

Ga.: Regs Protect Military From Scams

by AP-News

ATLANTA (AP) -- Military recruits in Georgia will face stronger protections from unscrupulous life insurance agents trying to peddle them policies they don't need, according to new state regulations that take effect on Saturday.

Georgia Insurance Commissioner John Oxendine said the regulations came after investigations by his office found that members of the military were being scammed by agents selling them inappropriate or nearly worthless policies.

Under the new regulations, insurers must show their products are suitable for junior enlisted service members at the low end of the military pay scale. Policies that include features like deceptive interest crediting methodologies and automatic premium payment provisions cannot be marketed at all to the soldiers, Oxendine said.

Oxendine said the regulations are "a crucial step in making sure the members of the military are protected from abusive sales practices and provided the highest quality insurance products."

The new Georgia regulations also incorporate Department of Defense rules, which make it a deceptive trade practice to solicit in barracks, day rooms and other restricted areas.

Oxendine helped spearhead an investigation into a Texas-based American-Amicable Life Insurance Company, which agreed to pay up to \$70 million to settle allegations that it targeted American military personnel with a deceptive sales program.

Oxendine's office opened its investigation a week after a New York Time story came out which mentioned life insurance problems affecting soldiers, including some at Georgia's Fort Benning. He was later joined in the effort by other states and the federal agencies.

Oxendine testified on the issue before an oversight hearing of the U.S. Senate Committee on Banking, Housing and Urban Affairs in November 2005.

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