

COMPLIANCE UPDATE

Reminder of Company Policy: Approval and Use of Producer-Generated Sales Material

A quick review of the Agency Agreement and the Compliance Manual will remind you the Company must approve all producer-generated sales material, including materials distributed or posted on the Internet, prior to its use for soliciting or recruiting. Agents and Agencies must also resubmit advertising material if it is to be used more than 12 months after the date of the initial or subsequent approval, or if any aspect of the content, audience, format or distribution of the material has changed. **There are no exceptions to this policy.** Note the approval is only effective for the purpose for which approval was sought and will expire 12 months from the date of approval or sooner if the item is rendered obsolete by Company changes with respect to the subject of the sales material.

For a complete description of what is included as “sales material” and further information concerning Company policy for use and approval of sales material and Internet advertising, please refer to the Compliance Manual.

1. Forward your sales material to following:

American General Life Companies
Compliance Department
1200 N. Mayfair Road
Suite 300
Milwaukee, WI 53226

For Faster Service:

Fax: 414-212-0368

E-mail: Suzanne_Burow@aigag.com

2. Required Documentation.

 In your submission cover note, tell us:

- How the material will be distributed (newspaper, video, periodical, Internet - including Web site address, flyer, mailer, etc.)
- State(s) where the material will be distributed
- Frequency of distribution and duration of use
- Target audience (producer recruiting or consumer)
- Publication deadlines

3. Plan Ahead.

 Submit materials sufficiently in advance (at least one week) to allow for the complete review process.

4. Internet Web Sites.

 The same guidelines that apply to advertisements in other media apply to those found on Internet Web sites. However, the disclosures set forth below must also be included.

- “Products and agency services may not be available in all states.”
- “(Name of producer) is licensed for life and health products in *(those states where the producer is properly licensed)*.”

The disclosures should be positioned on the first page of the site if the system is non-interactive, or on a separate page (i.e., pop-up screen) if the system is partially interactive. The “pop-up” page must appear prior to any actual rates shown.

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If the site is interactive, it must have a disclosure notice appear each time the applicant inputs his or her state of residence (e.g., applicant inputs state of residence as “Utah,” and the producer is not licensed there or the product is not available in that state, then a disclosure must appear which informs the applicant of this fact and terminates the process.) Thus, no rates will be shown until the site logic determines that the product is available and the producer is properly licensed.

Under no circumstances should pages be made available to print from a Web site without the above referenced disclosures.

5. American General Life Companies Logo Usage.

The following guidelines apply when using the American General Life Companies logo.

- The American General Life Companies logo may be used only on (1) a producer only use/recruiting print advertising; or (2) a producer public Web site, provided the American General Life Companies logo is hyperlinked to the American General Life Companies Web site, (www.americangeneral.com).
- For printed advertising distributed for public use, the American General Life Companies logo should be relegated to text form only.

6. Advertising Checklist.

Please refer to the attached checklist to aid you in the development of advertising materials.

Sales Material Compliance Checklist

- _____ 1. Is the advertising truthful and not misleading in fact or by implication or omission?
- _____ 2. Is the form and content accurate, clear and complete so as to avoid deception or the capacity or tendency to mislead or deceive?
- _____ 3. Is the advertisement free of the following terms: founder's plan, charter plan, expansion plan, profit, profits, profit sharing, deposit, deposit premium, interest plan, savings, savings plan, retirement plan, vanish, vanishing premium, pension plan, free, no cost, magical and any other misleading or confusing terms?
- _____ 4. Does the product marketing name indicate the contract is an annuity or life insurance policy, or is the product clearly disclosed as an annuity contract or life insurance policy, as applicable?
- _____ 5. Is the product marketing name clear and not confusing or misleading?
- _____ 6. Is the full name of the insurer prominently displayed on the front of the material?
- _____ 7. Is the use of the terms investment, investment plan or rate of return used only in connection with a variable product?
- _____ 8. Is the policy form number included?
- _____ 9. Does the agency's name used in the sales material differ from the agency's licensed name?

Illustrations (and depiction of rates)

- _____ 10. Does the policy form that is being advertised allow the use of illustrations or rate depictions in its marketing?
- _____ 11. Does the illustration or rate depiction contain the required disclosures applicable to the subject company and product being marketed?
- _____ 12. Is the statistical information accurate, and if applicable, is the source cited?
- _____ 13. If for a cash value product, does the advertisement contain appropriate information about non-guaranteed elements?
- _____ 14. Do the illustrated rates or rate depictions contain and/or disclose all the fees (e.g., surrender charges)?

Tax Effects

- _____ 15. If the tax liability is postponed or deferred, does the advertisement clearly and accurately describe the nature of the tax effect as tax-deferred rather than tax-free or tax-exempt, and are the tax consequences on surrenders disclosed?
- _____ 16. For tax-deferred annuities, is the 10% federal tax penalty fully disclosed?
- _____ 17. For tax-deferred products, does the advertisement indicate there are no current taxes and that taxes will be paid upon withdrawal?

_____ 18. Is the following included when tax effects are discussed?

*“Statements made are based on general understanding of current federal tax laws. Such laws and interpretation by the Internal Revenue Service may change, and applicable state laws should be considered. You should seek qualified legal and tax advice, since (insert name of insurance company) and its producers do **not** give tax or legal advice.”*

Bank Checklist (if bank product)

_____ 19. Bank Box included? - no bank or federal agency guarantee/not a deposit/not FDIC insured (variable product/may lose money)

_____ 20. Does the piece contain the mandatory disclosure boxes, or is it bulleted?

_____ 21. Is the type size of the disclosure equal to or greater than the predominant type?

_____ 22. Is the disclosure on the front page or the beginning page prior to the introductory text?

_____ 23. Is the relationship between the agency, or insurance company, and the depository institution disclosed?

_____ 24. If the bank logo is used, does it appear smaller than that of the agency or insurance company, as applicable?

_____ 25. Does the piece clearly indicate that the life insurance policy or annuity is not a bank product?

_____ 26. Are surrender charges accurately described?

_____ 27. Are tax implications clearly described? For example, a 10% federal tax penalty may apply to distributions made prior to age 59½.

_____ 28. Does the piece clearly communicate the nature of the product to customers?

_____ 29. Does the piece state that the insurance company, and not the depository institution, stands behind the insurance or annuity product?

Letterhead, Business Cards and Titles

_____ 30. Are the following titles and terms avoided in relation to sale of insurance and annuity instruments: financial planner, investment advisor, financial consultant, investment planner, CFP, financial counseling, investment counseling, and similar terms or titles?

_____ 31. Does the title reflect no more than the producer's actual role and proper license?

_____ 32. For bank producers, is the mandatory bank disclosure contained on the card?

_____ 33. For variable producers, is the broker/dealer disclosed along with any required information?

_____ 34. Is the appropriate insurance agency disclosed?

_____ 35. Does it meet company requirements as to use of logos and identification of company?

Endorsements and Testimonials

(can only be used with non-variable products)

- _____ 36. Is the product to be marketed with an endorsement or testimonial of a non-variable product?
- _____ 37. Does the endorsement or testimonial state the current view of the speaker?
- _____ 38. Has the documentation about the endorsement or testimonial been maintained in the appropriate advertising file?
- _____ 39. Is the speaker's relationship to the company disclosed?
- _____ 40. If there is consideration paid to the speaker, is it revealed?
- _____ 41. Is the endorsement or testimonial accurately stated?
- _____ 42. If there is any consideration paid to the endorsing entity, is it disclosed?

Competitors

- _____ 43. Is there any information about competitors?
- _____ 44. Is the information about competitors and their products accurate, complete, fair and not disparaging?

Internet and Home Page

- _____ 45. Does the advertisement have appropriate disclaimer language regarding sale to U.S. residents and product not available in all states?
- _____ 46. Has a search been conducted on the Internet for unauthorized communication about this product?
- _____ 47. Does the Web site avoid attempting to communicate with individuals residing in states where the producer is not licensed and appointed by the insurance company and where the products to be advertised are not available?

Gifts

- _____ 48. Is there any information about gifts in the advertisement?
- _____ 49. Is the value of the gift allowed in the state where the advertisement or solicitation will be made?

Telemarketing/Telephone Solicitation

- _____ 50. Is the producer aware of the federal and applicable state restrictions and prohibitions on telemarketing and telephone solicitation, including "do-not-call" requirements?
- _____ 51. Does the producer subscribe to the company's "do-not-call" compliance program?
- _____ 52. Does the insurance producer's telemarketing or telephone solicitation script identify him or her as an insurance producer, the purpose of the call, and the type of insurance or annuity being offered?
- _____ 53. Has any sales material that the producer plans to send out after making a telephone solicitation been reviewed for compliance with advertising statutes in the relevant states?