

# BEST PRACTICES GUIDELINES FOR LIFE INSURANCE AND ANNUITY ADVERTISING

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The following is a high-level summary of common best practices in life insurance and annuity advertising. It is based upon NAIC model laws, guidance from the Federal Trade Commission (“FTC”), and enforcement actions. Specific state laws should be consulted as they may contain additional requirements. This is not a comprehensive guide to all potentially applicable laws, regulations, or regulatory guidance. You should seek advice from your own legal or regulatory counsel, or other third-party specialists for your specific advertising and marketing needs.

## What is advertising?

Under state insurance laws, an advertisement includes anything designed to create public interest in life insurance or annuities or that urges a person to purchase, modify, or retain a policy or annuity. Advertising includes sales scripts and agent training materials. An advertisement may be in any media, including but not limited to, printed materials, social media, websites, podcasts and videos, radio ads or programs, television ads or appearances, or billboards.

## Key Concepts

- An advertisement must be truthful and not misleading or deceptive.
- The omission of information may make a statement misleading or deceptive.
- An advertisement must make it clear that the purpose is to promote or sell insurance (or annuities).

## Prohibited Statements and Comparisons

- **Do not** promote life insurance or annuities as an investment or retirement plan. The products may be described as a *component* of a retirement strategy or as *part* of a financial plan.
- **Do not** use the following terms, or similar terms, in describing life insurance or annuities: investment, investment plan, deposit, interest plan, savings, savings plan, profit, profit-sharing, private or personal pension plan.
- **Do not** compare annuity features to market risk, losses, or gains. For example, do not suggest that market gains are “locked in” with an annuity or that there are no losses with annuities when the stock market goes down.

- **Do not** suggest or imply that the customer will receive anything other than an insurance policy or annuity.
- **Do not** refer to life insurance or annuities as a “bond replacement strategy.”
- **Do not** offer annuities as a means to “finance” or “refinance” a retirement.”
- **Do not** compare annuity interest rates to those of certificates of deposits.
- **Do not** state or suggest that any life insurance or annuity products, including indexed annuities, have been approved by the federal government.
- **Do not** refer to the state’s approval of any life insurance policy or annuity.
- **Do not** use the terms “vanish” or “vanishing” premiums, or similar terms, to suggest a policy will be paid-up when, in fact, nonguaranteed elements of the policy will be used to pay future premiums.

#### Endorsements/Testimonials

- All endorsements must be genuine, accurately reproduced, and should be made within the past two years.
- If the person providing an endorsement/testimonial receives anything of value from the agent, that fact must be disclosed.

#### Statistics

- Only the most current statistics may be used and the source of such statistics must be disclosed.

#### Social Media

- Influencers who provide recommendations, endorsements, or post positive reviews and who receive payment, gifts, or anything of value, or who have any financial, employment, family, or personal relationship with the insurance agency must disclose such payments, gifts, things of value, or such relationships on each post, even if the influencer believes their review is unbiased.
- If the recommendation or endorsement is in a video, then the disclosure must appear in the video. If livestreamed, the disclosure should be repeated more than once. If in a picture, such as Instagram, the disclosure should be superimposed for enough time to be noticed and read.

#### Licensing Information

- All advertising should include the legal name of the agency and a list of states in which the agency is licensed. If licensed in California, all advertising must include the California license number.