



UNITED STATES MARINE CORPS
MARINE CORPS AIR STATION YUMA
BOX 99100
YUMA, ARIZONA 85369-9100

IN REPLY REFER TO
StaO 1740.1H
OJAD
12 Apr 14

STATION ORDER 1740.1H

From: Commanding Officer
To: Distribution List

Subj: SOLICITATION AND THE CONDUCT OF PERSONAL COMMERCIAL AFFAIRS ABOARD
MARINE CORPS AIR STATION YUMA, ARIZONA

Ref: (a) DoDI 1344.07
(b) SECNAVINST 1740.2E
(c) StaO 55.10.15
(d) DoDI 1000.15
(e) MCO 5760.4C
(f) StaO 5760.1G
(g) DoDI 1330.09

Encl: (1) Definitions
(2) Request to Conduct Private Commercial Solicitation/Business
(3) Conditions for Conduct of Private Commercial Solicitation/Business
(4) DoD Standards of Fairness
(5) Agent Affidavit
(6) Conditions Governing Solicitation of Insurance Sales

1. Situation. To set forth rules of conduct and procedures governing business solicitation and the conduct of personal commercial affairs aboard Marine Corps Air Station (MCAS) Yuma by civilian and military personnel in accordance with references (a) through (c). This Order does not apply to fundraising by private organizations such as the Officers' Spouses Club (OSC). Fundraising by private organizations on MCAS Yuma is regulated by references (d) and (e).

2. Cancellation. StaO 1740.1G.

3. Applicability and Scope

a. The policies and regulations in this Order are designed to provide a uniform approach to the conduct of all personal commercial solicitation and business aboard MCAS Yuma and to provide certain consumer protection standards.

b. The provisions of this order apply to all persons desiring to undertake solicitation or commercial business aboard MCAS Yuma. This order does not apply to telephonic, postal, or email order solicitations or commercial business transactions.

c. The provisions of this Order do not apply to solicitation or commercial activities authorized by Marine Corps Community Services, Defense Commissary Agency and installation financial organizations. Pursuant to reference (g), Armed Services Exchanges are the primary resale activity on DoD installations for non-food merchandise and patron services. Likewise, the Defense Commissary Agency is the primary resale activity for food merchandise and Marine Corps Community Services are tasked with providing for the physical, cultural, and social needs and general well-

being of service-members and their families which includes incidental resale within many programs.

4. Execution

a. Procedures for Obtaining Authority to Solicit or Conduct Personal Business Transactions aboard MCAS Yuma

(1) A Solicitation Authorization Letter (SAL) is the instrument used to control and identify authorized business solicitations and personal business transactions on this Air Station. It is for identification purposes only, and does not endorse the bearer, the product, or service in any way. A photograph of the bearer will be attached to all SALs. SALs are issued by the Office of the Staff Judge Advocate (OSJA) as approval of the Commanding Officer, MCAS Yuma in each case. A SAL will be issued by this Command when a petitioning business has met the criteria established by this Order and reference (f).

(2) Requirement to have a SAL. The following persons must have a valid SAL issued by the OSJA in order to solicit or conduct business aboard MCAS Yuma:

(a) Any person residing on base who receives any privilege, favor, gift, or emolument for any assistance offered to any businessman, salesperson, solicitor, or agent in their business with any personnel or activity aboard MCAS Yuma.

(b) Any person who desires to represent a business aboard MCAS Yuma, that operates for profit, to include all private home enterprises by residents of base housing that includes commercial retail or service activities customarily conducted out of commercial premises.

(c) Salespersons of correspondence courses. The sale of newspapers, books, magazines, periodicals, and encyclopedias aboard MCAS Yuma falls under the cognizance of the Marine Corps Exchange Officer and the Public Affairs officer.

(d) Civilian insurance agents and investment salespersons.

(e) Insurance adjusters and investigators.

(f) Commercial quarters cleaning agencies.

(g) Civilian substance vendors delivering to other than appropriated or non-appropriated fund activities, to include married and bachelor quarters will follow the procedures contained in reference (e), in order to obtain permission to operate aboard MCAS Yuma.

(h) All other persons required by the Commanding Officer, MCAS Yuma.

(3) Instances where SAL is not required. SAL is not required to conduct the following types of commercial business aboard MCAS Yuma:

(a) Civilian merchants and their agents who are entering MCAS Yuma to deliver or install a previously offered product, to perform a previously ordered service, or to conduct business with either appropriated or non-appropriated fund activities. These merchants and their agents must still adhere to reference (f) in obtaining access to MCAS Yuma.

(b) Persons engaged in business that by other official agreement or otherwise are authorized on MCAS Yuma.

(c) Occasional babysitters.

(d) Military family members residing in family housing are authorized to conduct one-time sales of personal property such as privately owned vehicles or boats, have garage sales, or conduct limited in-home commercial activities at their quarters. These limited in-home enterprises authorized aboard MCAS Yuma must be in good taste and conducive to the community atmosphere, such as: selling of handcrafts, Avon, Mary-K, tailoring, internet sales and similar activities. Activities that would tend to bring individuals or the Station into disrepute are not authorized. Pursuant to reference (g), the sale of brand name merchandise that is available through the Exchange, Commissary, or other military resale activities aboard the Station is prohibited. Internal or external alterations to housing units and external signs, displays, or advertising of the enterprises are prohibited.

(4) Processing of Requests

(a) Any person desiring to do business aboard MCAS Yuma must submit a written request form (see enclosure (2)). The request shall include a listing of all, items and/or services being offered for sale on board MCAS Yuma; a copy of the Arizona State Tax or business license or the Yuma City business license, and; if an agent, a statement (see enclosure (5)) from an authorized official of the company agreeing to comply with this Order and accepting full responsibility for the actions of the named agent which must also be included.

(b) Requests should be submitted to the OSJA, Building 980, phone (928) 269-3433, for initial review and determination of compliance. If the requestor is seeking to sell insurance, a copy of enclosure (6) will be provided. Failure to submit adequate written requests will result in the denial of the request.

(c) Letters petitioning the right to conduct business aboard MCAS Yuma, when the business involved is in competition with products or services sold or provided by Marine Corps Community Services, will be referred to the Director, Marine Corps Community Services, prior to issuance of a SAL. Letters petitioning the right to sell food items or merchandise should be referred to the Defense Commissary Agency representative aboard MCAS, Yuma. Salespersons may be refused solicitation privileges aboard MCAS Yuma if the item or service is reasonably available from other sources aboard this installation.

(d) If the request meets the criteria outlined in this Order, and indicates they have read and will comply with the appropriate enclosures, the Commanding Officer, via the SJA, will issue a SAL to solicit or conduct commercial business on board MCAS Yuma.

(e) Additional Clearance. In addition to the SAL described above, Commanding Officers of tenant commands aboard MCAS Yuma may impose additional requirements for conducting business in their respective areas on board MCAS Yuma.

(f) Tenure of SAL. All SALs will be valid for a period not to exceed one year and must be renewed if the person concerned desire to continue to conduct business on board MCAS Yuma. If no expiration is

specified, the authorization is effective for a period of one year from the date of issue. A SAL, once issued, is subject to being withdrawn by the Commanding Officer, MCAS Yuma, without recourse.

b. Rules of Conduct

(1) Remuneration in the form of gifts of any description will not be made to or accepted by military or civilian personnel employed by the Department of the Navy or U.S. Marine Corps. Unethical practices, such as those involving rebates or elimination of full compensation, will not be permitted.

(2) The use of MCAS Yuma automobile decals or official identification cards by any persons, including, retired or reserve members of the Armed Forces, to gain access to MCAS Yuma for the purposes of soliciting is prohibited, except as otherwise authorized in writing.

(3) Peddling is prohibited on MCAS Yuma except by the specific authority of the Commanding Officer.

(4) Soliciting, which includes house-to-house, individual-to-individual, and organization-to-organization soliciting, anywhere on MCAS Yuma, is prohibited. Commercial agents, including those of loan, finance, insurance, and investment companies are not permitted to address or attend meetings, classes or mass formations, or any other assembly of Navy or Marine Corps personnel. It is immaterial that such assembly is for other purposes and that the agent's appearance is incidental. The prohibition does not apply to presentations that encourage thrift, sound financial planning, and financial responsibility, when conducted by representatives of approved non-profit military associations underwritten by a commercial insurance company or by representative of approved banks credit unions as long as the presentations are conducted with the prior written approval from the Commanding Officer, MCAS Yuma.

(5) The customary and authorized method of solicitation for individuals and forms will be through the United States mail service. If an individual replies to such a communication, the matter then becomes a private business transaction. It shall be the responsibility of the salesperson to provide adequate proof that they have been invited to call on an individual on a particular date at a particular time.

(6) Persons authorized to conduct business on MCAS Yuma will not:

(a) Enter or visit family housing except by request, appointment, or prearrangement.

(b) Enter any storeroom, squad room, or bachelor enlisted quarters, except in an area designated as a place of meeting, and then only after first securing permission from the appropriate tenant commander. Each time a person authorized to conduct business aboard MCAS Yuma desires to transact business in a particular area; they will first obtain clearance from the tenant commander concerned.

(c) Transact business when it interferes with military duty. Normally, the hours of military duty are 0800-1630, Monday through Friday. During these hours, appointments will not be made unless the tenant commander has approved the appointment in their area.

(d) Conduct any type of commercial business with basic trainees, students under instruction, or personnel in separation processing, without the prior approval of the appropriate tenet commander.

(7) Educational Programs

(a) Unit Commanders are encouraged to make qualified personnel and facilities available for counseling for military members on loans, consumer credit transactions, and insurance matters in order to encourage thrift, financial responsibility, and sound financial planning. However, under no circumstances will the services of commercial agents, including loan, finance, insurance, or investment companies be used for these purposes. Educational materials prepared or presented by outside organizations who are experts in this field may be adapted or used provided the organization and the material to be used have been pre-approved by the Commanding Officer, MCAS, Yuma, and only for presentations by those approved organizations who are conducting classes at the express request of the Commanding Officer, MCAS Yuma.

(b) The provisions of this Order should not be interpreted to preclude representatives of the Navy Mutual Aid Association (a nonprofit, independent, self-insured military association, which is not commercially underwritten or affiliated and is recognized as a tax-exempt association under section 501(c) (23) of the Internal Revenue Code), from offering services and benefits to members and survivors. Association meetings for such purposes with members and survivors may include non-members who indicate in some manner an interest in obtaining more specific information regarding the Association's services and benefits, or procedures required to acquire membership.

5. Administration and Logistics

a. The SJA, OSJA

(1) Ensure that requests for SALs are submitted in accordance with the provisions of this Order. When concurrence must be obtained from a staff officer/cognizant activity head (e.g. Director, MCCS or the local Defense Commissary Agency representative) ensure that such concurrence has been obtained.

(2) Conduct local records check to determine whether an applicant or an employee has the required business licenses and ensure the Provost Marshal's Office has reviewed the application for any derogatory background/criminal record.

(3) In those cases where the Commanding Officer, MCAS, Yuma disapproves the application, the OSJA will notify the individual concerned of the denial of his/her request and the reason(s) thereof in writing.

(4) Before approving insurance and financial product agents' request for permission to solicit, the OSJA will review the list of agents and companies currently barred, banned, or limited from soliciting on any or all DoD installations. This list may be viewed via the Personal Commercial Solicitation Report "quick link" at www.commanderspage.com.

(5) Ensure that each individual issued a SAL has been properly appraised of the limitations and restrictions placed on the conduct of his/her particular business; and that the rules and conduct, as contained in this order are adhered to.

(6) Maintain all written statements that the solicitor will comply with the appropriate enclosure and all authorization letters on file at the OSJA for a period of two years.

b. Unit Commanders and Activity Heads. Regulate the conduct of salespersons, agents, and businesspersons within their area of responsibility.

c. Military personnel and MCAS Yuma residents discovering dealers, tradespersons, peddlers, or agents in the act of transacting business without prior identification issued in accordance with this Order, or otherwise violating these regulations, especially the rules of conduct, will immediately report to the Provost Marshal's Office at (928) 269-2205 or the nearest Military Policeman. It would be helpful if individuals making this type of report are able to physically describe the person involved and provide information concerning the color, make, model, year, license plate number, etc., of the vehicle of the person(s) involved.

6. Command and Signal

a. Signal. This Order is effective the date signed.

b. Command. This Order is applicable to MCAS Yuma, AZ.


ROBERT C. KUCKUK

DISTRIBUTION: B

DEFINITIONS

1. General

a. Agent. A person who receives remuneration as a salesperson for a company or whose remuneration is dependent upon either the volume of sales or the making of sales.

b. Commanding Officer. Includes the Commanding Officer, MCAS, Yuma; Commanding Officer, HHS, MCAS Yuma; and all Commanding Officers of MCAS Yuma tenant commands.

c. DoD Personnel. All active duty commissioned and warrant officers, and enlisted members of the Army, Navy, Air Force, and Marine Corps, and all civilians, officers, and employees, including special government employees of all offices, agencies, and departments which function on a defense installation, including non-appropriated fund instrumentalities.

d. Person(s) or Solicitor(s). Individuals, dealers, tradesmen, salespersons, companies, corporations, and agents or representatives of such entities.

e. MCAS Yuma. Marine Corps Air Station Yuma, Arizona, including that portion known as P-111, as well as 16th Street housing.

f. Solicitation. The conduct of any private business, including but not limited to, the sale and offer for sale of goods, services, commodities, stocks, and insurance, on board MCAS Yuma, AZ.

2. Insurance Terms

a. Insurer. Any company or association engaged in the business of selling insurance policies.

b. Military Association. Any profit or non-profit organization, whether or not the word "Association" appears in its title, and which:

(1) Is composed of and serving exclusively, members of the Armed Forces of the United States (on active duty, in a reserve status, in a retired status, or individuals who entered into such association while on active duty) and their dependents.

(2) Offers its members life insurance coverage, either: (1) As part of the membership dues, or (2) as a separately purchased plan made available through an insurance carrier of the association as a self-insurer, or a combination of (1) and (2).

c. Insurance Carrier. An insurance company issuing insurance through an association or reinsuring or coinsuring insurance.

d. Insurance Policy. A policy certificate of insurance issued by an insurer or evidence of insurance coverage issued by a self-insured association.

Enclosure (1)

**REQUEST TO CONDUCT PRIVATE COMMERCIAL SOLICITATION/BUSINESS ABOARD MCAS YUMA
STATEMENT OF PROSPECTIVE SOLICITOR**

1. I, _____, understand that solicitation of Department of Defense (DoD) personnel and their dependents is permitted only when the Commanding Officer, Marine Corps Air Station (MCAS) Yuma has specifically authorized solicitation in writing. I understand that I will only be allowed to solicit on an individual basis by specific prior appointment in family quarters. When establishing the appointment, I must identify myself to the prospective purchaser as an agent for my specific company.

2. I will comply with all applicable Federal, State, and local laws, as well as all regulations issued by the Department of Defense, Secretary of the Navy, Commandant of the Marine Corps and the Commanding Officer, MCAS Yuma, AZ regarding solicitation and business activities aboard military installations as well as local base registration procedures.

3. I understand that the following practices are prohibited and I will not engage in any of these practices while soliciting at MCAS Yuma:

a. Soliciting personnel while in a "mass" or "captive" audience on board that Station;

b. Making appointments with or soliciting military personnel who are in an "on-duty" status;

c. Soliciting without appointment in any area on board MCAS Yuma, including all Station housing areas;

d. Using official identification cards, vehicle stickers or passes by retired or reserve members of the armed forces to gain access to the Station for the purpose of soliciting;

e. Procuring or supplying, or attempting to procure or supply roster listing of Department of the Navy (DoN) personnel for the purpose of commercial solicitation except pursuant to procedures implementing the Freedom of Information Act;

f. Offering unfair, improper or deceptive inducements to purchase or trade;

g. Offering rebates to facilitate transactions or to eliminate competition; Credit Union interest refunds to borrowers are not considered a prohibited rebate;

h. Using any manipulative, deceptive or fraudulent device, scheme or artifice, including misleading advertising and sales literature;

i. Using oral or written representations to suggest or give the appearance that DoD or DoN sponsors or endorses any particular company, its agents, or the goods, services and commodities it sells;

j. Entering any unauthorized or restricted areas;

Enclosure (2)

k. Soliciting by a military member of another military member who is junior in rank or grade, whether on or off duty, in or out of uniform, on or off Station at any time, except as permitted in 5 C.F.R. Part 2635, Standards of Ethical Conduct for Employees of the Executive Branch, and DoD 5500.7-R, Department of Defense Joint Ethics Regulations;

l. Using any portion of Station facilities, including quarters, as showroom or store for goods or services;

m. Soliciting door to door; or

n. Advertising addresses or telephone numbers of commercial sales activities conducted on the Station, except for authorized activities conducted by members of military families residing in family housing.

4. I understand the prohibitions listed in paragraph (3), above, as well as the guidance provided in enclosures (3) and (4) of this Order. I understand that my adherence to this Order is a condition to my being authorized to solicit on board MCAS Yuma, and that any violations of this Order will result in immediate revocation of my authorization to solicit or conduct any other commercial business aboard MCAS, Yuma,

SIGNATURE: _____

PRINT NAME: _____

TITLE: _____

DATE: _____

FIRM NAME: _____

TELEPHONE #:

ADDRESS: _____

Return this Statement to:
Office of Staff Judge Advocate
Marine Corps Air Station Yuma, AZ
Box 99100
Yuma, Arizona 85369-9100

Enclosure (2)

CONDITIONS FOR PRIVATE COMMERCIAL SOLICITATIONS ON BOARD MARINE CORPS AIR STATION YUMA, ARIZONA

1. When Solicitation is Permitted. Solicitation of DoD personnel and their dependents is permitted when:

a. The Commanding Officer, MCAS Yuma authorizes such solicitation in writing. Such solicitation will be conducted on an individual basis by specific prior appointment in family quarters or in such other locations and at such hours as the Commanding Officer may designate. When establishing the appointment, solicitors must identify themselves to the prospective purchaser as a sales representative for a specific company. Where feasible, disinterested third-party counseling will be provided if desired by the person being solicited.

b. The solicitor has complied with local base registration and security procedures, and the provisions of this Order, and, if required, the solicitor is appropriately licensed in the State of Arizona or the City of Yuma.

2. Prohibited Solicitation Practices

a. Solicitation of recruits, trainees, and other personnel while in a "mass" or "captive" audience on board Marine Corps Air Station Yuma, Arizona.

b. Making appointments with or soliciting military personnel who are in an "on-duty" status.

c. Soliciting without appointments in areas used for the housing or processing of transient personnel or the solicitation in barracks areas used as quarters.

d. Use of official identification cards by retired or reserve members of the armed forces to gain access to Marine Corps Air Station Yuma, Arizona, for the purpose of soliciting.

e. Procuring or supplying or attempting to procure or supply, roster listing of DoD personnel for the purpose of commercial solicitation, except pursuant to procedures implemented in the Freedom of Information Act.

f. The offering of unfair, improper, or deceptive inducements to purchase or trade.

g. Practices involving rebates to facilitate transactions or to eliminate competition. Credit union interest refunds to borrowers are not considered a prohibited rebate.

h. The use of any manipulative, deceptive or fraudulent device, scheme or artifice, including misleading advertising and sales literature.

i. Using oral or written representations to suggest or give the appearance that Department of Defense or Department of the Navy sponsors or endorses any particular company, its agents, or the goods, services and commodities it sells.

j. The entry into any unauthorized or restricted area.

Enclosure (3)

k. Solicitation by a military member of another military member who is junior in rank or grade, whether on or off duty, in or out of uniform, on or off Station at any time, except as permitted in 5 C.F.R. 2635, Standards of Ethical Conduct for Employees of the Executive Branch, and DoD Instruction 5500.7-R, Department of Defense Joint Ethics Regulations.

1. Using any portion of Station facilities, including quarters, as a showroom or store for the sale of goods or services.

m. Soliciting door-to-door.

n. Advertising addresses or telephone numbers of commercial sales activities conducted on the Station, except for authorized activities conducted by members of military families residing in family housing.

Enclosure (3)

DoD STANDARDS OF FAIRNESS

1. No finance charge contracted for, made, or received under any contract shall be in excess of the charge which could be made for such contract under the law of the place which the contract is signed in the United States by the military member.

a. In the event a contract is signed with a U. S. company in a foreign country, the lowest interest rate of the state or states in which the company is chartered or does business shall apply.

b. However, interest rates and service charges applicable to overseas military banking facilities will be established by the Department of Defense.

2. No contract or loan agreement shall provide for an attorney's fee in the event of default unless suit is filed, in which event the fee provided in the contract shall not exceed 20 percent of the obligation found due. No attorney fees shall be authorized if the attorney is a salaried employee of the holder.

3. In loan transactions, defenses which the debtor may have against the original lender or its agent shall be good against any subsequent holder of the obligation, provided that the holder has actual knowledge of the defense or under conditions where reasonable inquiry would have apprised the holder of this fact.

4. The military member shall have the right to remove any security for the obligation beyond state or national boundaries under military orders if he notifies the creditor, in advance of the removal, of the new address where the security will be located. Removal of the security shall not accelerate payment for the obligation.

5. No late charge shall be made in excess of 5 percent of the late payment, or \$5.00 whichever is the lesser amount, or as provided by law or applicable regulatory agency determination. Only one late charge may be made for any tardy installment. Late charges by overseas banking facilities are a matter of contract with the Department of Defense. Late charges by federal credit unions are set at 20 percent due with a minimum of not less than 5 cents.

6. The obligation may be paid in full at any time or through accelerated payments of any amount. There shall be no penalty for prepayment, and in the event of prepayment that portion of the finance charges which has incurred to the benefit of the seller or creditor shall be prorated on the basis of the charges which would have been ratably payable had finance charges been calculated and payable as equal periodic payments over the terms of the contract and only the prorated amount to the date of prepayment shall be due. As an alternative the "Rule of 78" may be applied.

7. If a charge is made for loan insurance protection, it must be evidenced by delivery of a policy or certificate of insurance to the military member within 30 days.

8. If a loan or contract agreement provides for payment in installments, each payment, other than the down payment, shall be in equal or substantially equal amounts, and installments shall be successive and of equal or substantially equal duration.

Enclosure (4)

9. If the security for the debt is repossessed and sold in order to satisfy or reduce the debt, the repossession and resale will be governed by the laws of the state in which the security is requested.

10. A contract for personal goods and services may be terminated at any time before delivery of the goods or services without charge to the purchaser. However, if goods made to the special order of the purchaser result in production costs; or require preparation for delivery, such additional costs listed in the order form or contract may be chargeable to the purchaser.

a. No termination charge will be made in excess of this amount. Contracts for delivery at future intervals may be terminated as to the undelivered portion.

b. The purchaser shall be chargeable only for that proportion of the total costs which the goods or services delivered bear to the total goods called for by the contract. This is in addition to the right to rescind certain credit transactions involving a security interest in real estate provided by Pub.L. 90-321 and the Federal Reserve Board Regulation.

Enclosure (4)

SAMPLE AFFIDAVIT

STATE OF ARIZONA
COUNTY OF YUMA

I, Joseph E. Doe, being duly sworn, state:

(1) That I am an officer of the XYA products, Inc., to wit, President/Vice President.

(2) That I reside at ___

(3) That this affidavit is made for the purpose of complying with the Station Order for soliciting on the area known as Marine Corps Air Station Yuma, AZ.

(4) That this affidavit is for the business located at the below address:

XYZ Products, Inc.
123 Marine Corps Way
Yuma, AZ 85364,

(5) That the following is an Authorized representative:

Mr. Dow H. Jones
14 Lake Drive
Yuma, AZ (928)123-4567

(6) That the following is a general list and description of items that XYZ Products, Inc., intends to sell:

(7) That XYZ Products, Inc., agrees to assume responsibility with respect to business transactions performed by Mr. Dow H. Jones in connection with and arising directly out of the sale of XYZ merchandise to customers residing on Marine Corps Air Station Yuma, AZ.

(8) That XYZ Products, Inc., will guarantee that, where merchandise is ordered by a customer holding a written receipt issued by and Authorized Representative, the merchandise so ordered shall be delivered to the customer.

(9) If for any reason whatsoever, an XYZ product is not found satisfactory; it will be willingly exchanged of the full purchase price refunded upon its return to our Authorized Representative or us.

(10) That XYZ Products, Inc., is in compliance with all applicable Federal, State (Arizona), the State of incorporation, and local laws to be able to conduct its business in the county of Yuma, Arizona.

Enclosure (5)

(11) That XYZ Products, Inc., will not contest jurisdiction of Arizona Courts on any claim arising out of a contract resulting from the company's commercial activities aboard Marine Corps Air Station Yuma, AZ.

JOSEPH E. DOE Vice President

Signature of Notary

Authorized to Act as Notary
10 U.S.C. Sect 1044a
JAGMAN 0902D(1)(H)
NO SEAL REQUIRED

Name of Officer and Position:
Grade and Branch of Service:
Command or Organization:

Enclosure (5)

CONDITIONS GOVERNING SOLICITATION FOR INSURANCE SALES

1. Prohibited Practices. In addition to the practices prohibited in paragraph II of enclosure (2) of this Order, the following practices are prohibited with reference specifically to the sale of insurance:

a. DoD personnel representing an insurance company, or dealing either directly or indirectly with any insurance company (or any recognized representative of an insurance company) as an agent, or in any official business capacity for the solicitation of insurance to personnel on a military installation. This is in addition to policies outlined in reference (a) and is applicable regardless of whether such representation is done with or without monetary compensation.

b. The use of an agent as a participant in any military sponsored education or orientation program. Subject to approval by the Commander, Naval Military Personnel Command, or the Commandant of the Marine Corps, as applicable, agents of nonprofit military associations may act in this capacity but only if their assistance (or participation) is entirely free from self-serving interest or emphasis.

c. Agents assuming or using titles such as "Battalion Insurance Counselor," "Unit Insurance Advisor," "SGLI Conversion consultant," etc.

d. The assignment or use of office or desk space for an interview for other than a specified, prearranged appointment.

e. The use of base bulletins, the plan of the day, or any other notice, official or unofficial announcing the presence and availability of an agent.

f. The distribution, or availability for distribution, of literature or advertisement materials other than to the person being interviewed.

2. Life Insurance Policy Content Prerequisites

a. Insurance policies, other than certificates or other evidence of insurance issued by a self-insured association, offered and sold to personnel on a military installation (world-wide) must:

(1) Comply with the insurance laws of the state of Arizona and the procedural requirements of this Order.

(2) Contain no restriction by reason of military service or military occupational specialty of the insurer, unless such restrictions are clearly indicated on the face of the policy.

(3) Plainly indicate any extra premium charges imposed by reason of military service or military: occupational specialty.

(4) Not provide for any variation in the amount of death benefit or premium based upon the length of time the policy has been in force, unless any such variations are clearly described therein.

b. For the purposes of IIa(2), (3), and (4) above, an appropriate reference stamped on the face of the policy will be utilized to draw the attention of the policy holder to any amount of death benefit or premium based upon the length of time policy has been in force.

c. Actual premiums payable for life insurance coverage shall be set forth separately.

d. Variable life insurance policies may be offered provided they meet criteria of the Arizona Insurance Regulatory Agency and the Securities and Exchange Commission.

3. Use of the Allotment to Pay System

a. Allotments of military pay for life insurance will be made in accordance with military regulations. Allotments are not authorized to be made to an insurer for the purchase of health, accident, or hospitalization insurance. Allotments for other contracts which, as a secondary or incidental feature, include insurance of the lives of an allotter's spouse or children are also not authorized, except under a family group contract which primarily provides insurance on the life of an allotter and, as a subordinate feature, includes insurance on the lives of the spouse and children.

b. For personnel in pay grades E-1, E-2, and E-3, at least seven days should elapse between the signing of a life insurance application and the certification of an allotment. This is to be considered as a "cooling off" period in which to permit reconsideration of the insurance purchase. The purchaser's commanding officer may grant a waiver of this requirement for good cause, such as the purchaser's imminent permanent change of station.

4. Association -General. The recent growth and general acceptability of quasi-military associations offering various insurance plans to military personnel are acknowledged. Some associations are not organized within the supervision of insurance laws of either the federal or state governments. While some are organized for profit, others function as nonprofit associations under Internal Revenue Service regulations. Regardless of the manner in which insurance plans are offered to members, the management of the association is responsible for fully complying with the instructions contained herein.