

Department of the Army, DoD

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of the States (and other civil jurisdictions) in which the installations are located. If a dispute or complaint arises, the applicable State will make the determination (§ 552.56).

§ 552.62 Advertising rules and educational programs.

(a) The Department of the Army expects that commercial enterprises soliciting military personnel through advertisements appearing in unofficial military publications will voluntarily observe the highest business ethics in describing both the goods, services, and commodities and the terms of the sale (such as guarantees and warranties). If not, the publisher of the military publication will request the advertiser to observe them. The advertising of credit will conform to the provisions of the Truth-in-Lending Act, as implemented by Regulation Z, published by the Federal Reserve Board (12 CFR part 226).

(b) Commanders will provide appropriate information and educational programs to provide members of the Army with information pertaining to the conduct of their personal commercial affairs (e.g., the protections and remedies offered consumers under the Truth-in-Lending Act, insurance, Government benefits, savings, estate planning, and budgeting). The services or representatives of credit unions, banks, and nonprofit military associations approved by HQDA may be used for this purpose provided their programs are entirely educational. Under no circumstances will the services of commercial agents, including loan or finance companies and their associations, be used for this purpose. Educational materials prepared or used by outside organizations or experts in this field may be adapted or used with applicable permission, provided the material is entirely educational and does not contain applications or contract forms.

§ 552.63 "Cooling off" period for door-to-door sales.

The Federal Trade Commission Rule, 16 CFR part 429, p. 233, effective 7 June 1974, pertains to a cooling off period for door-to-door sales. The rule applies to any sale, lease, or rental of consumer goods or services with a purchase price

of \$25 or more, whether under single or multiple contracts, in which the seller or business representative personally solicits the sale, including those in response to or following an invitation by the buyer, and the buyer's agreement or offer to purchase is made at a place other than the place of business of the seller. The purpose of the law is to allow the consumer the right to cancel a transaction at any time prior to midnight of the third business day after the date of the transaction. When any door-to-door sale or transaction takes place anywhere on or off the installation (other than the seller's place of business) the consumer must be provided with a full and complete receipt or copy of a contract pertaining to the sale at the time of its execution which shall include the "cancellation statements" as required by the FTC rule.

§ 552.64 Sound insurance underwriting and programing.

The Department of the Army encourages the acquisition of a sound insurance program that is suitably underwritten to meet the varying needs of the individual and is within his financial means. Accordingly, insurance agents may conduct personal business on an installation, when feasible, with disinterested third-party counseling provided, interviewing hours set aside, and facilities supplied. However, the privilege of insurance solicitation on installations is conditioned on full compliance with this regulation and on the clear understanding that permission is not indorsement of the company or the policies offered for sale.

§ 552.65 Command supervision.

(a) All insurance business conducted on Army installation will be by appointment. When setting up the appointment, insurance agents must identify themselves to the prospective purchaser as an agent for a specific insurance company.

(b) Department of Defense personnel are expressly prohibited from representing any insurance company or dealing either directly or indirectly with any insurance company or any

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recognized representative of an insurance company as an agent or in any official or business capacity for the solicitation of insurance to personnel on a military installation with or without compensation.

(c) In addition to the forbidden practices, installation commanders will prohibit the following:

(1) The use of a commercial insurance agent as a participant in any military-sponsored education or orientation program.

(2) The designation or announcement of any agent as "Battalion Insurance Advisor," "Unit Insurance Counselor," "SGLI Conversion Consultant," or similar quasi-official titles.

§ 552.66 Actions required by agents.

(a) The agent must know that—

(1) Soldiers to be solicited are in grades E-1, E-2, or E-3, and

(2) The solicitation of these members is restricted to specified times and locations designated by the installation commander.

(b) Agents must leave information on the policy applied for with each member in grades E-1, E-2, and E-3 who applies for insurance and the unit insurance officer or counselor. Agents must complete DA Form 2056 (Commercial Insurance Solicitation Record). Blank DA Forms 2056 (not allotment forms) will be available to insurance agents on request. In the "Remarks" section of DA Form 2056, agents will include all pertinent information and a clear statement that dividends are not guaranteed if the presentation refers to dividends.

§ 552.67 Life insurance policy content.

Insurance policies offered and sold on Army installations must—

(a) Comply with the insurance laws of the States or country in which the installations are located. The applicable State insurance commissioner will determine such compliance if there is a dispute or complaint.

(b) Contain no restrictions because of military service or military occupational specialty of the insured, unless restrictions are clearly indicated on the face of the policy.

(c) Plainly indicate any extra premium charges imposed because of mili-

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tary service or military occupational specialty.

(d) Not vary in the amount of death benefit or premium based on the length of time the policy has been in force, unless it is clearly described therein.

(e) For purposes of paragraphs (b) through (d) of this section, be stamped with an appropriate reference on the face of the policy to focus attention on any extra premium charges imposed and on any variations in the amount of death benefit or premium based on the length of time the policy has been in force.

(f) Variable life insurance policies may be offered provided they meet the criteria of the appropriate insurance regulatory agency and the Securities and Exchange Commission.

(g) Show only the actual premiums payable for life insurance coverage.

§ 552.68 Minimum requirements for agents.

(a) In the United States, its territories, and the Commonwealth of Puerto Rico, agents may be authorized to solicit on an installation provided—

(1) Both the company and its agents are licensed in the State in which the installation is located. "State" as it pertains to political jurisdictions includes the 50 States, territories, and the Commonwealth of Puerto Rico.

(2) The application to solicit is made by an accredited company (§ 552.69).

(b) On Army military installation in foreign areas.

(1) An agent may solicit business on U.S. military installations in foreign areas if—

(i) The company he represents has been accredited by DOD;

(ii) His name is on the official list of accredited agents maintained by the applicable major command;

(iii) His employer, the company, has obtained clearance for him from the appropriate overseas commanders; and

(iv) The commanding officer of the military installation on which he desires to solicit has granted him permission.

(2) To be employed for overseas solicitation and designated as an accredited agent, agents must have at least 1 year