**Section 909.50 Disclosure Requirements**

a) The information required to be disclosed by this Part shall not be minimized, rendered obscure or presented in an ambiguous fashion or intermingled with the text of the advertisement so as to be confusing or misleading.

b) No advertisement shall omit material information or use words, phrases, statements, references or illustrations if such omission or such use has the capacity, tendency or effect of misleading or deceiving purchasers or prospective purchasers as to the nature or extent of the insurance, any policy benefit payable, loss covered, premium payable or state or federal tax consequences. The fact that the policy offered is made available to a prospective insured for inspection prior to consummation of the sale, or an offer is made to refund the premium if the purchaser is not satisfied, does not remedy misleading statements.

c) In the event an advertisement used "Non-Medical," "No Medical Examination Required" or similar terms where issue is not guaranteed, such terms shall be accompanied by a further disclosure of equal prominence and in juxtaposition thereto to the effect that issuance of the policy may depend upon the answers to the health questions.

d) An advertisement shall not use as the name or title of a life insurance policy or an annuity, any phrase which does not include the words "life insurance" or "annuity" unless accompanied by other language clearly indicating it is life insurance.

e) An advertisement shall prominently include the specific title of the type of the policy being marketed and such title shall not be misleading as to the policy benefits.

f) An advertisement of an insurance policy marketed by the direct response techniques shall not state or imply that because there is no agent or commission included, there will be a cost savings to prospective purchasers unless such is the fact. No such cost savings may be stated or implied without justification satisfactory to the Director prior to use.

g) An advertisement for a policy containing graded or modified benefits shall prominently display any limitation of benefits. If the premium is level and coverage decreases or increases with age or duration, such fact shall be prominently disclosed.

h) An advertisement for a policy with non-level premiums shall prominently describe the premium changes.

i) Dividends and Other Non-Guaranteed Elements

1) An advertisement shall not utilize or describe dividends or other non-guaranteed elements in a manner which is misleading or has the capacity or tendency to mislead.

2) An advertisement shall not state or imply that the payment or amount of dividends is guaranteed. If dividends or other non-guaranteed elements are illustrated they must be based on the insurer's illustrated scale and the illustration must contain a statement to the effect that they are not to be construed as guarantees or estimates of dividends to be paid in the future.

3) An advertisement shall not state or imply that illustrated dividends under a participating policy and/or pure endowments will be or can be sufficient at any future time to assure, without the further payment of premiums, the receipt of benefits, such as a paid-up policy, unless the advertisement clearly and precisely explains:

A) what benefits or coverage would be provided at such time, and

B) under what conditions this would occur.

j) An advertisement shall 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.

k) Testimonials or Endorsements by Third Parties

1) Testimonials used in advertisements must be genuine; represent the current opinion of the author; be applicable to the policy advertised, if any; and be accurately reproduced. In using a testimonial the insurer acknowledges as its own all of the statements contained therein, and such statements are subject to all the provisions of this Part.

2) If the individual making a testimonial or an endorsement has a financial interest in the insurer or a related entity as a stockholder, director, officer, employee or otherwise, or receives any benefit directly or indirectly other than required union scale wages, such fact shall be disclosed in the advertisement.

3) An advertisement shall not state or imply that an insurer or 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 such endorsement or testimonial, such fact shall be disclosed in the advertisement.

l) An advertisement shall not contain statistical information relating to any insurer or policy unless it accurately reflects recent and relevant facts. The source of any such statistics used in an advertisement shall be identified therein.

m) Introductory, Initial or Special Offers and Enrollment Periods

1) An advertisement of an individual policy or combination of such policies shall not state or imply that such policy or combination of such 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 such is the fact. An advertisement shall 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.

2) An advertisement shall 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 particular policy advertised because of special advantages available in the policy.

3) An advertisement shall not offer a policy which utilizes a reduced initial rate in a manner which over emphasizes the availability and the amount of the initial premium. When an 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 which refers the reader to that specific portion of the advertisement that contains a full rate schedule for the policy being advertised.

4) An enrollment period during which a particular insurance policy may be purchased on an individual basis shall not be offered within this State unless there has been a lapse of not less than six months between the close of the immediately preceding enrollment period for the same policy and the opening of the new enrollment period. The advertisement shall specify the date by which the applicant must mail the application, which shall be not less than ten days and not more than forty days following the date on which such enrollment period is advertised for the first time. This Part applies to all advertising media: i.e., mail, newspapers, radio, television, magazines and periodicals, by any one insurer. The phrase "any one insurer" includes all the affiliated companies of a group of insurance companies under common management or control. This Part does not apply to the use of a termination or cut-off 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 request. It is also inapplicable to solicitations to employees or members of a particular group or association which otherwise would be eligible under specific provisions of the Insurance Code for group or blanket insurance. In cases where an insurance product is marketed on a direct mail basis to prospective insureds by reason of some common relationship with a sponsoring organization, this Part shall be applied separately to such sponsoring organization.

n) An advertisement of a particular policy shall 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 such is the fact.

o) An advertisement shall not make unfair or incomplete comparisons of policies, benefits, dividends or rates of other insurers. An advertisement shall not falsely or unfairly describe other insurers, their policies, services or methods of marketing.

p) An advertisement for the solicitation or sale of a preneed funeral contract or prearrangement as defined in Section 909.20 of this Part, which is funded or to be funded by a life insurance policy or annuity contract, shall disclose the following:

1) the fact that a life insurance policy or annuity contract is involved or being used to fund a prearrangement as defined in Section 909.20 of this Part,

2) the nature of the relationship among the soliciting producer or producers, the provider of the funeral merchandise or services, the administrator and any other persons,

3) the fact that the family or representative of the deceased has the right to change the choice of the prearranged provider of funeral/cemetery merchandise and services upon the demise of the insured,

4) the fact that in the event the policy proceeds exceed the prearranged cost for funeral/cemetery merchandise and services, the excess proceeds will be payable to a secondary beneficiary.

(Source: Amended at 22 Ill. Reg. 3027, effective June 1, 1998)