

governing personal commercial solicitation and insurance sales on DoD installations.

(b) Continues the established annual DoD accreditation requirements for life insurance companies operating in overseas areas where neither Federal nor State consumer protection regulations apply.

§ 43.2 Applicability and scope.

(a) This part applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Organization of the Joint Chiefs of Staff (OJCS), the Unified Commands, and the Defense Agencies (hereafter referred to collectively as "DoD Components"). The term "Military Services," as used herein, refers to the Army, Navy, Air Force, Marine Corps, and Coast Guard.

(b) The provisions of this part do not apply to services furnished by commercial companies, such as deliveries of milk, laundry, and related residence services when such services are authorized by the DoD installation commander.

(c) Nothing in this part should be construed to preclude private, non-profit, tax-exempt organizations composed of active and retired members of the Military Services from holding membership meetings which do not involve commercial solicitation on DoD installations. Attendance at these meetings shall be voluntary and the time and place of such meetings are subject to the discretion of the installation commander or his or her designee.

[51 FR 7552, Mar. 5, 1986, as amended at 52 FR 25008, July 2, 1987]

§ 43.3 Definitions.

Agent. An individual who receives remuneration as a salesperson or whose remuneration is dependent on volume of sales of a product or products.

Association. Any organization, whether or not the word "Association" appears in its title, composed of and serving exclusively members of the Military Services on active duty, in a Reserve status, in a retired status, and their dependents, which officers its members life insurance coverage, either as part of the membership dues, or as a separately purchased plan made

available through an insurance carrier or the association as a self-insurer, or a combination of both.

DoD installation. Any Federally owned, leased, or operated base, reservation, post, camp, building, or other facility to which DoD personnel are assigned for duty, including barracks, transient housing, and family quarters.

DoD personnel. All active duty officers (commissioned and warrant) and enlisted members of the Military Services and all civilian employees, including nonappropriated fund employees and special Government employees of all offices, agencies, and departments carrying on functions on a Defense installation.

General agent. A person who has a legal contract to represent a company solely and exclusively.

Insurance carrier. An insurance company issuing insurance through an association or reinsuring or coinsuring such insurance.

Insurance product. A policy, annuity, or certificate of insurance issued by an insurer or evidence of insurance coverage issued by a self-insured association.

Insurer. Any company or association engaged in the business of selling insurance policies to DoD personnel.

Normal home enterprises. Sales or services which are customarily conducted in a domestic setting and do not compete with an installation's officially sanctioned commerce.

Securities. Mutual funds, stocks, bonds, or any product registered with the Securities and Exchange Commission except for any insurance or annuity product issued by a corporation subject to supervision by State insurance authorities.

Solicitation. The conduct of any private business, including the offering and sale of insurance on a military installation. Solicitation on installations is a privilege as distinguished from a right, and its control is a responsibility vested in the DoD installation commander.

§ 43.4 Policy.

It is the policy of the Department of Defense to safeguard and promote the welfare of DoD personnel as consumers by setting forth a uniform approach to

the conduct of all personal commercial solicitation and sales to them by dealers and their agents.

§ 43.5 Responsibilities.

(a) The *Assistant Secretary of Defense (Force Management and Personnel)* (ASD(FM&P)) shall be responsible for developing policies and procedures governing personal commercial solicitation activities conducted on DoD installations.

(b) The *Heads of DoD Components*, or their designees, shall assure implementation of this Directive and compliance with its provisions.

§ 43.6 Procedures.

(a) *General.* (1) No person has authority to enter upon a DoD installation and transact personal commercial solicitation as a matter of rights. Personal commercial solicitation will be permitted only if the following requirements are met:

(i) The solicitor is duly licensed under applicable Federal, State, or municipal laws and has complied with installation regulations in accordance with paragraph (c) of this section.

(ii) Personal commercial solicitation is permitted by the local installation commander.

(iii) A specific appointment has been made with the individual concerned and conducted in family quarters or in other areas designated by the installation commander.

(2) Those seeking to transact personal commercial solicitation on overseas installations shall be required to observe, in addition to the above, the applicable laws of the host country and, upon demand, present documentary evidence to the installation commander, or designee, that the company they represent, and its agents, meet the licensing requirements of the host country.

(3) Organizations involved in sales are permitted to display literature on DoD installations in locations selected by the commander.

(b) *Life insurance products and securities.* (1) Life insurance products and securities offered and sold to DoD personnel must meet the prerequisites described in Appendix A.

(2) Insurers and their agents are authorized to solicit on DoD installations provided they are licensed under the insurance laws of the State in which the installation is located. In overseas areas, DoD Components shall limit this authorization to those insurers accredited under the provisions of Appendix B.

(3) The conduct of all insurance business on DoD installations shall be by specific appointment. When establishing the appointment, insurance agents must identify themselves to the prospective purchaser as an agent for a specific company.

(4) Installation commanders shall designate areas where interviews by appointment may be conducted. Invitations to conduct interviews shall be extended to all agents on an equitable basis. Where space and other considerations limit the number of agents using the interviewing area, the installation commander may develop and publish local policy consistent with this concept.

(5) Installation commanders shall make disinterested third-party counseling available to DoD personnel desiring counseling.

(6) In addition to the solicitation prohibitions contained in paragraph (d) of this section, DoD Components shall prohibit:

(i) DoD personnel from representing any insurer, or dealing directly or indirectly with any insurer or any recognized representative of any insurer on the installation, as an agent or in any official or business capacity with or without compensation.

(ii) The use of an agent as a participant in any Military Services-sponsored insurance education or orientation program.

(iii) The designation of any agent or the use by any agent of titles such as "Battalion Insurance Counselor," "Unit Insurance Advisor," "Service-men's Group Life Insurance Conversion Consultant," etc.

(iv) The assignment of desk space for interviews for other than a specific prearranged appointment. During such appointment, the agent shall not be permitted to display desk or other signs announcing his or her name or company affiliation.