**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION Z Guideline to Section 2002.100(a)**<br>**Section 2002.ILLUSTRATION AA Guideline to Section 2002.100(b)**<br>**Section 2002.ILLUSTRATION BB Guideline to Section 2002.100(c)**<br>**Section 2002.ILLUSTRATION CC Guideline to Section 2002.110(a) and (b)**<br>**Section 2002.ILLUSTRATION DD Guideline to Section 2002.120**<br>**Section 2002.ILLUSTRATION EE Guideline to Section 2002.130(a)** <br>**Section 2002.ILLUSTRATION FF Guideline to Section 2002.130(b)**<br>**Section 2002.ILLUSTRATION GG Guideline to Section 2002.140(a) and (b)**<br>**Section 2002.ILLUSTRATION HH Guideline to Section 2002.150**<br>**Section 2002.ILLUSTRATION II Guideline to Section 2002.160**<br>**Section 2002.ILLUSTRATION JJ Guideline to Section 2002.160(a) and (b)**<br>**Section 2002.ILLUSTRATION KK Guideline to Section 2002.160(a)(4)**<br>**Section 2002.ILLUSTRATION LL Guideline to Section 2002.160(b)**<br>**Section 2002.ILLUSTRATION MM Guideline to Section 2002.160(c)**<br> **Section 2002.ILLUSTRATION NN Guideline to Section 2002.170(c)**<br>

a) This Section prohibits the use of statistics in a manner which is misleading and deceptive. It requires the disclosure of all relevant facts and prohibits the use of irrelevant facts. An advertisement shall specifically identify the policy to which statistics relate and, where statistics are given which are applicable to a different policy, it must be stated clearly that the data does not relate to the policy being advertised.

b) Statistics which describe the insurer, such as assets, corporate structure, financial standing, age, product lines or relative position in the insurance business, may be irrelevant and, if used at all, must be used with extreme caution because of their potential for misleading the public. As a specific example, an advertisement for a health insurance policy which refers to the amount of life insurance which the company has in force or the amounts paid out in life insurance benefits is not permissible unless the advertisement clearly indicates the amount paid out for each line of insurance.

c) An advertisement which states the dollar amount of claims paid must also indicate the period over which such claims have been paid. The total dollar amount of claims paid must not be overemphasized.

d) If the term "loss ratio" is used, it shall be properly explained in the context of the advertisement, and it shall be calculated on the basis of premiums earned to losses incurred and shall not be on a yearly run-off basis.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION AA Guideline to Section 2002.100(b)**

This Section prohibits deceptive or misleading statements in an advertisement regarding an insurer's claim settlement practices. It also prohibits the use of an unusual amount paid for a unique claim or an unusual claim whether actual or hypothetical.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION BB Guideline to Section 2002.100(c)**

This Section requires any advertisement which uses statistics to cite the source. The Part does not require that statistics for a state be used since such statistics as hospital charges and average stays may vary from state to state. When nationwide statistics are used, such fact should be noted as such unless the statistics on the particular point are substantially the same in a state to which the advertisement is directed. Statistics may be used only if they are credible.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION CC Guideline to Section 2002.110(a) and (b)**

This Section imposes the same disclosure standards as stated in ILLUSTRATION O. The comments in that Illustration are equally applicable to this Section.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION DD Guideline to Section 2002.120**

a) This Section prohibits unfair or incomplete comparisons of products, insurers or business methods. It specifically prohibits comparisons of non-comparable policies and provides that advertisements shall not unfairly minimize nor disparage competing types of insurance coverages or competing methods of marketing insurance, including any federal or state program.

b) An advertisement should not contain statements such as "no red tape" or "here is all you do to receive benefits."

c) Advertisements which state or imply that competing insurance coverages customarily contain certain exceptions, reductions or limitations not contained in the advertised policies are unacceptable unless such exceptions, reductions or limitations are contained in a substantial majority of such competing coverages.

d) Advertisements which state or imply that an insurer's premiums are lower or that its loss ratios are higher because its organizational structure differs from that of competing insurers are unacceptable.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION EE Guideline to Section 2002.130(a)**

This Section prohibits advertisements which imply that an insurer is licensed beyond the limits of those jurisdictions where it is actually licensed. An advertisement which contains testimonials from persons who reside in a state in which the insurer is not licensed or which refers to claims of persons residing in states in which the insurer is not licensed implies licensing in those states and, therefore, is in violation of this Part unless the advertisement states that the insurer is not licensed in those states.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION FF Guideline to Section 2002.130(b)**

a) This Section prohibits advertisements implying that approval, endorsement or accreditation of policy forms or advertising has been granted by any division or agency of the state or federal governments. "Approval" of either policy forms or advertising shall not be used by an insurer to imply or state that a governmental agency has endorsed or recommended the insurer, its policies, advertising or its financial condition.

b) This prohibits prominent statements such as "licensed by the State of Illinois" or any other statements which imply endorsements by a governmental agency. The insurer is not prohibited to disclose the fact that a company is licensed in the State of Illinois in the body or majority of the advertisement.

c) Although the Section permits a reference to an insurer being licensed in a state where the advertisement appears, it does not allow exaggeration of the fact of such licensing nor does it permit the suggestion that competing insurers may not be so licensed because, in most states, an insurer must be licensed in the state to which it directs its advertising.

d) Terms such as "official," or words of similar import, used to describe any policy or application form are not permissible because of the potential for deceiving or misleading the public.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION GG Guideline to Section 2002.140(a) and (b)**

a) This Section prohibits the use of an advertisement which has the capacity or tendency to mislead or deceive as to the true identity of the insurer. The Section recognizes the existence of holding companies. The requirement that the advertisement refer to the policy form number is applicable to advertisements of individual and franchise policies only. However, the requirement of the policy form number is not applicable to those advertisements for individual and franchise policies not required to disclose information under Sections 2002.70(b)(1) and (8). Subsection (a) and subsection (b) prohibit misleading practices of insurers in connection with the sale of insurance to supplement federal Medicare benefits and confusion by insurers with advertising material used by hospital service corporations or pre-paid health plans.

b) This Section prohibits advertisements, envelopes or stationery which employ words, letters, initials, symbols or other devices which are so similar to those used by governmental agencies or other insurers, including hospital service corporations and pre-paid health plans, that the public may be confused into believing:

1) that the advertised coverages are somehow provided by or are endorsed by such governmental agencies or such other insurers;

2) that the advertised coverages are the same as those provided by such governmental agencies or such other insurers;

3) that the advertiser is the same as, is connected with or is endorsed by such governmental agencies or such other insurers.

c) It is unacceptable for an advertisement to use the name of a state or a political subdivision thereof in a policy name or description. For example, "XYZ insurance company's (name of state) hospital confinement policy" is unacceptable.

d) This Section prohibits an insurer from using envelopes or stationery which have printed thereon any name, service mark, slogan or symbol or using any other device in such a manner that it implies that the insurer or the policy advertised is connected with a governmental agency such as the Social Security Administration or the Veterans Administration.

e) Policies advertised to supplement Medicare benefits are unacceptable if they incorporate the word "MEDICARE" in the title of the plan or policy being advertised unless, wherever it appears, said word is qualified by language differentiating it from Medicare. Such phrases as "Medicare Insurance Supplement" or "insurance to supplement Medicare" are acceptable. Such an advertisement, however, shall not use the phrase "\_\_\_\_\_\_\_\_\_ Medicare Department of the XYZ Insurance Company," or language of similar import.

f) Advertisements for policies designed to supplement Medicare benefits are unacceptable if they fail to clearly show that the company or the plan being advertised is not endorsed by the U.S. Government or the federal Medicare program.

g) This Section prohibits an advertisement which implies that the reader may lose a right, privilege or benefit under federal, state or local law if he fails to respond to the advertisement.

h) If the use of letters, initials or symbols of the corporate name or trademark would have the capacity or tendency to mislead or deceive the public as to the true identity of the insurer, this Section prohibits the use of such letters, initials, or symbols without disclosing in close conjunction the true and correct complete name of the insurer which will issue the policy.

i) This Part prohibits the use of the name of an agency or "\_\_\_\_\_\_\_ Underwriters" or "\_\_\_\_\_\_\_ Plan" in type, size and location so as to have the capacity and tendency to mislead or deceive as to the true identity of the insurer and also prohibits an insurer from using an address so as to mislead or deceive as to its true identity, location or licensing status.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION HH Guideline to Section 2002.150**

a) This Section prohibits the use of representations to any segment of the population that a particular policy or coverage is available only to that or similar segments of the population as preferred risks when actually such policy or coverage is available to members of the public at large at the same rates. This Part prohibits an advertisement labeled "Now for Readers of X Magazine."

b) This Section prohibits the solicitation of a particular class, such as governmental employees, by use of advertisements which state or imply that their occupational status entitles them to reduced rates on a group or other basis when, in fact, the policy being advertised is sold only on an individual basis at regular rates.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION II Guideline to Section 2002.160(a)(1)**

This Section prohibits advertising representing that a product is offered on an introductory, initial, special offer basis or otherwise which

a) will not be available later; or

b) is available only to certain individuals

unless such is the fact. This Part prohibits the repetitive use of such advertisements. Where an insurer uses enrollment periods in the advertising of its policies, the Part prohibits describing an enrollment period as a special opportunity or offer for the applicant.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION JJ Guideline to Section 2002.160(a)(2)**

a) This Section restricts the repetitive use of enrollment periods. This Part does not limit just the use of enrollment periods. It requires that a particular insurance product offered in an enrollment period through any advertising media, including the prepared presentations of agents, cannot be offered again in the entire state until six months from the close of the enrollment periods have expired. Thus, an insurer must choose whether to use enrollment periods or open enrollment for a product.

b) This Section does not prohibit multiple advertising during an enrollment period through any and all media published or transmitted within this state as long as the enrollment periods for such advertisements have the same expiration date.

c) The six month limitation applies to the offering of the product in any advertising media and the entire State of Illinois is considered one geographic area. For example, if an enrollment period was used in the solicitation of a product in the Chicago area, it could not be offered in any section of Illinois until six months expire from the closing date of the enrollment period.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION KK Guideline to Section 2002.160(a)(4)**

a) This Section defines the meaning of "a particular insurance product" in Section 2002.160(a)(2) and prohibits advertising of products having minor variations, such as different elimination periods or different amounts of daily hospital indemnity benefits, in a succession of enrollment periods.

b) To determine if one product is substantially different than another, the products must be compared as to primary benefits offered. For example, if one hospital indemnity policy has a $30/day benefit and a return of premium benefit, it is substantially similar to one having a $100/day benefit with no return of premium benefit. A hospital expense policy as compared with a hospital indemnity plan is substantially different.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION LL Guideline to Section 2002.160(b)**

This Section prohibits advertising which overemphasizes an initial reduced premium. The Part requires the renewal premium to appear as frequently as, as prominently as, and in juxtaposition with the initial reduced premium wherever and as often as it appears. The term "juxtaposition" means side by side or immediately above or below.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION MM Guideline to Section 2002.160(c)**

a) This subsection prohibits the use in advertisements of so-called awards as an inducement to the purchase of insurance.

b) This subsection prohibits those marketing techniques which imply that the person is being offered an opportunity to purchase a policy due to a minor qualification which has little to do with the underwriting requirements for the benefits provided by the policy.

**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION NN Guideline to Section 2002.170**

This Section is closely related to the requirements of Section 2002.100 concerning the use of statistics. The Part prohibits insurers which have been organized for only a brief period of time advertising that they are "old" and also prohibits the use of illustrations of a "home office" building in a manner which is misleading with respect to the actual size and magnitude of the insurer. Also, the occupations of the persons comprising the insurer's board of directors or the public's familiarity with their names or reputations is irrelevant and must not be emphasized. The preponderance of a particular occupation or profession among the board of directors of an insurer does not justify the advertisement of a plan of insurance offered to the general public as insurance designed or recommended by members of that occupation or profession. For example, it is unacceptable for an insurance company to advertise a policy offered to the general public as "the physicians' policy" or "the doctors' plan" simply because there is a preponderance of physicians or doctors on the board of directors of the insurer. The Part prohibits the use of a recommendation of a commercial rating system unless the purpose, meaning and limitations of the recommendation are clearly indicated.