



COMPLIANCE MEMO

DATE: January 15, 2010
TO: American Equity NMO's and Wisconsin Agents
FROM: Nick Gerhart, Vice President of Compliance Communication
RE: Wisconsin Ins. 6.90 Prohibited uses of senior-specific designations

IMPORTANT INFORMATION...PLEASE READ CAREFULLY

Attached, for your convenience, is the rule referenced above from Wisconsin. We strongly suggest you familiarize yourself with this regulation.

The Regulation states: "The purpose of this rule is to set forth standards to protect consumers from advertising and trade practices that are deceptive, misleading, or restrain competition unreasonably, with respect to the use of senior-specific certifications and professional designations in the advertising, solicitation, sale or purchase of, or advice made in connection with, life or health insurance, or an annuity product."

Please log on to the agent website to find a list of designations we have approved for use when advertising our company and/or products. If you question a designation you hold that may not be included in our list of approved designations, please contact us and we will review the designation and give our approval or disapproval. We also suggest you contact your insurance and/or securities departments to ask them about your designation.

All advertisements or materials using our company name and/or products *must be submitted to the Compliance Communications Department here at American Equity for review and approval prior to use.* Submit materials to advertising@american-equity.com or fax to 515-273-3620.

Thank you for your business!



Financial Markets, Inc.

800-888-2829

www.fm-inc.com - Marketing@fm-inc.com

Information at Compliance Communications:

888-221-1234



PO Box 71216, Des Moines, IA 50325

www.american-equity.com

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INSURANCE MARKETPLACE
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Wisconsin
Insurance Regulations

WISCONSIN ADMINISTRATIVE CODE...RULES OF COMMISSIONER OF INSURANCE...Chapter Ins 6 -- GENERAL

Ins 6.90

Prohibited uses of senior-specific designations

(1) **PURPOSE.** The purpose of this rule is to set forth standards to protect consumers from advertising and trade practices that are deceptive, misleading, or restrain competition unreasonably, with respect to the use of senior-specific certifications and professional designations in the advertising, solicitation, sale or purchase of, or advice made in connection with, life or health insurance, or an annuity product.

(2) **AUTHORITY.** (a) This rule is adopted pursuant to the Office of the Commissioner of Insurance's authority under §§ 601.42(3) and 628.34(12), Stats.

(b) Nothing in this rule shall limit the commissioner's authority to enforce existing provisions of law.

(3) **SCOPE.** This rule shall apply to any advertising, solicitation, or sale or purchase of, or advice made in connection with, a life or health insurance policy, or annuity product by an insurance producer.

(4) **DEFINITIONS.** In this section:

(a) "Advertising" means all of the following:

1. Printed and published material, audio visual material and descriptive literature of an insurer or intermediary used in direct mail, newspapers, magazines, other periodicals, radio and television scripts, billboards and similar displays, excluding advertisements prepared for the sole purpose of recruiting employees, intermediaries or agencies.

2. Descriptive literature and sales aids of all kinds authored, issued, distributed or used by an insurer, intermediary or third party for presentation to members of the public, including circulars, leaflets, booklets, depictions, illustrations and form letters. Descriptive literature and sales aids do not include material in house organs of insurers, communications within an insurer's own organization not intended for dissemination to the public, individual communications of a personal nature, and correspondence between a prospective group or blanket policyholder and an insurer in the course of negotiating a group or blanket policy, and general announcements from group or blanket policyholders to eligible individuals that a contract has been written.

3. Prepared sales talks, presentations and material for use by intermediaries and representations made by intermediaries in accordance therewith, excluding materials to be used solely by an insurer for the training and education of its employees or intermediaries; and

4. Packaging, including envelopes, used in connection with subds. 1., 2., and 3.

5. "Advertising" does not include a policy summary as defined in § Ins 2.14 (3) (f), the "life insurance buyer's guide" as set forth in § Ins 2.14 (3) (d), an illustration as defined in § Ins 2.17

(3) (i), a contract summary as defined in § Ins 2.15 (4) (a), a preliminary contract summary as defined in § Ins 2.15 (4) (b), and the "Wisconsin Buyer's Guide to Annuities" as defined in § Ins 2.15 (4) (c).

(b) "Health insurance" includes any policy of individual or group sickness and accident insurance, long term care insurance, Medicare advantage, Medicare supplement, and Medicare part D.

(c) "Insurance producer" means a person required to be licensed under chapters 600 to 655 to advertise, sell, solicit or negotiate insurance, including life insurance, health insurance and annuities.

(5) PROHIBITED USES OF SENIOR-SPECIFIC CERTIFICATIONS AND PROFESSIONAL DESIGNATIONS. (a) It is an unfair and deceptive trade practice under § 628.34(12), Stats., for an insurance producer to use a senior-specific certification or professional designation that indicates or implies in such a way as to mislead a purchaser or prospective purchaser that the insurance producer has special certification or training in advising or providing services to seniors in connection with the advertising, solicitation, sale, or purchase of a life or health insurance policy, or annuity product or in the provision of advice as to the value of or the advisability of purchasing or selling a life or health insurance policy or annuity product, either directly or indirectly, through publications or writings, or by issuing or promulgating analyses or reports related to a life or health insurance policy or annuity product as follows:

1. Use of a certification or professional designation by an insurance producer who has not actually earned or is otherwise ineligible to use such certification or designation.
2. Use of a nonexistent or self-conferred certification or professional designation.
3. Use of a certification or professional designation that indicates or implies a level of occupational qualifications obtained through education, training or experience that the insurance producer using the certification or designation does not have.
4. Use of a certification or professional designation that was obtained from a certifying or designating organization that:
 - a. Is primarily engaged in the business of instruction in sales or marketing; or
 - b. Does not have reasonable standards or procedures for assuring the competency of its certificants or designees; or
 - c. Does not have reasonable standards or procedures for monitoring and disciplining its certificants or designees for improper or unethical conduct; or
 - d. Does not have reasonable continuing education requirements for its certificants or designees in order to maintain the certificate or designation.

(b) There is a rebuttable presumption that a certifying or designating organization is not disqualified solely for the purposes of subd. (5)(a)4., when the certification or designation issued from the organization does not primarily apply to sales or marketing and when the organization or the certification or designation in question has been accredited by:

1. The American National Standards Institute (ANSI);
2. The National Commission for Certifying Agencies; or

3. Any organization that is on the U.S. Department of Education's list entitled "Accrediting Agencies Recognized for Title IV Purposes."

(c) In determining whether a combination of words or an acronym standing for a combination of words constitutes a certification or professional designation indicating or implying that a person has special certification or training in advising or servicing seniors, factors to be considered shall include:

1. Use of one or more words such as senior, retirement, elder, or like words combined with one or more words such as certified, registered, chartered, advisor, specialist, consultant, planner, or like words, in the name of the certification or professional designation; and
2. The manner in which those words are combined.

(d) 1. For purposes of this section, a job title within an organization that is licensed or registered by a state or federal financial services regulatory agency is not a certification or professional designation, unless it is used in a manner that would confuse or mislead a reasonable consumer, when the job title:

- a. Indicates seniority or standing within the organization; or
- b. Specifies an individual's area of specialization within the organization.

2. For the purpose of this paragraph, financial services regulatory agency includes an agency that regulates insurers, insurance producers, broker-dealers, investment advisers, or investment companies as defined under the Investment Company Act of 1940 (15 USC 2d).

(6) PENALTIES. A violation of this section is an unfair and deceptive trade practice under § 628.34 (12), Wis. Stats., and shall subject the violator to §§ 601.41, 601.62, 601.64, 601.65 and 628.10, Wis. Stats.

Statutory Authority - ss. 600.01 (2), 601.41 (3), 601.42, 628.34 (12), Stats.

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