

# Military Sales Practices

In accordance with the requirements set forth in the National Association of Insurance Commissioners *Military Sales Practices Model Regulation* ("Model"), which has been adopted in a substantially similar manner in most jurisdictions, the following must be taken into consideration during the solicitation or sale of any life insurance or annuity product to an active duty (full-time) service member (officer or enlisted) of the United States Armed Forces (Army, Navy, Air Force, Marine Corps, and Coast Guard). This includes members of the National Guard and Reserve while serving under published orders for active duty or full-time training for 31 or more calendar days.

Some requirements apply only to acts or practices committed on a Military Installation and some incorporate existing Department of Defense regulations<sup>1</sup>. If this solicitation or sale is on Federal land or a facility located outside of the U.S., the financial professional must provide the applicant with the address and phone number at which consumer complaints are received by the State Insurance Commissioner for the state having the primary jurisdiction and duty to regulate the sale of such annuity products. This information may be obtained at: [http://www.naic.org/state\\_web\\_map.htm](http://www.naic.org/state_web_map.htm). The applicant must also be provided with DD Form 2885 (*Personal Commercial Solicitation Evaluation*).

## Requirements for Sales to Active Military Personnel

The following practices are considered false, misleading, deceptive or unfair on a Military Installation with respect to an in-person, face-to-face solicitation of life or annuity products:

- Knowingly soliciting "door-to-door" without first establishing a specific appointment for each meeting
- Soliciting service members in a group or "mass" audience or in a 'captive' audience where attendance is not voluntary
- Knowingly making appointments with or soliciting service members during their normally scheduled hours
- Making appointments with or soliciting service members in barracks, day rooms, unit areas, or transient personal housing or other areas where the installation commander has prohibited solicitation
- Soliciting without first obtaining permission from the installation commander or the commander's designee
- Posting unauthorized bulletins, notices or advertisements
- Failing to present DD Form 2885 (*Personal Commercial Solicitation Evaluation*) to service members solicited or encouraging service members solicited not to complete or submit a DD Form 2885

The following acts or practices, when committed on a Military Installation constitute corrupt practices, improper influence or inducements and are declared to be false, misleading, deceptive, and unfair with respect to solicitation of life insurance and annuity products:

- Using Department of Defense personnel, directly or indirectly, as a representative or agent in any official or business capacity with or without compensation with respect to solicitation or sale to service members
- An insurance producer participating in any United States Armed Forces-sponsored education or orientation program

The following practices are considered false, misleading, deceptive or unfair with respect to an in-person, face-to-face solicitation of life insurance and annuity products regardless of the location:

- Submitting, processing or assisting in the submission or processing of any allotment form or similar device used by the United States Armed Forces to direct a service member's pay to a third party for the purchase of life insurance or annuity products
- Knowingly receiving funds from a service member for the payment of premium from a depository institution with which the service member has no formal banking relationship. A formal banking relationship is established when the depository institution:
  - a. Provides the service member a deposit agreement and periodic statements and makes the disclosures required by the Truth in Savings Act, 12 U.S.C. § 4301 et seq. and the regulations promulgated thereunder; and
  - b. Permits the service member to make deposits and withdrawals unrelated to the payment or processing of insurance premiums

*continued on next page*

<sup>1</sup> A Military Installation is defined in the Military Sales Practice Model Regulation as "any Federally owned, leased or operated base, reservation, post, camp building or other facility to which service members are assigned for duty, including barracks, transient housing and family quarters."

## Requirements for Sales to Active Military Personnel (continued)

- Employing any device or method or entering into any agreement whereby funds received from a service member by allotment for the payment of premiums are identified on the service member's Leave and Earnings Statement or equivalent or successor form as "Savings" or "Checking" and where the service member has no formal banking relationship
- Entering into any agreement with a depository institution for the purpose of receiving funds from a service member whereby the depository institution, with or without compensation, agrees to accept direct deposits from a service member with whom it has no formal banking relationship
- Using Department of Defense personnel, directly or indirectly, as a representative or agent in any official or unofficial capacity with or without compensation with respect to the solicitation or sale of life insurance or annuity products to service members who are junior in rank or grade, or to the family members of such personnel
- Offering or giving anything of value, directly or indirectly, to Department of Defense personnel to procure their assistance in encouraging, assisting or facilitating the solicitation or sale of life insurance or annuity products to another service member
- Knowingly offering or giving anything of value to a service member with a pay grade of E-4 or below for his or her attendance to any event where an application for life insurance is solicited
- Advising a service member with a pay grade of E-4 or below to change his or her income tax withholding or state of legal residence for the sole purpose of increasing disposable income to purchase life insurance

The following acts or practices lead to confusion regarding source, sponsorship, approval or affiliation and are declared to be false, misleading, deceptive or unfair:

- Making any representation, or using any device, title, descriptive name or identifier that has the tendency or capacity to confuse or mislead a service member into believing that the insurer, insurance producer or product offered is affiliated, connected or associated with, endorsed, sponsored, sanctioned or recommended by the U.S. Government, the United States Armed Forces, or any state or federal agency or government entity. Examples of prohibited insurance producer titles include, but are not limited to, "Battalion Insurance Counselor," "Unit Insurance Advisor," "Servicemen's Group Life Insurance Conversion Consultant" or "Veteran's Benefits Counselor."
- Soliciting the purchase of any life insurance or annuity product through the use of or in conjunction with any third party organization that promotes the welfare of or assists members of the United States Armed Forces in a manner that has the tendency or capacity to confuse or mislead a service member into believing that either the insurer, insurance producer or insurance product is affiliated, connected or associated with, endorsed, sponsored, sanctioned or recommended by the U.S. Government, or the United States Armed Forces

The following acts or practices regarding Servicemembers Life Insurance ("SGLI") or Veterans Group Life Insurance ("VGLI") are declared to be false, misleading, deceptive or unfair:

- Making any representation regarding the availability, suitability, amount, cost, exclusions or limitations to coverage provided to a service member or dependents by SGLI or VGLI, which is false, misleading or deceptive
- Making any representation regarding conversion requirements, including the costs of coverage, or exclusions or limitations to coverage of SGLI or VGLI to private insurers which is false, misleading or deceptive
- Suggesting, recommending or encouraging a service member to cancel or terminate his or her SGLI policy or issuing a life insurance policy which replaces an existing SGLI policy unless the replacement shall take effect upon or after the service member's separation from the United States Armed Forces

The following acts or practices regarding disclosure are declared to be false, misleading, deceptive or unfair:

- Deploying, using or contracting for any lead generating materials designed exclusively for use with service members that do not clearly and conspicuously disclose that the recipient will be contacted by an insurance producer, if that is the case, for the purpose of soliciting the purchase of life insurance.
- Failing to disclose that a solicitation for the sale of life insurance or annuity products will be made when establishing a specific appointment for an in-person, face-to-face meeting with a prospective purchaser.

## Sale to Military Personnel Disclosure

### Applicant:

If you are considering the purchase of our life insurance or annuity products, please review the following important information before purchasing:

- Subsidized life insurance is available to members of the Armed Forces from the Federal Government under the Servicemembers Group Life Insurance program ("SGLI"), under subchapter III of Chapter 19 of Title 38, United States Code
- SGLI coverage is available in \$50,000 increments up to the maximum of \$400,000. SGLI premiums are \$.07 per \$1,000 of insurance, regardless of member's age (as of July 01, 2014). More details may be obtained at the following website: <http://www.benefits.va.gov/insurance/sgli.asp>
- Delaware Life Insurance Company's life insurance and annuity products are not offered or provided by the Federal Government, and the Federal Government has in no way sanctioned, recommended, or encouraged the sale of the product being offered
- The financial professional named below is receiving monetary compensation from Delaware Life Insurance Company for the sale of this product. Otherwise, no person has received any referral fee or incentive compensation in connection with the offer or sale of this product
- If the solicitation took place on a Military Installation, the you must receive DD Form 2885 (*Personal Commercial Solicitation Evaluation*)

### Applicant Acknowledgment

I acknowledge receipt of this Sale to Military Personnel Disclosure in connection with my Delaware Life Insurance Company application. My financial professional has reviewed these disclosures with me. I have reviewed and understand the information provided above.

Applicant (Service Member) Printed Name	
Applicant (Service Member) Signature X	Date (mm/dd/yyyy)
Joint Applicant (Service Member) Printed Name (if applicable)	
Joint Applicant (Service Member) Signature (if applicable) X	Date (mm/dd/yyyy)

### Financial Professional Acknowledgment

I have not made any statement inconsistent with these disclosures. If the solicitation or sale of this policy took place on a Military Installation, I have followed all Federal and State laws and regulations.

If the solicitation took place on a Military Installation outside of the U.S., the following must be provided:

Department of Insurance having Primary Jurisdiction	
Financial Professional Printed Name	
Financial Professional Signature X	Date (mm/dd/yyyy)