

Advertising (Life & Annuities)

This guide is derived from NAIC Model Regulations, Acts, and/or Bulletins. Because states independently determine whether to adopt NAIC Models—and may do so in whole, in part, or with state-specific modifications—requirements can vary by jurisdiction. CEFLI Oversight Guides provide checklists of potential oversight elements to help support regulatory compliance. The guides and any referenced resources are not legal advice. CEFLI Member Companies should ensure their oversight programs reflect their specific product portfolios, distribution strategies, risk tolerances, internal controls and prior market conduct examination findings. Member Companies should carefully evaluate and incorporate unique state regulatory requirements, including any deviations from NAIC Models, in the states where they conduct business.

Helpful Resources

- [NAIC Market Regulation Handbook 2025, Volume 1-IV](#)
- [NAIC Advertising of Life Insurance and Annuities Model Regulation \(#570\)](#)
- [NAIC Advertising of Life Insurance and Annuities Model Regulation \(#570\) - State Adoption](#)

Scope of the Regulation

- **Includes.** The regulation applies to material designed to create public interest in life insurance or annuities, in an insurer, in an insurance producer. It also includes materials to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy. This includes printed, digital or other published materials, audio/visual materials, and descriptive literature. Materials to recruit and train producers (which are designed to be used or are used to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy) are also subject to the Model. Further, the Model includes prepared sales talks, presentations and materials for use by insurance producers.
- **Excludes.** The regulation does not apply to:
 - Communications or materials used within an insurer's own organization *and* not intended for dissemination to the public.
 - Communications with policyholders other than material urging policyholders to purchase, increase, modify, reinstate or retain a policy.
 - General announcements from a group or blanket policyholder to eligible individuals on an employment or membership list that a policy or program has been written or arranged; provided the announcement clearly indicates that it is preliminary to the issuance of a booklet explaining the proposed coverage.
 - Disclosures required by other regulations (such as those pertaining to life insurance cost comparison indices, deceptive practices in the sale of life insurance, replacement of life insurance policies, illustration of life insurance policies and annuity disclosures).

Insurer Responsibilities

- Insurer System of Control.** Insurers must establish and maintain a system of control over the content, form and method of dissemination of all advertisements of its policies. Model section 3.B.
- Annual Notice.** At least once a year, insurers must notify their agents, brokers and others authorized by the insurer to disseminate advertisements, of the requirements and the procedures for company approval prior to the use of any advertisement not furnished by the insurer. The notice must indicate the most serious consequence of not obtaining the required prior approval. Model section 3.B.

Form and Content of Advertisements

- Truthful and Not Misleading.** Advertisements must be truthful and not misleading. The form and content of an advertisement of a policy shall be sufficiently complete and clear to avoid deception. It shall not have the capacity or tendency to mislead or deceive. Model section 4.A.
- Prohibited Terms.** Do not 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 connection with a policy in a context that would have the capacity or tendency to mislead a purchaser to believe they will or may receive, something other than a policy or benefits that are not available to others. Model section 4.B.

Disclosure Requirements

- Disclosure Prominence.** Disclosure shall not be minimized, rendered obscure or presented in an ambiguous or misleading fashion. Model section 5.A.
- Tendency to Mislead by Omission.** Ads may not omit material information or use words, phrases, statements, references or illustrations if the omission or use has the capacity, tendency or effect of misleading or deceiving purchasers regarding the nature or extent of any policy benefit payable, loss covered, premium payable, or state or federal tax consequences. Model section 5.B.
- Medical References.** If an ad uses “non-medical,” “no medical examination required,” or similar terms where issue is not guaranteed, terms shall be accompanied by a further disclosure of equal prominence and in close proximity, the effect that issuance of the policy may depend upon the answers to the health questions set forth in the application. Model section 5.C.
- Disclose the Product is Life Insurance.** Ads may not use as the name or title of a life insurance policy any phrase that does not include the words “life insurance” unless accompanied by other language clearly indicating it is life insurance. Model section 5.D.
- Comparisons to CDs.** An ad may not refer to an annuity as a CD annuity or deceptively compare an annuity to a certificate of deposit. Model section 5.D.
- Policy Description.** Ads must prominently describe the type of policy advertised. Model section 5.E.
- Direct Response Materials.** Direct response materials may not state or imply that (because there is no insurance producer or commission involved) there will be a cost saving to prospective purchasers unless that is the fact. No cost savings may be stated or implied without justification satisfactory to the commissioner prior to use. The ad may not use the words “inexpensive,” “low cost,” or similar words when the policies marketed are guaranteed issue. Model sections 5.F. and 5.H.
- Graded for Modified Benefits.** Ads for life policies with graded or modified benefits must prominently display any limitation of benefits. If the premium is level and coverage decreases or increases with age or duration, the fact must be commonly disclosed. Ads for life insurance policies under which the death benefit varies with the length of time the policy has been in force shall accurately describe and clearly call attention to the amount of minimum death benefit under the policy. The ad may not use the words “inexpensive,” “low cost,” or similar words when the policies marketed are guaranteed issue. Model sections 5.G. and 5.H.
- Premiums.** Regarding premiums:
 - For policies with non-level premiums must prominently describe the premium changes.

- If the insurer reserves the right to change the amount of the premium during the policy term, the fact must be prominently described.
- An ad may not contain a statement or representation that premiums paid for a life insurance policy can be withdrawn under the terms of the policy. (Not: Reference may be made to amounts paid into an advance premium fund, which are intended to pay premiums at a future time, to the effect that they may be withdrawn under the conditions of the prepayment agreement. Reference may also be made to withdrawal rights under any unconditional premium refund offer.)
- Ads representing that a pure endowment benefit has a “profit” or “return” on the premium paid, rather than a policy benefit for which a specified premium is paid, are deceptive and prohibited.
- Ads may not represent in any way that premium payments will not be required for each year of the policy to maintain the illustrated death benefits unless that is the fact.
- Ads may not use the term “vanish” or “vanishing premium,” or similar terms that implies a policy becomes paid up, to describe a plan using nonguaranteed elements to pay a portion of future premiums.

Model section 5.I.

- Cash Value and Savings Accounts.** Analogies between a life insurance policy or annuity contract’s cash values and savings accounts or other investments (and between premium payments and contributions to savings accounts or other investments) must be complete and accurate. An ad may not emphasize the investment or tax features of a life insurance policy in a way that would mislead the purchaser to believe the policy is anything other than life insurance. Model section 5.J.
- Interest on Loans.** Ads may not state or imply that interest charged on a policy loan or the reduction of death benefits by the amount of outstanding policy loans is unfair, inequitable or in any manner an incorrect or improper practice. Model section 5.K.
- Nonforfeiture Values.** If nonforfeiture values are shown, they must be shown either for the entire amount of the basic life policy death benefit or for each \$1,000 of initial death benefit. Model section 5.L.
- Free/No Cost.** The words “free,” “no cost,” “without cost,” “no additional cost,” “at no extra cost,” or similar words may not be used regarding any benefit or service being made available with a policy unless true. If there is no charge to the insured, then the identity of the payor must be prominently disclosed. An ad may specify the charge for a benefit or a service or may state that a charge is included in the premium or use other appropriate language. Model section 5.M.
- Financial Planners and Investment Advisers.** Producer may not use terms such as “financial planner,” “investment adviser,” “financial consultant,” or “financial counseling” in a way that implies the producer is engaged in an advisory business (in which compensation is unrelated to sales) unless that is the case. This does not preclude those who have a financial planning or consultant designation from using this designation even when they are only selling insurance. This also does not preclude those who are members of a recognized trade or professional association having such terms as part of its name from citing membership, providing that a person citing membership, if authorized only to sell insurance products, shall disclose that fact. The provision does not allow individuals to charge an additional fee for services that are customarily associated with the solicitation, negotiation or servicing of policies Model section 5.N.
- Guaranteed Elements.** Regarding guaranteed elements:
 - An ad may not utilize or describe nonguaranteed elements in a manner that is misleading or has the capacity or tendency to mislead.
 - An ad may not state or imply that the payment or amount of nonguaranteed elements is guaranteed. Unless specified in state laws pertaining to illustrations, if nonguaranteed elements are illustrated, they must be based on the insurer’s current scale and the illustration must contain a statement to the effect that they are not to be construed as guarantees or estimates of amounts to be paid in the future.

- Unless specified in state laws pertaining to illustrations, an ad that includes any illustrations or statements containing or based upon nonguaranteed elements shall set forth, with equal prominence comparable illustrations or statements containing or based upon the guaranteed policy elements.
- An ad may not use or describe determinable policy elements in a manner that is misleading or has the capacity or tendency to mislead.
- Ads may describe determinable policy elements as guaranteed but not determinable at issue. This description should include an explanation of how these elements operate, and their limitations, if any.
- If an ad refers to any nonguaranteed policy element, it shall indicate that the insurer reserves the right to change any such element at any time and for any reason. However, if an insurer has agreed to limit this right in any way; such as, for example, if it has agreed to change these elements only at certain intervals or only if there is a change in the insurer's current or anticipated experience, the ad may indicate any such limitation on the insurer's right.
- An ad may not refer to dividends as "tax-free" or use words of similar import unless the tax treatment of dividends is fully explained and the nature of the dividend as a return of premium is indicated clearly.
- An ad may not state or imply that illustrated dividends under either or both a participating policy or pure endowment will be or can be sufficient at any future time to assure without the future payment of premiums, the receipt of benefits, such as a paid-up policy, unless the ad clearly and precisely explains the benefits or coverage provided at that time and the conditions required for that to occur.

Model section 5.O.

Sharing of Earnings. An ad may not state that a purchaser of a policy will share in or receive a stated percentage or portion of the earnings on the general account assets of the company. Model section 5.P.

Testimonials and Endorsements. Regarding testimonials, appraisals, analysis or endorsements by third parties:

- Testimonials, appraisals or analysis used in ads 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 insureds.
- If the individual making a testimonial, appraisal, analysis or an endorsement has a financial interest in the insurer or related entity as a stockholder, director, officer, employee or otherwise or receives any benefit directly or indirectly other than required union scale wages, it must be prominently disclosed in the ad. An ad shall not state or imply that an insurer or a policy has been approved or endorsed by a group of individuals, society, association or other organization unless such is the fact and unless any proprietary relationship between an organization and the insurer is disclosed. If the entity making the endorsement or testimonial is owned, controlled or managed by the insurer, or receives any payment or other consideration from the insurer for making an endorsement or testimonial, that fact shall be disclosed in the ad.
- When an endorsement refers to benefits received under a policy for a specific claim, the claim date, including claim number, date of loss and other pertinent information shall be retained by the insurer for inspection for a period of five (5) years after the discontinuation of its use or publication.
- An ad may not contain statistical information relating to any insurer or policy unless it accurately reflects recent and relevant facts. The source of any statistics used in ad must be identified.

Model section 5.Q.

Use of Statistics. An ad may not contain statistical information relating to any insurer or policy unless it accurately reflects recent and relevant facts. The source of any statistics used in ad must be identified. Model section 5.R.

Policies Sold to Students. Regarding policies sold to students:

- The envelope in which insurance solicitation material is contained may be addressed to the parents of students. The address may not include any combination of words which imply that the correspondence is from a school, college, university or other education or training institution nor may it imply that the institution has endorsed the material or supplied the insurer with information about the student unless such is a correct and truthful statement.

- All ads including, but not limited to, informational flyers used in the solicitation of insurance shall be identified clearly as coming from an insurer or insurance producer, if such is the case, and these entities shall be clearly identified as such.
 - The return address on the envelope may not imply that the soliciting insurer or insurance producer is affiliated with a university, college, school or other educational or training institution, unless true.
- Model section 5.S.



Introductory, Initial or Special Offers and Enrollment Periods. Regarding introductory, initial or special offers and enrollment periods:

- Ads for an individual policy or combination of policies may not state or imply that the policy or combination of policies is an introductory, initial or special offer, or 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 ad may not describe an enrollment period as “special” or “limited” or use similar words or phrases in describing it when the insurer uses successive enrollment periods as its usual method of marketing its policies.
- An ad may not state or imply that only a specific number of policies will be sold, or that a time is fixed for the discontinuance of the sale of the policy advertised because of special advantages available in the policy.
- An ad may not offer a policy that utilizes a reduced initial premium rate in a manner that overemphasizes the availability and the amount of the reduced initial premium. A reduced initial or first year premium may not be described as constituting free insurance for a period of time. When insurer charges an initial premium that differs in amount from the amount of the renewal premium payable on the same mode, all references to the reduced initial premium shall be followed by an asterisk or other appropriate symbol that refers the reader to that specific portion of the advertisement that contains the full rate schedule for the policy being advertised.
- An enrollment period during which a particular insurance policy may be purchased on an individual basis shall not be offered within unless there has been a lapse of not less than the number of months specified by state regulation between the close of the immediately preceding enrollment period for the same policy and the opening of the new enrollment period. The ad must specify the date by which the applicant must mail the application, which shall be not less than ten (10) days and not more than forty (40) days from the date on which the enrollment period is advertised for the first time. This regulation applies to all advertising media—i.e., mail, newspapers, radio, television, magazines and periodicals—by any one insurer or insurance producer. The phrase “any one insurer” includes all the affiliated companies of a group of insurance companies under common management or control. This regulation does not apply to the use of a termination or cutoff date beyond which an individual application for a guaranteed issue policy will not be accepted by an insurer in those instances where the application has been sent to the applicant in response to his or her request. It is also inapplicable to solicitations of employees or members of a particular group or association that otherwise would be eligible under specified provisions of the insurance code for group, blanket or franchise insurance. In cases where insurance product is marketed on a direct mail basis to prospective insurance because of some common relationship with a sponsoring organization, this regulation shall be applied separately to each sponsoring organization.

Model section 5.T.



Special Classes and Groups. Ads for a particular policy may not state or imply that prospective insureds shall be or become members of a special class, group, or quasi-group and as such enjoy special rates, dividends or underwriting privileges, unless that is the fact. Model section 5.U.



Deferred Annuity Products. For individual deferred annuity products or deposit funds, the following apply:

- Any illustrations or statements containing or based upon nonguaranteed interest rates shall likewise set forth with equal prominence comparable illustrations or statements containing or based upon the guaranteed accumulation interest rates. The nonguaranteed interest rate shall not be greater than those currently being credited by the company unless the nonguaranteed rates have been publicly declared by the company with an effective date for new issues not more than three (3) months subsequent to the date of declaration.

- If an ad states the net premium accumulation interest rate, whether guaranteed or not, it shall also disclose in close proximity thereto and with equal prominence, the actual relationship between the gross and the net premiums.
- 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.
- Any illustrations, depictions or statements containing or based on determinable policy elements shall likewise set forth with equal prominence comparable illustrations, depictions or statements containing or based on guaranteed policy elements.

Model section 5.W.

Identity of Insurer

- Name of Insurer.** The name of the insurer shall be clearly identified in all ads about the insurer or its products, and if any specific individual policy is advertised it shall be identified either by form number or other appropriate description. If an application is a part of the ad, the name of the insurer shall be shown on the application. However, if an ad contains a listing of rates or features that is a composite of several different policies or contracts of different insurers, the ad shall so state, shall indicate, if applicable, that not all policies or contracts on which the composite is based may be available in all states, and shall provide a rating of the lowest rated insurer and reference the rating agency, but need not identify each insurer. If an ad identifies the issuing insurers, insurance issuer ratings need not be stated. Model section 6.A.
- Trade Names.** Ads may not use a trade name, an insurance group designation, name of the parent company of the insurer, name of a particular division of the insurer, a reinsurer of the insurer, service mark, slogan, symbol or other device or reference without disclosing the name of the insurer, if the ad would have the capacity or tendency to mislead or deceive 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. Model section 6.B.
- Implied Government Connection.** An ad may not use any combination of words, symbols or physical materials that by their content, phraseology, shape, color or other characteristics are so similar to a combination of words, symbols or physical materials used by a governmental program or agency or otherwise appear to be of such a nature that they tend to mislead prospective insureds into believing that the solicitation is in some manner connected with a governmental program or agency. Model section 6.C.

Jurisdictional Considerations

- Limited Reach.** An ad that 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. Model section 7.A.
- References to Producer Licensure.** An ad may state that an insurer or insurance producer is licensed in a particular state or states, provided it does not exaggerate that fact or suggest or imply that competing insurers or insurance producers may not be so licensed. Model section 7.B.
- Implied Governmental Endorsement.** An ad may not create the impression 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 of plans of insurance are recommended or endorsed by any governmental entity. However, where a governmental entity has recommended or endorsed a policy form or plan, that fact may be stated if the entity authorizes its recommendation or endorsement to be used in an advertisement. Model section 7.B.

Statements About Insurers

- Insurer's Financial Condition.** An ad may not contain statements, pictures or illustrations that are false or misleading, in fact or by implication, with respect to the assets, liabilities, insurance in force, corporate structure, financial condition, age or relative position of the insurer in the insurance business. Model section 8.

- Commercial Ratings.** An ad may not contain a recommendation by any commercial rating system unless it clearly defines the scope and extent of the recommendation including, but not limited to, the placement of insurer's rating in the hierarchy of the rating system cited. Model section 8.