

11 NCAC 12 .0424 LIFE INSURANCE ADVERTISING: DEFINITIONS

For the purpose of 11 NCAC 12 .0424 to .0433:

- (1) "Policy" shall include any policy, plan, certificate, contract, agreement, statement of coverage, rider, or endorsement which provides for life insurance or annuity benefits.
- (2) "Insurer" shall include any individual, corporation, association, partnership, reciprocal exchange, inter-insurer, Lloyd's, fraternal benefit society, and any other legal entity which is defined as an "insurer" in the insurance code of this state or issues life insurance or annuities in this state and is engaged in the advertisement of a policy.
- (3) "Advertisement" shall be material designed to create public interest in life insurance or annuities or in an insurer, or to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy including:
 - (a) printed and published material, audiovisual material, and descriptive literature of an insurer used in direct mail, newspapers, magazines, radio, and television scripts, billboards, and similar displays;
 - (b) descriptive literature and sales aids of all kinds issued by an insurer or agent, including but not limited to, circulars, leaflets, booklets, depictions, illustrations, and form letters;
 - (c) material used for the recruitment, training, and education of an insurer's sales personnel, agents, solicitors, and brokers which is designed to be used or is used to induce the public to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy;
 - (d) prepared sales talks, presentations and material for use by sales personnel, agents, solicitors and brokers.
- (4) "Advertisement" for the purpose of 11 NCAC 12 .0405 to .0433 shall not include:
 - (a) communications or materials used within an insurer's own organization and not intended for dissemination to the public;
 - (b) communications with policyholder other than material urging policyholders to purchase, increase, modify, reinstate, borrow on, surrender, replace or retain a policy;
 - (c) a general announcement from a group 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.
- (5) "Nonguaranteed Policy Element" shall mean any premium, cash value, death benefit, endowment value, dividend or other policy benefit or pricing element or portion thereof whose amount is not guaranteed by the terms of the contract.

*History Note: Authority G.S. 58-2-40; 58-3-150; 58-58-40;
Eff. February 1, 1976;
Readopted Eff. September 26, 1978;
Amended Eff. April 1, 1989;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. May 1, 2018.*