

October 7, 1975

SUBJECT: INSURANCE

Circular Letter No. 11 (1975)

October 7, 1975

TO: ALL AUTHORIZED LIFE INSURANCE COMPANIES

RE: Contents of Advertisements

The New York Insurance Law prohibits the transmission of information in the form of advertisements, announcements or otherwise in such manner or of such substance that the insurance buying public may be deceived or misled thereby.

It has been brought to the Department's attention that some authorized life insurance companies have been utilizing advertisements, cards, or other public announcements which compare one or a limited number of features relating to their financial condition or some other aspect of their affairs with substantially larger life insurance companies. Ratios and rates of increase or decrease involving one or more features are typically used.

The Department has reviewed a number of these announcements and has taken into consideration their content, detail, character, purpose and use. It is the Department's opinion that most of such announcements, in fact or by implication, appear to have the tendency or capacity to mislead or deceive and therefore would be violative of the letter and/or spirit of Sections 40-c, 97, 127, 811, 273 of the New York Insurance Law, and Regulation No. 34.

Accordingly it is requested that your company review all announcements and advertisements which it uses in New York and discontinue the usage of those described above which have the tendency or capacity to mislead or deceive.

Receipt of this letter should be acknowledged by a responsible officer of the company, in writing, to the undersigned.

[SIGNATURE]

Alvin H. Alpert

Chief of the Life Bureau