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PRESS RELEASE

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Arizona Department of Insurance Adopts New Rule to Protect Military Families from Improper Insurance Sales Practices

The Arizona Department of Insurance has adopted a new rule to establish definitive standards to protect Arizona's active duty service members from dishonest, misleading and deceptive life insurance and annuity sales practices.

"The safeguards established in this rule will help ensure Arizona's service members receive sound insurance advice," said Insurance Director, Christina Urias. "I encourage Arizona's active duty service members to contact the Arizona Department of Insurance to ask insurance related questions, or file a complaint, if they believe they received misleading or deceptive insurance advice."

Based on the National Association of Insurance Commissioners model law, the rule is in accordance with the federal Military Personnel Financial Services Protection Act (2006) and incorporates elements of Department of Defense regulations. The new rule prohibits the following insurance company and agent sales practices:

- Soliciting service members in a group meeting that is mandatory.
- Soliciting service members in barracks, day rooms or other restricted areas.
- Knowingly making appointments with service members during their normally scheduled duty hours or in places not approved by the installation commander.
- Misleading use of military direct deposit devices for the purchase of life insurance.
- Using military personnel as representatives to sell life insurance to subordinates.
- Misrepresenting life insurance products as being endorsed by the U.S. military.
- Posting unauthorized bulletins, notices or advertisements on military installations.
- Recommending any life insurance product, unless it is suitable for the particular needs of the service member.

The "Military Sales Practices" Rule (A.A.C. R20-6-2201 available at <http://www.id.state.az.us/legact.html>) becomes effective January 6, 2008.

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