**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION I Guideline to Section 2002.70(a)(1)**

This Section prohibits words, phrases or illustrations which create deception to the reader by omission or commission. The following examples are illustrations of the prohibitions created by the Section:

a) An advertisement which describes any benefits that vary by age must disclose that fact in a manner as described in this Part. (See also ILLUSTRATION O.)

b) An advertisement which uses a phrase such as "no age limit," if benefits or premiums vary by age or if age is an underwriting factor, must disclose that fact in a manner as described in this Part. (See also ILLUSTRATION O.)

c) "Individualized" advertisements, applications, requests for additional information and similar materials are unacceptable if they state or imply that the recipient has been individually selected to be offered insurance or has had his eligibility for such insurance individually determined in advance, when the advertisement is directed to all persons in a group or to all persons whose names appear on a mailing list.

d) Advertisements which indicate that a particular coverage or policy is exclusively for "preferred risks" or a particular segment of the population or that a particular segment of the population are acceptable risks, when such distinctions are not maintained in the issuance of policies, are not acceptable.

e) Advertisements for group or franchise plans which provide a common benefit or a common combination of benefits shall not imply that the insurance coverage is tailored or designed specifically for that group, unless such is the fact.

f) It is unacceptable to use terms such as "enroll" or "join" to imply group or blanket insurance coverage when such is not the fact.

g) Any advertisement which contains statements such as "anyone can apply" or "anyone can join" other than with respect to a guaranteed issue policy for which administrative procedures exist to assure that the policy is issued within a reasonable period of time after the application is received by the insurer is unacceptable.

h) An advertisement which states or implies immediate coverage or guaranteed issuance of a policy is unacceptable unless suitable administrative procedures exist so that the policy is issued within a reasonable period of time for such immediate coverage or guaranteed issuance coverage after the application is received by the insurer.

i) Any advertisement which uses any phrase or term such as "here is all you do to apply," "simply" or "merely" to refer to the act of applying for a policy which is not a guaranteed issue policy is unacceptable unless it refers to the fact that the application is subject to acceptance or approval by the insurer.

j) Applications, request forms for additional information, and similar related materials are unacceptable if they resemble paper currency, bonds, stock certificates, etc.

k) An advertisement may employ devices which are designed to create reasonable concern in the minds of those to whom they are directed. Unacceptable examples of devices which may create undue concern are:

1) the use of phrases such as "cancer kills somebody every two minutes" and "total number of accidents" without reference to the total population from which such statistics are drawn (As an example of a permissible device, data prepared by the American Cancer Society is acceptable provided the source is noted and it is not overemphasized.);

2) the use of phrases such as "the finest kind of treatment," implying that such treatment would be unavailable without insurance;

3) the reproduction of newspaper articles, etc., containing irrelevant facts and figures;

4) the use of illustrations which unduly emphasize automobile accidents, disabled persons or persons confined in beds who are in obvious distress or receiving hospital or medical bills or persons being evicted from their homes due to their hospital bills;

5) the use of phrases such as "financial disaster," "financial distress," "financial shock," or other phrases implying that financial ruin is likely without the insurance advertised where used in an advertisement which comes within Section 2002.70(a)(7) relating to policies covering specified illnesses or specified accidents only and other accident and health insurance designed primarily for supplementing an insured's basic insurance program.

l) An advertisement which uses the word "plan" without identifying it as an "insurance plan" is not permissible.

m) An advertisement which implies in any manner that the prospective insured may realize a profit from obtaining hospital, medical or surgical insurance coverage is not acceptable.

n) An advertisement shall not state or imply by word, phrase or illustration that the benefits being offered will supplement any other insurance policy, insurance-type concept, or governmental plan if such is not the fact.

o) An advertisement of a hospital or other similar facility confinement benefit that makes reference to the benefit being paid directly to the policyholder is misleading unless, in making such a reference, the advertisement includes a statement that the benefits may be paid directly to the hospital or other health care facility if an assignment of benefits is made by the policyholder. An advertisement of medical and surgical expense benefits shall comply with this Part in regard to the disclosure of assignments of benefits to providers of services. Phrases such as "you collect," "you get paid," "pays you," or other words or phrases of similar import are acceptable so long as the advertisement indicates that it is payable to the insured or someone designated by the insured.

p) An advertisement which refers to "hospitalization for injury or sickness" omitting the word "covered" when the policy excludes certain sicknesses or injuries is unacceptable. Continued reference to "covered injury or sickness" is not necessary where this fact has been prominently disclosed in the advertisement and where the description of sicknesses or injuries not covered are prominently set forth.

q) An advertisement which refers to "whenever you are hospitalized" or "while you are confined in the hospital" omitting the phrase "for covered injury or sickness," if the policy excludes certain injuries or sicknesses, is unacceptable. Continued reference to "covered injury or sickness" is not necessary where this fact has been prominently disclosed in the advertisement and where the description of sicknesses or injuries not covered are prominently set forth.

r) Advertisements which state that benefits are provided when "you go to the hospital" are unacceptable unless the advertisement clearly sets forth the extent of the coverage.

s) An advertisement which is an invitation to contract and which fails to disclose that the definition of "hospital" does not include a nursing home, convalescent home or extended care facility, as the case may be, is unacceptable.

t) An advertisement which is an invitation to contract and which fails to disclose any waiting or elimination periods for specific benefits is unacceptable.

u) An advertisement for a limited policy, or a plan of insurance which covers only certain causes of loss (such as dread disease) or which covers only a certain type of loss is unacceptable if:

1) the advertisement refers to a total benefit maximum limit payable under the policy in a prominent manner;

2) the advertisement states any total benefit limit without stating the periodic benefit payment, if any, and the length of time the periodic benefit would be payable to reach the total benefit limit;

3) the advertisement prominently displays a benefit which would not, as a general rule, be payable under an average claim.

v) Advertisements which utilize total amounts payable under hospital room and board, medical or surgical coverage or other benefits in a policy, such as benefits for private duty nursing, are unacceptable unless the actual amounts payable per day for such indemnity or benefits are stated. (See also ILLUSTRATION M.)

w) Examples of claims that may be paid under a policy shall not disclose only maximum benefits unless such maximum benefits are paid for loss from common and probable illnesses or accidents rather than exceptional or rare illnesses or accidents or periods of confinement for such exceptional or rare accidents or illnesses.

x) When a range of benefit levels is set forth in an advertisement, it must be made clear that the insured will receive only the benefit level written or printed in the policy selected and issued. Language which implies that the insured may select the benefit level at the time of filing claims is unacceptable.

y) Language which implies that the amount of benefits payable under a loss-of-time policy may be increased at the time of claim or disability according to the needs of the insured is unacceptable.

z) An advertisement for loss-of-time coverage which is an invitation to contract which sets forth a range of amounts of benefit levels is unacceptable unless it also states that eligibility for the benefits is based upon condition of health, income, other economic conditions, or other underwriting standards of the insurer if such is the fact.

aa) The term "confining sickness" is an abbreviated expression and must be explained in an advertisement containing the term. Such an explanation might be as follows:

"Benefits are payable for total disability due to confining sickness only so long as the insured is necessarily confined and under the care of a physician."

Statements such as "Lifetime Sickness Benefits" or "Five-Year Sickness Benefits" are incomplete if such benefits are subject to confinement requirements.

bb) Advertisements for policies whose premiums are modest because of their limited coverage or limited amount of benefits shall not describe premiums as "low," "low cost," "budget" or use qualifying words of similar import. This Part also prohibits the use of words such as "only" and "just" in conjunction with statements of premium amounts when used to imply a bargain.

cc) Advertisements which state or imply that premiums will not be changed in the future are not acceptable unless the advertised policies so provide.

dd) An advertisement which does not require the premium to accompany the application must not overemphasize that fact and must make the facts concerning effective date of coverage clear.

ee) An advertisement which exaggerates the effect of statutorily mandated benefits or required policy provisions or which exaggerates the provisions or implies that such provisions are unique to the advertised policy, is unacceptable. For example, the phrase "Money Back Guarantee" is an exaggerated description of the ten-day right to examine the policy and is not acceptable.

ff) An advertisement which implies that a common type of policy or a combination of common benefits is "new," "unique," "a bonus," "a breakthrough," or is otherwise unusual is unacceptable. Also, the addition of a novel method of premium payment to an otherwise common plan of insurance does not render it "new."

gg) An advertisement which is an invitation to contract which fails to disclose the amount of any deductible and/or the percentage of any co-insurance factor is unacceptable.

hh) An advertisement which fails to state clearly the type of insurance coverage being offered is not acceptable.

ii) Language which states or implies that each member under a "family" contract is covered as to the maximum benefits advertised, when such is not the fact, is unacceptable.

jj) The importance of diseases rarely or seldom found in the class of persons to whom the policy is offered shall not be exaggerated in an advertisement.

kk) An advertisement, regardless of the media used, which is designed to produce leads in any manner or subsequent advertisement prior to contact must include information disclosing that an agent may contact the applicant if such is the fact.

ll) Advertisements for policies designed to supplement Medicare or which are otherwise designed for issue to the elderly shall not employ devices which are designed to create undue anxiety in the minds of such persons. Such phrases as "here is where most people over 65 learn about the gaps in Medicare," or "Medicare is great, but..." which otherwise exaggerate the gaps in Medicare coverage, are unacceptable. Phrases or devices which unduly excite fear or concern, dependence upon relatives or charity are unacceptable. Phrases or devices which imply that long sicknesses or hospital stays are common among the elderly are unacceptable.

mm) An advertisement implying that the coverage is supplemental to Medicare may show the extent it supplements Medicare, but must not refer to the Medicare Program and the proposed coverage to imply that with the coverage and Medicare, the patient will have no uncovered expenses unless that is in fact true.

(Source: Amended at 28 Ill. Reg. 4595, effective March 1, 2004)