

**North Carolina Department of Insurance**  
**Jim Long, Commissioner**

---

**BULLETIN**

---

Number 08-B-02

**DATE:** March 14, 2008

**TO:** All Life Insurers Licensed in North Carolina

**RE:** REQUIRED REPORTING OF DISCIPLINARY ACTIONS PURSUANT TO THE MILITARY PERSONNEL FINANCIAL SERVICES PROTECTION ACT, PUB. L. No. 109-290 (2006) AND ADOPTION OF NORTH CAROLINA GENERAL STATUTES 58-58-320 THROUGH 350, AN ACT TO PROTECT MEMBERS OF THE UNITED STATES ARMED FORCES FROM DISHONEST AND PREDATORY LIFE INSURANCE AND ANNUITY SALES PRACTICES

Subsection 12(a) of the *Military Personnel Financial Services Protection Act*, Pub. L. No. 109-290 (2006), prohibits an insurer after September 29, 2007, from entering into or renewing a contractual relationship with an agent or other person who sells life insurance on a military installation unless the insurer has implemented a *system* to report disciplinary actions taken by: (1) the insurer or (2) *any* Federal or State government entity against its agents for conduct occurring on a military installation. The insurer is required to report such disciplinary actions to both its domiciliary regulator and to the agent's resident regulator ("The Federal Reporting Requirement").

To simplify the Federal Reporting Requirement for insurers, the NAIC has implemented a Military Sales Online Reporting System that may be accessed at the following Web link of the National Association of Insurance Commissioners: <https://external-apps.naic.org/msors/>. The Military Sales Online Reporting System will, in turn, forward the reported information to all appropriate state insurance departments. Reporting via Military Sales Online Reporting System will satisfy the mandate of the Federal law. We strongly encourage you use the Military Sales Online Reporting System.

All insurers doing business in this state must comply with the "Federal Reporting Requirement" and shall demonstrate to the Commissioner, upon request, that they have complied with the reporting requirements.

In addition, all insurers must notify all appointed producers of North Carolina General Statute 58-58-320 through 350 which can be obtained at the following link:

<http://www.ncga.state.nc.us/Sessions/2007/Bills/House/PDF/H773v5.pdf>

All questions should be directed to Ernest Nickerson, Deputy Commissioner, Market Regulation Division at 919 807-6889 or [enickers@ncdoi.net](mailto:enickers@ncdoi.net).

## Disclosures Required for Sale of Life Insurance Products to Military Personnel

Federal and state laws require certain disclosures when a life insurance product is sold or offered for sale to any member of the U.S. armed forces or a dependent. **The disclosures must be given to you at the time of the sale or offer.**

Life insurance products include individual and group life insurance, funding agreements and annuities.

### Required Disclosures

- 1. Subsidized life insurance is available to members of the Armed Forces from the Federal Government under the Servicemembers' Group Life Insurance (SGLI) Program.** Information about SGLI is available from the Department of Veterans Affairs (<http://www.insurance.va.gov/miscellaneous/index.htm>).
- 2. The Servicemembers' Group Life Insurance Program offers insurance coverage in amounts from \$50,000 to \$400,000.** The cost for Servicemembers Group Life Insurance (SGLI) is \$0.07 (7¢) per \$1000 of coverage per month. There is an additional \$1.00 per month charge for Traumatic Injury Protection coverage (TSGLI), which is mandatory and added automatically.
- 3. The Symetra Life Insurance Company product being offered or sold to you is not provided by the Federal Government.** The Federal Government has in no way sanctioned, recommended, or encouraged the sale of the life insurance product being offered.
- 4. Product disclosures. Please initial the product you are being offered:**
  - Whole life insurance policies accumulate cash value.** The cash value of the policy will be reduced to pay the premium and continue your insurance if we do not receive your premium payment. The policy will be cancelled if we do not receive your premium payment and its cash value is too small to pay premiums required to continue your policy.
  - Universal life insurance policies accumulate cash value.** The cash value of the policy will be reduced to pay the monthly cost of the policy if additional premium and interest credited do not cover the monthly cost. The cost of the policy includes but is not limited to periodic charges made for the cost of insurance, administrative expenses and riders.
  - Term life insurance policies have no cash value.** If premium payment is not received when due, the policy will be cancelled.
  - Annuity contracts with cash value accumulations.** The cash value of these contracts will not be reduced to pay for their continuation.
  - Annuity contracts with no cash value.** Once purchased, these contracts will continue in force until Symetra's obligations under the contract are fulfilled.
- 5. No one has received any referral fee or incentive compensation for the sale of this product unless that person is a licensed insurance agent.**
- 6. The offering or sale of life insurance products is regulated by state insurance commissioners.** If you have a complaint regarding this sale or our product, please contact your State Insurance Department. Contact information can be found on the National Association of Insurance Commissioners (NAIC) website, [http://www.naic.org/consumer\\_military\\_insurance.htm](http://www.naic.org/consumer_military_insurance.htm)

X \_\_\_\_\_  
Applicant's Signature

\_\_\_\_\_  
Date