insurance and Annuities Model Regulation (Model 278) ("Professional Designations Model").
- Advertisements of Life Insurance and Annuities Model Regulation (Model 570) ("Advertisements Model").
- Unfair Trade Practices Act (Model 880) ("Unfair Trade Practices Model").
- The Life Insurance Illustrations Model Regulation (Model 582).

Although the NAIC publishes models, each state enacts its own laws, rules, and guidance and is free to deviate from the NAIC models. State laws authorize state insurance regulators to examine the insurance sales practices, including advertising, of licensed insurance entities and producers. If regulators think or find any violations, they can bring an action, which may result in a cease-and-desist order, monetary penalties, suspension or revocation of the person's license, or any combination of the foregoing. Regulators frequently monitor consumer complaints to determine whether a licensee may be violating state insurance laws, including the advertising laws and other sales practices requirements.

For any advertisement that you create:

- It must comply with state advertising laws and regulations.
- It must comply with this Handbook.
- If it discusses a specific insurer or a specific product from an insurer, it must comply with that insurer's approval requirements. While the advertisement may not name the insurer or the product, the requirement still applies if in reading the advertisement, a knowledgeable individual would be able to identify the insurer or the product.
- **If it is not otherwise subject to insurer approval, it must be approved by Integrity Compliance.**

This Handbook sets forth general advertising requirements and best practices that apply to various life and annuities products, including must, dos, and don'ts for advertisements. The Handbook also sets forth:

# INTRODUCTION

---

- Integrity's advertisement approval requirements.
- Examples of advertisements, including language to avoid and to use in advertisements.
- Examples of regulatory penalties arising from violations of advertising laws and regulations.

In addition, please remember that state insurance laws also govern other sales practices, including requirements regarding:

- Suitability/Best Interest requirements for life insurance and annuity sales.
- Requirements to deliver life and annuities buyer's guides and disclosure documents.
- Replacement requirements.
- Requirements for life insurance and annuity illustrations. Because of the complexity of the life insurance and annuity illustration requirements, insurers develop the illustrations for use with their products. For this reason, you should only use a full copy of the illustration as generated by the insurer's illustration tool. Never reproduce or provide partial pages of an insurer's illustrations.

Integrity must approve any illustration or any other depiction of the operation of an annuity or life insurance product that you develop which has not been approved by a carrier.

# GENERAL ADVERTISEMENT REQUIREMENTS

---

## Advertisements Generally

Advertisements are designed to create public interest in a product, insurer, or producer or to induce consumers to purchase, increase, modify, reinstate, borrow against, surrender, replace or retain a product. Advertising materials may be either consumer or producer facing.

- Consumer facing advertisements are designed to create public interest or induce consumer action.
- Producer facing advertisements are used for the recruitment, training, and education of an insurer's insurance producers, which are designed to be used or issued to induce the public to purchase, increase, modify, reinstate, borrow against, surrender, replace, or retain a policy.

Advertisements include materials directed to the general public, a targeted group of consumers, a single consumer, professional advisors (such as CPAs and attorneys), and insurance producers and other financial professionals. The Advertisements Model includes a range of formats for materials that are considered advertisements:

- Printed and published material, audiovisual material and descriptive literature of an insurer or insurance producer used in direct mail, newspaper, magazines, radio and television scripts, telemarketing scripts, billboards and similar displays, and the internet or any other mass communication media.
- Descriptive literature and sales aids of all kinds, authored by the insurer, its insurance producers, or third parties, issued, distributed or used by the insurer or insurance producer; including but not limited to circulars, leaflets, booklets, webpages, depictions, illustrations and form letters.
- Prepared sales talks, presentations and materials for use by insurance producers.

## General Rules that Apply to All Advertisements

### *Accuracy and Truthfulness*

Advertisements must be sufficiently complete and clear so as to avoid deception and not have the capacity or tendency to mislead or deceive. In determining whether an advertisement has the capacity or tendency to mislead or deceive, a regulator may consider the overall impression that the advertisement may be reasonably expected to create on the average person within the segment of the public to which it is directed.

### *Identity of Insurer*

If an advertisement is about a particular insurer, the name of that insurer must be included in the material. The use of a parent company's or affiliate's name must not be presented so as to

## GENERAL ADVERTISEMENT REQUIREMENTS

---

mislead or deceive as to the true identity of the insurer issuing the product or to create the impression that any entity other than the insurer is financially responsible for the product.

**Also, no combination of words shall be used that could mislead prospective purchasers into believing that the solicitation is connected with or endorsed by any governmental agency or program.**

### *Identity of Product*

If the advertisement is about a particular insurance product, it must include the policy or contract name and form number. The policy or contract name must include the words “life insurance” or “annuity.”

The product being sold or promoted must have been approved in the state in which the advertisement will be used. If the advertisement is for multi-state use, then there should be a clear indication that the product may not be approved in every state. The advertisement must prominently describe the type of policy that it is featuring.

### *Identity of Producer*

Some states require that a producer include their information on any advertisements used by the producer, which may include the producer’s full legal name, address, and license numbers. For example:

- Arkansas Directive 2-2008
  - All advertisements shall include the producer’s Arkansas license number. The information must be the same type size used for the producer’s name or telephone number.
- California Insurance Code 1725.5
  - All advertisements must include the producer’s California license number and the word “insurance” in a type size that is at least as large as any indicated telephone number, address, or fax number, or for print materials 12-point type, or for business cards 8-point type, whichever is larger.
  - For emails, the license number must be included in a type size that is no smaller than the largest of any telephone number, street address, or email address of the person included in the email and it shall appear adjacent to or on the line below the individual’s name or title. The license number of an organizational licensee shall appear adjacent to or on the line below the organization’s name.
- Massachusetts Bulletin 01-02
  - For a website, producers must indicate that they are licensed in Massachusetts and include their exact name as it appears on their license along with the address of their

## GENERAL ADVERTISEMENT REQUIREMENTS

---

principal office. Producers may use an approved name for the purposes of doing business on their website, but the exact name, as shown on their license, must also appear on the website.

### General Advertisement Must, Dos, and Don'ts

#### *Must*

- Clearly identify the producer using the name that appears on their license and list their license number, home office location, and the states in which the producer is licensed.
- Make clear that the producer is not an insurer.

#### *Dos*

- If an insurer or insurance product are the subject of the advertisement, prominently disclose the type of policy and identify the policy by its form number. Also, include the name of the insurer in the materials; while an insurer's trade name may be used, the insurer's full name must appear somewhere in the material.
- Reference information about how a consumer can access funds, what constitutes a reduction in value due to withdrawals and surrender, and current and potential changes to interest rates.
- If values are shown or non-guaranteed elements are advertised, include any underlying assumptions, describe the insurer's right to change non-guaranteed elements, and set forth the guarantees with equal prominence. Equal prominence means appearing in the same font and near the statements about non-guaranteed elements.
- Where an advertisement references tax aspects of a product, include a clear statement that the reference to tax treatment does not constitute legal or tax advice and that the consumer should consult their own legal or tax advisor for information regarding how the tax treatment may apply to them.
- Make complete and accurate analogies when comparing a life insurance policy or annuity contract's cash values to savings accounts or other investments and when comparing premium payments and contributions to savings accounts or other investments.

#### *Don'ts*

- Use any language that seeks action based on fear.
- Mislead the prospective client as to the true identity of the insurer or create the impression that a company other than the insurer would have any responsibility for the financial obligation under a policy.

## **GENERAL ADVERTISEMENT REQUIREMENTS**

---

- Misrepresent the financial condition of any insurer.
- Use any name or title of any policy or class of policies that misrepresents its true nature.
- Misrepresent the benefit, advantages, conditions, or terms of any policy.
- Include statements that contain omissions of material information.
- Use the terms "investment," "investment plan," "founder's plan," "charter plan," "deposit," "expansion plan," "profit," "profits," "profit sharing," "interest plan," "savings," "savings plan," "private pension plan," "retirement plan," or other similar terms in a manner that would have the capacity or tendency to mislead a person to believe that the person will receive something other than a policy.
- Use the terms "free," "no cost," "without cost," "no additional cost," "at no extra cost," or words of similar import with respect to any benefit or service being made available with a policy unless there is a justification that is satisfactory to the commissioner.
- Use terms such as "financial planner," "investment adviser," "financial consultant," or "financial counseling" unless you are actually engaged in an advisory business.
- Emphasize the investment or tax features of a policy or contract to such a degree that the advertisement would mislead the purchaser to believe that the policy is anything other than a life insurance or annuity product.
- Disparage other insurers, insurance producers, or other insurers' or insurance producers' policies, services, or methods of marketing.

# LEAD CARDS AND USE OF PROFESSIONAL DESIGNATIONS

---

## Restrictions on Use of Lead Cards, Lead Generations, and Invitations to Inquire

For lead cards, prospecting letters and similar communications, **the identity of the producer as a “licensed insurance agent” or “licensed insurance professional” must be clearly disclosed, and the stated purpose for the contact should make clear that the producer may discuss the sale of insurance products.** All invitations, telephone scripts, and appointment cards for seminars and workshops must include the disclosures described above.

### *Concerns Expressed by State Regulators*

State regulators have expressed concern with lead cards. Specifically, regulators have been focused on misleading statements and appearances, such as:

1. The use of broad statements that do not include qualifying language such as “may qualify for.”
2. The use of language that implies that the insurance product has either specific approval or some relationship to a state entity, including state approval of the product.
3. The appearance that mailers look like government-issued documents.
4. The use of language that could be misleading for vulnerable individuals, specifically elderly consumers and/or those in cognitive decline. Language that calls for immediate action is of utmost concern with elderly consumers and should not be used.
5. The inconsistency with font sizes which should remain uniform in size.

### *Requests by State Regulators*

State regulators have requested the following information from producers and companies:

- Whether the producer knew what documents were being used to obtain leads.
- The identity of the person or entity that mailed noncompliant advertisements and a description of their connection to the producer and company.
- Description of the company’s ability to control the content and design of mailers sent to residents.
- The number of mailers sent to residents for all mailer campaigns during a given time period.

## Restrictions on Use of Professional Designations

Regulators have taken issue with certain designations used by financial producers that claim training and/or expertise in financial services designed for senior citizens. In some instances, the criteria to receive such a designation consisted of nothing more than paying a fee.

# LEAD CARDS AND USE OF PROFESSIONAL DESIGNATIONS

---

The only designations that are approved for use in advertisements for insurance products are those issued by accredited educational institutions or professional societies that require completion of a thorough curriculum appropriate for the particular designation.

Examples of permissible designations include:

- Chartered Life Underwriter (CLU)
- Certified Financial Planner® (CFP)
- Chartered Financial Consultant (ChFC)
- Life Underwriter Training Council Fellow (LUTCF)
- Chartered Advisor for Senior Living (CASL)
- Certified Public Accountant (CPA)

Examples of prohibited designations include:

- Certified Annuity Advisor (CAA)
- Certified Annuity Consultant (CAS)
- Certified Senior Estate Planner (CSEP)
- Chartered Senior Financial Planner (CSFP)

Neither of the immediately preceding lists are exhaustive.

Integrity may approve the use of other designations upon request. The following standards will be used in evaluating additional designations that are submitted for consideration.

- Appointed producers may not use designations that are fictitious.
- To use an approved designation, the producer must hold the designation and must have currently fulfilled all requirements for continued use of the designation. Producers may not use designations that were previously held but which have either lapsed or have been revoked.
- The use of any designation is subject to the requirements of federal and state law to the extent those requirements are more restrictive than those for the approved designation(s). Producers must comply with all laws, including state insurance and securities laws. Producers should familiarize themselves with the requirements of all states in which they solicit sales.
- All approved designations must have been conferred by an institution that is authorized by an accredited institution to issue the designation. Producers should consult with the conferring institution to confirm that accreditation requirements have been met. The U.S.

# LEAD CARDS AND USE OF PROFESSIONAL DESIGNATIONS

---

Secretary of Education publishes a list of accrediting agencies (located at <http://ope.ed.gov/accreditation/>).

- Certifications and certificates that claim or imply expertise with respect to financial services and/or products offered to seniors will receive heightened scrutiny.
- The following degrees may be used to the extent that they have been conferred by an academic institution that is accredited by the U.S. Department of Education: M.B.A. and J.D. Further, the following degrees may be used but you must list the area of study if it was not related to financial services: M.A., M.S., PhD, B.A., and B.S.
- Designations that do not directly relate to the sale of products or services offered by a producer cannot be used in the course of soliciting business on behalf of such producer (e.g., Chartered Property Casualty Underwriter (CPCU)).

Examples of accredited institutions include: The American College, American Institute of CPA's, College for Financial Planning, Investment Counsel of America, National Association of Estate Planners and Counselors, and Certified Financial Planning Board.

# ANNUITY ADVERTISING REQUIREMENTS

---

## Annuity Must, Dos, and Don'ts

While the Must, Dos, and Don'ts under the General Advertisement Requirements section still apply, the following are specific to annuities products:

### *Must*

- Clearly state that the advertisement is for an annuity product.
- Completely and accurately describe the annuity contract's cash values, any comparison to savings accounts or other investments, and any comparison between premium payments and contributions to savings accounts or other investments.

### *Dos*

- Indicate clearly, in all advertising material that describes the value of an annuity product, any elements that may affect such values, including but not limited to surrender charges, cap rates, participation rates, spreads, market value adjustments, etc. Such disclosures must be in a font size that is easily readable.
- Indicate clearly, for any advertising material referencing guaranteed elements or features, whether the guarantee is subject to any requirements and conditions, and where disclosure of those requirements and conditions can be found.
- If the advertisement is for an annuity product sold through an agency or producer soliciting annuity sales in a bank or other financial institution, the following disclosures must be included in the advertisement:
  - NOT A DEPOSIT
  - NOT FDIC OR NCUA/NCUSIF INSURED
  - NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
- If an annuity offers a bonus, explain how the bonus applies, and whether there is any bonus recapture, other charges applicable due to the bonus, or difference in non-guaranteed elements due to the bonus.
- For individual deferred annuity products or deposit funds:
  - If the advertisement states the net premium accumulation interest rate, whether guaranteed or not, disclose in close proximity thereto and with equal prominence the actual relationship between the gross and net premiums. Equal prominence means appearing in the same font and near the statements about the net premium accumulation interest rate.

## ANNUITY ADVERTISING REQUIREMENTS

---

- If the contract does not provide a cash surrender benefit prior to commencement of payment of annuity benefits, an illustration or statement concerning the contract shall prominently state that cash surrender benefits are not provided.

### *Don'ts*

- Refer to an annuity as a "CD annuity," "certificate of annuity," "savings account," "savings plan," "retirement plan," "investment," "investment account," "pension," or similar wording.
- Describe an annuity as "risk-free."

### Other Advertising Rules for Multi-Year Guaranteed Annuity (MYGA) Products

- If current rates are shown, the MYGA's guaranteed rate must also be shown.
- Disclose the different surrender charge schedules for the different guarantee periods.
- Disclose the applicable surrender charge schedule(s) that apply upon allocation to new guarantee periods.

### Other Advertising Rules for Fixed Index Annuity Products

- Provide the guaranteed and non-guaranteed elements of the contract, and their limitations, including the elements used to determine the index-based interest, such as the participation rates, caps, or spreads, and an explanation of how they operate.
- Contain an explanation of how the index-based interest is determined, which includes guaranteed and current factors.
- To the extent the advertisement discusses an index for an index account of a fixed index annuity, the index sponsor's approval may be required.

### Other Advertising Rules for Guaranteed Lifetime Withdrawal Benefits (GLWB)

- Clearly state that the benefit base or other measure for determining the annual guaranteed withdrawal benefit is not an amount that can be withdrawn or received upon death. Also, avoid using "your" to modify the term benefit base.
- Avoid implying that any annual increase to the benefit base is interest credited to the policy value.

# ANNUITY ADVERTISING REQUIREMENTS

- Do not use language that suggests a GLWB is a pension replacement, a personal pension plan, or otherwise give the impression that the GLWB is a pension or is like a pension.
- Make clear that withdrawals prior to starting GLWB withdrawals and withdrawals in excess of the GLWB withdrawals will reduce the benefit available under the GLWB.

## List of Common Terms Found in Annuity Advertisements

Following is a list of terms and phrases often found in annuity advertisements. These examples include both terms and phrases that are suggested and those that should be avoided:

Suggested – Terms and Phrases	Avoid – Terms and Phrases
<b>Interest and earnings examples</b>	
Accumulates interest	Earnings; grows; growth
Potential to accumulate additional interest; interest potential	Earnings; earnings potential; more earnings; money to enjoy earnings; rate of returns
Potential for additional interest to be credited based, in part, on the performance of an index; potential interest linked	Potential earning linked or growth linked; potentially excellent rate of return
Assuming no withdrawals, the Accumulation Value will not decrease, even if the S&P 500® Index declines	Without losses associated with a down market
<b>Money and financial references</b>	
Annuity; money; policy premium; purchase payment	Account; investment; rewards; savings; deposit; plan; contribution; pension
<b>Product features and guarantees</b>	
Tax deferred	Tax-free Reduce or eliminate taxes
<b>Index references</b>	
Changes in an index	Performance of stocks
Linked, in part, to (an index)	Based upon (a stock index)
<b>Guarantees, safety, etc.</b>	
Provides minimum guaranteed contract value	Cannot lose money; can only make money; without risk of losing money
Flexibility	Without risk; growth without risk

# LIFE ADVERTISING REQUIREMENTS

---

## Life Insurance Must, Dos and Don'ts

While the Must, Dos, and Don'ts under the General Advertisement Requirements section still apply, the following are specific to life products:

### *Must*

- Clearly state that the advertisement is for a life insurance product and the type of life product.
- Clearly state how long premiums must be paid under the life insurance product to remain in force.

### *Dos*

- If the advertisement for a life insurance policy uses “non-medical,” “no medical examination required,” or similar terms **and** the application includes health questions which may be the basis for declining coverage or for assigning the proposed insured to a risk class with higher costs of insurance, in equal prominence to the statements regarding medical exams, the advertisement states that the health questions must be answered in the application.
- If the advertisement is describing a policy that has graded or modified benefits, prominently display any limitation of benefits.
- If the advertisement is describing that the premium is level and coverage decreases or increases with age or duration, disclose this.
- If the advertisement mentions that the death benefit varies with the length of time the policy has been in force, accurately describe and clearly call attention to the amount of minimum death benefit.

### *Don'ts*

- State or imply that prospective purchaser and prospective insured would be a member of a special class, group, or quasi-group and as such, enjoy special rates, dividends, or underwriting privileges, unless true.
- Use any name or other ways of describing the life insurance that would cause confusion to the intended audience to whom the advertisement is directed as to the true nature of the product being advertised. In addition to the prohibited words listed above, do not use the following terms to describe life product: “retirement life” or “insured retirement plan.”
- Suggest for adjustable or universal life products that premium payments may cease and the death benefits will be maintained, unless true under guaranteed circumstances.

## LIFE ADVERTISING REQUIREMENTS

---

- Misquote premium rates for the purpose of inducing or tending to induce the purchase, lapse, forfeiture, exchange, conversion, or surrender of any policy.
- Suggest for term or whole life products that premium payments will not be required for any period, unless true under guaranteed circumstances.

### Other Advertising Rules for Term Products

- Clearly state the term period.
- If an advertisement focuses on reduced premium for a period of time, clearly state the level term period and the remaining period for premium payments.
- If the term policy is renewable and the premium may increase at the end of the initial term period, state that in the materials.

### Other Advertising Rules for Cash Value Life Products

- Must not imply that coverage lasts "for life" or is "lifelong" as this can be misleading and there is litigation on this issue. Instead, an advertisement should make clear that coverage may last through age 121 as long as the policy has enough to pay the policy fees.
- Should not state that a purchaser of a policy will share in or receive a stated percentage or a portion of the earnings on the general account assets of the company, unless the product is a participating life policy.
- Should explain the reduction of death benefits by the amount of outstanding policy loans and unpaid interest and the increased risk of lapse if the advertisement discusses taking loans from the cash value.
- Should not imply unlimited ability to increase coverage amount if there are limits and rules, including the fact that the policyholder must meet underwriting requirements.
- Must be clear that reducing or skipping payments will impact the amount of interest paid and may impact how long the policy lasts.
- Should not imply unlimited ability to make payments because there are limits. If too much is paid into the policy, it will become a Modified Endowment Contract ("MEC") and withdrawals and loans will be taxable.
- Should not imply no consequences to taking withdrawals because withdrawals reduce the account value, may reduce the coverage amount, and may cause the policy to lapse if additional payments are not made.
- Should not imply no consequences to taking loans because outstanding loans are deducted from the policy value if the policy is surrendered and from the death benefits if the insured dies. Also, outstanding loans may be taxable if the policy terminates.

## LIFE ADVERTISING REQUIREMENTS

---

- Should not imply all withdrawals are tax-free because withdrawals that exceed cost basis are taxable.
- Should not imply all loans are tax-free because loans are not tax-free if the policy is a MEC.
- Avoid phrasing that suggests the policy's cash value always "grows" because the charges may exceed the interest credited.
- Avoid analogies between a policy's cash values and savings accounts or other investments and between premium payments and contributions to savings accounts or other investments, unless such analogies are complete and accurate.
- Avoid comparisons between the tax advantages of taking funds from a policy and retirement plans, unless the comparison completely and accurately describes all the consequences that may apply if funds are taken from a policy, including if the policy lapses or the insured's death occurs while a loan is outstanding.
- If the advertisement discusses the premiums for any universal life, index(ed) universal life, or adjustable life product, make clear that the insurer may change the charges, including the cost of insurance charges, and the result of any change may require more premiums to be paid.

### Other Advertising Rules for Fixed Index Universal Life Products

When using an illustration in the sale of a life insurance policy, an insurer or its producers or other authorized representatives **shall not**:

- Use or describe non-guaranteed elements in a manner that is misleading or has the capacity or tendency to mislead.
- State or imply that the payment or amount of non-guaranteed elements is guaranteed.
- Use the term "vanish" or "vanishing premium" or a similar term that implies the policy becomes paid up to describe a plan for using non-guaranteed elements to pay a portion of future premiums.
- To the extent the advertisement discusses an index for an index account of a fixed index universal life policy, the index sponsor's approval may be required.
- If an interest rate used to determine the illustrated non-guaranteed elements is shown, it shall not be greater than the earned interest rate underlying the disciplined current scale.

### Other Advertising Rules for Accelerated Death Benefits (ADB)

All advertisement for ADBs:

## **LIFE ADVERTISING REQUIREMENTS**

---

- Must be clear that the amounts to be received will be less than the amount of death benefit accelerated based on the change in the life expectancy of the insured and charges.
- Must be clear that if the accelerated death benefits are taken, the death benefit is reduced.
- Must not imply the accelerated death benefits are an indemnification benefit because they merely allow access to the policy's death benefit.
- Even if there are no charges for the accelerated death benefit, must not imply there is no cost to take accelerated death benefits.
- Must be clear that not every medical condition qualifies.
- Some states now require disclosure of the tax treatment of the benefit and that by taking the benefit, the ability to qualify for state assistance benefits may be impacted.

# APPROVAL REQUIREMENTS

---

## Insurance Company

Advertisements regarding a particular insurer or the insurer's life products require the insurer's review. In addition, to the extent the advertisement discusses an index for an index account, the index sponsor's approval may be required.

## Integrity

Prior to its use in the marketplace, all materials that are reasonably expected to lead to a sale or attempted sale must be submitted for review and approved by Integrity. In addition, all materials using our logos, brand, or referencing Integrity or any of its affiliated companies, its products, or features of its products must be submitted for our review. This review is required even if the material does not seem to meet the advertising definition or is not found in the various examples listed throughout this Handbook.

Further, any use of the Integrity company logo must be sent to us for review and approval prior to use. No unauthorized use is permitted.

Prior to submitting advertising material for review, the creator will be responsible for ensuring that the material is in the appropriate form for submission. This includes complying with the Handbook as well as:

- General readability and understandability.
- Proper grammar, punctuation, and diction (submissions with a substantial number of typos or errors will be returned without review).
- No erroneous, inaccurate, untruthful, or outdated information is included.
- Verification of all statistical and rating information (supporting documentation for such information is required with the submission of the advertisement).

To determine whether a communication requires formal review, consider whether the content:

- Mentions financial products and services (either generically or specifically).
- Creates public interest in, or induces the public to purchase, increase, modify, reinstate, borrow against, surrender, replace, or retain a product or service offered by or through Integrity.
- Pertains to a company's pricing, brand positioning, or sales strategies.

As part of the submission process, the submitter must fully and accurately complete the following [Advertising Submission Review Process](#), which is outlined in the Integrity Resource Center. Failure to follow the Advertising Submission Review Process may result in delay or denial of your advertisement(s).

## APPROVAL REQUIREMENTS

---

If you have any questions concerning the Handbook or Integrity's advertising policies and procedures in general, you may submit your questions to **[compliance@integritymarketing.com](mailto:compliance@integritymarketing.com)**.

As a final note, we encourage you to review the state insurance laws and regulations for all states in which you solicit life insurance and annuity sales.

# ADVERTISING EXAMPLES

---

## Incomplete Analogies

Following are examples of incomplete analogies that should be avoided. This list is not exhaustive.

- Guaranteed Lifetime Withdrawal Benefits are like a personal pension plan.
- A cash value in a life insurance policy is just like money in a savings account.
- The cash value in your policy will always grow just like your savings account.
- Paying premiums on a life insurance policy is the same as putting money into a savings account or an investment.
- Taking funds from a life insurance policy’s cash value has the same tax advantages as taking funds from a retirement plan.
- Taking out a loan against your life insurance policy is like taking money from your savings account.
- Fixed index(ed) annuities are just like stocks, offering high growth potential.

## Phrases to Avoid and Why

Phrase to Avoid	Why
<p>There is a <b>great new product</b> that can help diversify and balance the risk of your financial portfolio.</p> <p>It can give you more control, flexibility and options for your financial future.</p> <p>Like many people today, you may have access to a 401(k) or other retirement plan. And that’s a great first step toward saving for your future.</p> <p>However, it’s important to understand that <b>there are limits with qualified plans, like 401(k)s</b>. There are limits on how much you can contribute annually. And there are restrictions on when you can access your money without penalties.</p>	<ul style="list-style-type: none"> <li>• This does not explain that a life insurance product is being advertised.</li> <li>• This does not disclose that there are limits to how much premiums can be paid to the policy.</li> <li>• This does not disclose that the policy changes will reduce the amount available to be taken from the policy.</li> <li>• This does not explain how the funds can be taken, such as withdrawals and loans, which reduce the death benefit.</li> <li>• This does not explain that if the policy lapses with outstanding loans, there may be a taxable event.</li> </ul>

## ADVERTISING EXAMPLES

Phrase to Avoid	Why
<p>And when you do take your money out of a qualified plan, the money can be taxable to you as income.</p>	
<p>A key benefit of a fixed index annuity is protection from downside market risks. With a fixed index annuity, you have the ability to <b>participate in a portion of market gains</b>, or upside, when the index goes up. In a fixed index annuity, your risk of losing any of your account value is zero, <b>even when the market declines</b> and the index goes down.</p>	<ul style="list-style-type: none"> <li>• "Participate in a portion of market gains" should not be used because it could be asserted that it creates confusion that the consumer is investing in the market. Rather, the focus should be on the interest that is credited based upon the changes in the market.</li> <li>• The "even when" language suggests that there are other situations when there is no risk that the annuity value decreases. However, if the consumer takes a withdrawal during the surrender charge period, there is a possibility that the consumer may receive less than the purchase payments. It seems that the focus of this language should be that the annuity value will not decrease when the market declines.</li> </ul>
<p>Fixed index annuities may allow you to <b>generate income</b> payments you can't outlive, without annuitizing your contract, <b>through a guaranteed lifetime withdrawal benefit rider</b>.</p> <p><b>In contrast to annuitization</b>, purchasing an income rider, or guaranteed lifetime withdrawal benefit, gives you the ability to receive regular income payments for the rest of your life, or even your spouse's life. Even if the annuity contract value falls to zero, you'll still continue to receive predictable, regular payments through the income rider, payments you cannot outlive.</p>	<ul style="list-style-type: none"> <li>• Under the GLWB, the person is receiving income by taking withdrawals, thus the use of the term "generate" should not be used.</li> <li>• This piece should make clear that the income is generated under an optional rider that must be purchased.</li> <li>• The disclosure assumes consumers understand what annuitization is. Moreover, annuitization can provide income for a lifetime, so it is not clear what contrast there is with the GLWB rider that also can provide income for a lifetime.</li> </ul>

## ADVERTISING EXAMPLES

### Phrases to Avoid and Suggested Phrasing

Phrase to Avoid	Suggested Phrasing
Initially interest is credited at a rate of 4.0% per year. The projected insurance rate will continue to be 4.0% per year.	The current interest rate is credited at 4.0% per year. The insurance rate may be changed but is guaranteed to be at least 1.0%. The interest rate is based upon the interest rate environment.
Being smart about money means having options and flexibility. People save money, accumulate money, and use money. With [Product], you can accumulate money tax deferred and can use your money tax free – all while having the life insurance to protect your loved ones. Thus, [Product] helps you keep more of your money.	Other than the life insurance benefit, one of the biggest benefits of having a universal life product is for its tax advantages. With [Product Name], your account value earns interest tax deferred. And, even better, you can use your account value to receive cash tax-free, assuming your policy is not considered a MEC – all while having the life insurance to protect your loved ones.
Permanent life insurance can provide the lifelong protection you need. It also provides other features including an account value for your savings goals.	Permanent life insurance can provide the lifelong protection you need <b>[up to age 121 [so long as the account value is sufficient]]</b> . It also provides other features including an account value <b>that can assist with your savings goals</b> .
Your withdrawals, when managed properly, are not subject to taxes. [Product] can provide tax-free options for you. You can access your original payments tax-free at any time. Plus, you have the option to take a loan for additional cash needs from your policy. An important option for you - your loan does not need to be paid back! The tax-exempt benefit is realized in the future when you need to access the money. However, it will reduce your death benefit to your heirs. There are lots of different reasons people take loans – several examples include early retirement and college funding, to name a few.	Using your account value to receive cash, when structured properly, will not be subject to taxes. [Name of Product] provides tax-free options for you. You can use your account value by taking withdrawals up to your total payments tax-free at any time, assuming your policy is not considered a MEC. Plus, you have the option to take a loan from your account value for additional cash needs. An important option for you - your loan does not need to be paid back! However, using part of your account value to receive cash will generally impact the amount of your life insurance protection and may impact how long your policy remains active. If your policy

## ADVERTISING EXAMPLES

---

Phrase to Avoid	Suggested Phrasing
	terminates while there are any loans outstanding, you may be subject to tax. Tax laws are subject to change. You should consult a tax professional.
<p>The benefit of tax deferral is the compounding of interest. For example, as your Account Value in [Product] grows, your interest is earning interest vs. in non-tax deferred accounts, interest is taxed annually. This is beneficial when you are subject to a higher state and federal tax rate.</p>	<p>The benefit of tax deferral is that you do not pay tax at the time interest is credited. Thus, you can earn interest on all the interest credited, called compounding. For non-tax deferred accounts, interest or realized gains are taxed in the year earned annually. This is beneficial when you are subject to a higher state and federal tax rate.</p>

## EXAMPLES OF REGULATORY PENALTIES

---

### California

- Producer failed to identify itself as a licensed producer, identify the issuing company, and give the false impression that a financial institution was making the offer, which resulted in a penalty of \$8,500.
- Producer sent advertisements for an educational seminar without stating that the purpose of the seminar was to sell insurance. While at the seminar, producer handed out marketing materials for specific annuity products, which resulted in license surrender.
- Producer's mailers had the capacity to mislead and deceive the recipient about the identity of the sender, which resulted in a penalty of \$34,000.

### Florida

- Insurer's ad referenced "Social Security," giving the misleading impression that the Federal Government was involved, and it also used prohibited phrases such as "No health qualifications," "No medical exam," and "No health questions to answer," which resulted in a penalty of \$3,500.
- Insurer used a trade name that misled the true identity of the insurer, which resulted in a penalty of \$2,500, \$10,000, and Administrative Costs.

### New York

- Insurer's accelerated death benefit ad failed to disclose that receipt of benefits may affect eligibility for public assistance program and may be taxable, along with other violations, which resulted in a penalty of \$176,890.
- Insurer failed to provide documentation to substantiate (i) use of the terms "superior," "premier," and "the best" when describing the company and its services, (ii) statistical information, and (iii) the use of "low cost" and other terms describing cost, which resulted in a penalty of \$45,000.
- Producer violated NY insurance law by utilizing insurance companies' logos on their website without specifying the full name of each insurance company and its principal office in the United States, which resulted in penalties of \$10,000 for five violations.
- Producer and agency circulated advertisements that referred to insurers without setting forth in the advertisements the full name of each insurer and the name of the city, town, or village in which each insurer had its principal offices in the United States, which resulted in a penalty of \$3,000.

## EXAMPLES OF REGULATORY PENALTIES

---

### Texas

- Producer's advertisement quoted a premium that did not apply to all risk classes and failed to identify the risk class or classes to which the premium applied, which resulted in a penalty of \$2,000 and license probation.
- Insurer's scripts falsely stated that the certificate holder could "simply call a toll-free number to cancel" and emphasized that the monthly premium would not increase because of the certificate holder's age, without disclosing that premiums could increase for all certificate holders in the class because of other reasons, which resulted in a penalty of \$25,000.
- Producer utilized advertisements on their website that referred to insurers without setting forth the full name of each insurer referred to and the name of the city, town, or village in which each insurer had its principal office in the United States, which resulted in a penalty of \$1,000.

### Minnesota

- Producer authorized a lead service to send advertising materials to Minnesota consumers, failed to review the materials before they were sent, and failed to maintain a system of control over such advertisements. Specifically, advertisements minimized the disclosure of required information, failed to clearly state the insurance coverage being offered, and failed to identify the insurer, agent, or agency, and state that the enrollment opportunity would expire soon without disclosing the time period permitted to enroll. This resulted in a penalty of \$15,000.
- Insurer failed to maintain control over the content of advertising materials in the form of a direct mail card. The advertisement gave the impression that the solicitation was in some manner connected with a government agency and/or had received government approval. Advertisements failed to identify the insurer and minimize the statements "This information is not affiliated with or endorsed by government agencies" and "You may be contacted by Steven Anderson, an insurance licensed representative." This resulted in a penalty of \$7,500 and a cease-and-desist order.
- Insurance company failed to maintain a system of control over the content of advertising materials, which failed to identify the insurer, agent, or agency. This resulted in a penalty of \$75,000 and a cease-and-desist order.
- Agency publicly circulated commercials with language and visuals that had the tendency to mislead consumers into believing the insurance was in some manner affiliated with the government. This resulted in a penalty of \$12,500.

# FIXED ANNUITY AND LIFE PRODUCT ADVERTISING CHECKLIST

---

For any type of advertisement, all must be confirmed by checking below:

- \_\_\_\_\_ Lists the producer's name as it appears on its license.
- \_\_\_\_\_ Lists the producer's license number adjacent to or on the line below the producer's name.
- \_\_\_\_\_ Lists the producer's home office location, and the states in which the producer is licensed.
- \_\_\_\_\_ Uses same type size for producer's name, license number, and telephone number.
- \_\_\_\_\_ Makes clear that the producer is not the insurer.
- \_\_\_\_\_ Does not use terms such as "financial planner," "investment adviser," "financial consultant," or "financial counseling" to describe the producer unless the producer has the required licenses and registrations.
- \_\_\_\_\_ Uses proper grammar, punctuation, and spelling.
- \_\_\_\_\_ Considers the intended audience to whom the advertisement is directed and is written to be understandable to that audience.  
  
For example, if the intended audience to whom the advertisement is directed are individuals above 65, the advertisement should be written differently than if the intended audience to whom the advertisement is directed are individuals below 40. Likewise, if the intended audience to whom the advertisements is directed are high net worth individuals the advertisement should be written differently than if the intended audience to whom the advertisement is directed are individuals who are general consumers.  
  
Also, consider font size.
- \_\_\_\_\_ Is truthful.
- \_\_\_\_\_ Does not use language seeking action based on fear.
- \_\_\_\_\_ Complies with the Life and Annuity Advertising Handbook.
- \_\_\_\_\_ Is being submitted for the Advertising Review through the Integrity Resource Center and will not be used until it has been approved.

# FIXED ANNUITY AND LIFE PRODUCT ADVERTISING CHECKLIST

---

If the advertisement is for a seminar or other event, all must be confirmed by checking below (mark N/A if the advertisement is not for a seminar or other event):

\_\_\_\_\_ The advertisement must state that the seminar or other event may discuss one or more insurance products.

\_\_\_\_\_ The advertisement must state that you are a licensed insurance producer.

If the advertisement is for a particular life insurance or annuity product, all must be confirmed by checking below:

\_\_\_\_\_ The advertisement has been submitted for approval by the issuing insurance company.

\_\_\_\_\_ The product being advertised has been approved in each state in which the advertisement is being made, and if not, the advertisement states that the product is not approved in every state.

\_\_\_\_\_ The advertisement lists the policy or contract name, and the form number is listed.

\_\_\_\_\_ The advertisement lists the legal name of the issuing insurance company and does not contain misleading statements as to the true identity of the insurer.

\_\_\_\_\_ The advertisement does not create the impression that any person other than the issuing insurer would pay or owe money to the purchaser for amounts under a policy.

\_\_\_\_\_ The advertisement clearly states it is for an annuity or life insurance product, as applies, and describes the type of life insurance or annuity product – for example, term life insurance or multi-year guaranteed annuity.

\_\_\_\_\_ The advertisement does not use any name or other ways of describing the product that would cause confusion to the intended audience to whom the advertisement is directed about the true nature of the product being advertised.

\_\_\_\_\_ Do not use any of following **“Prohibited Words”** to describe an annuity or life insurance product: “charter plan,” “deposit,” “expansion plan,” “founder’s plan,” “interest plan,” “investment,” “investment account,” “investment plan,” “pension,” “pension plan,” “private pension plan,” “profit,” “profits,” “profit sharing,” “retirement plan,” “savings,” and “savings plan.”

\_\_\_\_\_ The advertisement does not emphasize the investment or tax features of a product to such a degree that the advertisement would mislead the intended audience to

# FIXED ANNUITY AND LIFE PRODUCT ADVERTISING CHECKLIST

---

whom the advertisement is directed to believe that the product is anything other than a life insurance or annuity product, as applies.

\_\_\_\_\_ The advertisement, in describing any features, benefits or advantages of a product, also sets forth the conditions or requirements that must be satisfied to receive the features benefit, or advantages in a way that is understandable to the intended audience to whom the advertisement is directed.

\_\_\_\_\_ The advertisement does not describe the product, the benefits, advantages, or conditions of a product or use terms that would cause confusion or would have the capacity or tendency to mislead the intended audience to whom the advertisement is directed as to the true nature of the product being advertised.

\_\_\_\_\_ The advertisement does not describe any benefit or feature of the product, or any service being made available with a product as “free,” “no cost,” “without cost,” “no additional cost,” “at no extra cost,” or similar words unless true.

For example, if a benefit rider is automatically included with a product and has a fee or charge that is deducted from the product’s value, such words must not be used.

\_\_\_\_\_ The advertisement does not disparage any others or any annuity or life product or make unfair comparisons with any annuity or life product.

\_\_\_\_\_ The checklists that are applicable – as checked below – have been completed.

\_\_\_\_\_ Annuity Product

\_\_\_\_\_ Multi-Year Guaranteed Annuity (MYGA)

\_\_\_\_\_ Fixed Indexed Annuity (FIA)

\_\_\_\_\_ Guaranteed Lifetime Withdrawal Benefit

\_\_\_\_\_ Life Product

\_\_\_\_\_ Term

\_\_\_\_\_ Cash Value Life Product

\_\_\_\_\_ Indexed Universal Life (IUL)

\_\_\_\_\_ Accelerated Death Benefits

# FIXED ANNUITY AND LIFE PRODUCT ADVERTISING CHECKLIST

---

If the advertisement is for a particular life insurance or annuity product, for each of the following that applies, either confirm by checking below or put N/A:

\_\_\_\_\_ If your office is located in a bank, credit union, or other financial institution, the advertisement includes the following disclosures:

- NOT A DEPOSIT
- NOT FDIC OR NCUA/NCUSIF INSURED
- NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

\_\_\_\_\_ If the advertisement describes how funds may be taken from the product, the advertisement explains any surrender or withdrawal charges, including market value adjustments and bonus recapture that may apply.

\_\_\_\_\_ If the advertisement describes or depicts the “account value,” “accumulation value,” “cash value,” or the value of a product, the advertisement explains all the ways the value may change – what is added to the value and what is deducted to the value and when the additions and deductions occur.

\_\_\_\_\_ If the advertisement depicts a product’s value, the advertisement includes the assumptions used in deriving that value.

For example, for a universal life policy, if the advertisement shows hypothetical cash value at one or more points “in the future,” the advertisement must set forth the interest rate used, the assumed age, sex, health, and rate class of the hypothetical insured, and the surrender charge as well as any market value adjustments and bonus recapture that applied.

\_\_\_\_\_ If the advertisement depicts a product’s value based on current assumptions, the advertisement depicts the product’s value based on guaranteed assumptions with “equal prominence” – placed in a corresponding location in the advertisement and in the same font size.

\_\_\_\_\_ If the advertisement describes the current interest rate or other current values, the advertisement shows the guaranteed rates or values with “equal prominence.”

\_\_\_\_\_ If the advertisement depicts a product’s value based on current assumptions or describes the current interest rates or other current values, the advertisement describes the insurer’s right to change these non-guaranteed elements.

## FIXED ANNUITY AND LIFE PRODUCT ADVERTISING CHECKLIST

---

\_\_\_\_\_ If the advertisement references tax aspects of a product, the advertisement clearly states that the reference to tax treatment does not constitute legal or tax advice and directs readers to consult their own legal or tax advisor for information regarding how the tax treatment may apply to them.

\_\_\_\_\_ If the advertisement contains statistical and rating information, the advertisement sets forth the source of such information.

For example, if the advertisement states that the average life expectancy for a man is 76.1 years, which is based on the CDC, provide the link to the CDC material -- [https://www.cdc.gov/nchs/pressroom/nchs\\_press\\_releases/2022/20220831.htm](https://www.cdc.gov/nchs/pressroom/nchs_press_releases/2022/20220831.htm).