

It is further ordered, That Lawrence TV Corporation, a corporation, and George Harris, individually and as an employee of said corporation, shall, within sixty (60) days after service of this order upon them, file with the Commission a report in writing, signed by such respondents, setting forth in detail the manner and form of their compliance with the order to cease and desist.

IN THE MATTER OF

DAVID & DAVID, INC., ET AL.

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION OF THE
FEDERAL TRADE COMMISSION AND THE FLAMMABLE FABRICS ACTS

Docket C-1321. Complaint, April 15, 1968—Decision, April 15, 1968

Consent order requiring a Long Island City, N.Y., manufacturer of ladies' hair pieces to cease importing or selling any dangerously flammable article of wearing apparel.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act and the Flammable Fabrics Act, and by virtue of the authority vested in it by said Acts, the Federal Trade Commission, having reason to believe that David & David, Inc., a corporation, and Stanley Dombroff, individually and as an officer of said corporation, hereinafter referred to as respondents, have violated the provisions of said Acts and the Rules and Regulations promulgated under the Flammable Fabrics Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint, stating its charges in that respect as follows:

PARAGRAPH 1. Respondent David & David, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York. Individual respondent Stanley Dombroff is an officer of the corporate respondent and formulates, directs and controls the acts, practices and policies of the corporate respondent. The corporate respondent and individual respondent Stanley Dombroff are manufacturers of articles of wearing apparel including ladies' hair pieces, and have their office and principal place of business at 47-51 Thirty-third Street, Long Island City, New York.

PAR. 2. Subsequent to July 1, 1954, the effective date of the Flammable Fabrics Act, respondents have manufactured for sale, sold and offered for sale in commerce; have imported into the United States; and have introduced, delivered for introduction, transported and caused to be transported, in commerce; and have transported and caused to be transported for the purpose of sale or delivery after sale in commerce; as "commerce" is defined in the Flammable Fabrics Act, articles of wearing apparel, as the term "article of wearing apparel" is defined therein, which articles of wearing apparel were under the provisions of Section 4 of the Flammable Fabrics Act, as amended, so highly flammable as to be dangerous when worn by individuals.

Among such articles of wearing apparel mentioned above were ladies' hair pieces.

PAR. 3. The acts and practices of respondents herein alleged were and are in violation of the Flammable Fabrics Act and of the Rules and Regulations promulgated thereunder and as such constitute unfair and deceptive acts and practices within the intent and meaning of the Federal Trade Commission Act.

DECISION AND ORDER

The Federal Trade Commission having initiated an investigation of certain acts and practices of the respondents named in the caption hereof, and the respondents having been furnished thereafter with a copy of a draft of complaint which the Bureau of Textiles and Furs proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondents with violation of the Federal Trade Commission Act and the Flammable Fabrics Act; and

The respondents and counsel for the Commission having thereafter executed an agreement containing a consent order an admission by the respondents of all the jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for set-

tlement purposes only and does not constitute an admission by respondents that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondents have violated the said Acts, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings, and enters the following order:

1. Respondent David & David, Inc., is a corporation organized, existing and doing business under and by virtue of the laws of the State of New York, with its office and principal place of business located at 47-51 Thirty-third Street, Long Island City, New York.

Respondent Stanley Dombroff is an officer of said corporation and his address is the same as that of said corporation.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondents, and the proceeding is in the public interest.

ORDER

It is ordered, That respondents David & David, Inc., a corporation, and its officers, and Stanley Dombroff, individually and as an officer of said corporation, and respondents' representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from:

1. (a) Importing into the United States; or

(b) Manufacturing for sale, selling, offering for sale, introducing, delivering for introduction, transporting or causing to be transported, in commerce, as "commerce" is defined in the Flammable Fabrics Act; or

(c) Transporting or causing to be transported, for the purpose of sale or delivery after sale in commerce, any article of wearing apparel which, under the provisions of Section 4 of the Flammable Fabrics Act, as amended, is so highly flammable as to be dangerous when worn by individuals.

It is further ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order file, with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

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IN THE MATTER OF

UNITED EQUITABLE LIFE INSURANCE COMPANY

CONSENT ORDER, ETC., IN REGARD TO THE ALLEGED VIOLATION
OF THE FEDERAL TRADE COMMISSION ACT*Docket C-1322. Complaint, April 18, 1968—Decision, April 18, 1968*

Consent order requiring a Chicago, Ill., insurance company to cease the deceptive use in its advertising and insurance policies of the terms "no exceptions," "non-cancellable," "prompt payment," "no medical examination," "bodily infirmity or disease," and "hospital"; and neglecting to disclose any limitation, condition or exception to the stated terms of its policies.

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as that Act is applicable to the business of insurance under the provisions of Public Law 15, 79th Congress (Title 15, U.S. Code, Sections 1011 to 1015, inclusive), and by virtue of the authority vested in it by said Act, the Federal Trade Commission, having reason to believe that United Equitable Insurance Company, a recently dissolved corporation, predecessor of and assignor to United Equitable Life Insurance Company, a corporation, which successor corporation is hereinafter referred to as respondent, has violated the provisions of said Act, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues its complaint stating its charges in that respect as follows:

PARAGRAPH 1. Respondent United Equitable Life Insurance Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 4554 North Broadway, in the city of Chicago, State of Illinois, premises formerly occupied by United Equitable Insurance Company, an Illinois corporation, now dissolved.

Shortly prior to issuance of this complaint United Equitable Life Insurance Company acquired substantially all the assets and assumed substantially all the liabilities of United Equitable Insurance Company, to the business of which it succeeded. Respondent has the same officers and directors as its predecessor. References hereinafter in this complaint to "respondent" include respondent's predecessor, United Equitable Insurance Company.

PAR. 2. Respondent is now, and for some time last past has been, engaged as insurer in the business of insurance in commerce, as "commerce" is defined in the Federal Trade Commission Act. As a part of

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said business in commerce, said respondent enters into insurance contracts with insureds located in various States of the United States other than the State of Illinois in which States the business of insurance is not regulated by State law to the extent of regulating the practices of said respondent alleged in this complaint to be illegal.

PAR. 3. Respondent, in conducting the business aforesaid, has sent and transmitted and has caused to be sent and transmitted, by means of the United States mails and by various other means, letters, application forms, contracts, checks and other papers and documents of a commercial nature from its place of business in the State of Illinois to purchasers and prospective purchasers located in various other States and has thus maintained a substantial course of trade in said insurance contracts, policies and other papers and documents of a commercial nature in commerce between and among the several States of the United States.

PAR. 4. Respondent is licensed as provided by State law, to conduct the business of insurance only in the State of Illinois. Said respondent is not now, and for some time last past has not been, licensed as provided by State law to conduct the business of insurance in any State other than the State of Illinois.

PAR. 5. Respondent solicits business directly by mail and by and through various publications, such as magazines, in various States of the United States in addition to the State named in Paragraph Four above. As result thereof, it has entered into insurance contracts with insureds located in many States in which it is not licensed to do business. Said respondent's business practices are, therefore, not regulated by State law in any of those States in which said respondent is not licensed to do business as it is not subject to the jurisdiction of such States.

PAR. 6. In the course and conduct of said business, and for the purpose of inducing the purchase of policies of insurance, respondent has made, and is now making, numerous statements and representations concerning the premiums, coverage, benefits, effective dates of coverage, renewal of coverage, and other provisions of said policies by means of letters, magazine advertisements and other printed advertising material disseminated throughout the United States.

Typical and illustrative, but not all inclusive, of such statements and representations are the following:

A. In connection with the offering for sale an inducement to the retention of Policy Form 210 C.

This "\$1,000.00 a month" policy protects you from the very first day * * * yes, even if you are hospitalized due to bodily injury from any accident *the very*

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first day, you will be paid at the rate of \$1,000.00 a month for the total period you are hospitalized * * * whether for a month * * * a year * * * even for 100 months or \$100,000.00—or for the rest of your life, if necessary.

* * * * *

You get cash, *starting the very first day* * * * at the rate of \$1,000.00 a month * * * if you are hospitalized for only one day or for life. Other than a rest home, rehabilitation center or government hospital.

* * * * *

There are absolutely no exceptions as to the kind of accidents you are protected by this policy. With *OUR POLICY ANY AND ALL ACCIDENTS* are included * * *.

* * * * *

Benefits will *NEVER* be reduced. The policy will *NEVER* be terminated by our company regardless of your age, or number of claims you make, or the amount of money paid to you on your claims. It is your option to renew or cancel at any time. It is yours for life.

When you have this policy you know you will receive *CASH* at the rate of \$1,000.00 a month during your entire stay in the hospital, month after month, *EVEN FOR LIFE*.

* * * * *

NON-CANCELLABLE AND GUARANTEED RENEWABLE FOR LIFE.

* * * * *

We will send your non-cancellable, guaranteed renewable policy immediately and include a special coin envelope for your convenience for sending only 25¢ which pays for a full month's protection. No agent or salesman will call. No obligation.

* * * * *

Now, *ONLY 25¢* puts this policy in force giving you this protection for the first full month * * *.

* * * * *

No Medical Examination To Qualify

* * * * *

* * * there is no medical examination required.

* * * * *

Our policy is to *PAY CLAIMS PROMPTLY*

* * * * *

BENEFITS CHECK PAYMENTS

Dear Policyholder :

Here are only a few of the many United Equitable Insurance Company policyholders who have received cash benefit checks recently. Keep your policy in force and keep protected so there will be no cause for regrets. Your policy pays at the rate of \$1,000.00 cash (one thousand dollars) a month for a day or for life and is guaranteed renewable regardless of how many claims you make * * *.

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Policyholder's name and address	Cause of hospitalization	Claim No.	Benefit paid
Mrs. Catherine Hall Fort Pierce, Fla. * * *	Low back and neck strain --- * * *	1222 ***	\$266. 67 * * *
William Carlisle Providence, Ky.	Slipped on steps Lumbar strain.	1544	333. 33

B. In connection with the offering for sale of Policy Form 610.

Stop worrying about money to pay doctor's and hospital bills when you are hospitalized due to either sickness or accident.

This UNITED EQUITABLE PREFERRED Insurance Payment Plan Policy guarantees to make these cash payments direct to you—

\$600.00 CASH FOR ONE MONTH

\$1200.00 CASH FOR TWO MONTHS

\$1800.00 CASH FOR THREE MONTHS

(OR EVEN \$600.00 A MONTH FOR A LIFETIME if NECESSARY).

* * * * *

—no medical examination.

* * * * *

All sicknesses and diseases covered are fully specified in the policy.

* * * * *

Each insured child (under age 18) is fully covered under all benefits specified in the policy for the amount of \$600.00 a month while hospitalized for accident or sickness.

* * * * *

Checks for \$600.00 a month stand back of you ready to go into the mail immediately, direct to you, in accordance with the provisions of this fine policy—every month even for a lifetime.

C. In connection with the offering for sale of Policy Form 200 C.

PAYS YOU \$150.00 a month beginning the first day you are injured. The policy provides that if you have an automobile accident while driving or riding in any automobile, truck or bus and you are confined at home or in the hospital under medical care, you will be paid at the rate of \$150.00 a month from the first day of injury even for life.

* * * * *

PAYS YOU \$500.00 for hospital expenses in any hospital in the U.S. or Canada. \$10.00 per day from the very first day of hospitalization up to \$500.00.

* * * * *

PAYS \$2,500.00 to your beneficiaries in case of accidental loss of life while driving or riding in any automobile, truck or bus.

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PROMPT PAYMENT OF CLAIMS you can depend on the company's responsibility.

* * * * *

HOW CLAIMS ARE PAID:

1. Notify us promptly of automobile accident. No details are necessary.
2. We will send you by return mail an automobile accident claim form.
3. Return form properly filled out together with licensed physician's report of injury.
4. Our check will be mailed to you promptly on approval of your claim.

* * * * *

\$2,500.00 LOSS OF LIFE for your beneficiaries in case of accidental loss of life while riding or driving in any automobile, truck or bus; or as a fare-paying passenger within a surface or elevated train, streetcar, or passenger boat; as a passenger in a passenger elevator; as a passenger during a regularly scheduled trip in a licensed passenger aircraft operated by a licensed pilot.

* * * * *

No Medical Examination.

PAR. 7. By and through the use of the aforementioned statements, and others of similar import and meaning not specifically set out herein, respondent has represented, directly or by implication:

A. In connection with Policy Form 210 C.

1. That the respondent issues an insurance policy which provides, and pursuant to which, it will pay benefits at the rate of \$1,000 a month for hospitalization resulting from any accident without exception.

2. That the respondent will never cancel the policy.

3. That the respondent pays claims promptly.

4. That the furnishing of benefits under the policy is not or may not be contingent upon a medical examination under any condition.

B. In connection with Policy Form 610.

1. That the respondent issues an insurance policy which provides, and pursuant to which, it will pay \$600 a month for hospitalization, due to sickness or accident without further exception or limitation.

2. That each child under age 18 is fully covered under the policy.

3. That the furnishing of benefits under the policy is not or may not be contingent upon a medical examination under any condition.

4. That the respondent pays claims promptly.

C. In connection with Policy Form 200 C.

1. That the respondent issues an insurance policy which provides and pursuant to which it will pay:

a. \$150 a month from the first day of injury, even for life, for confinement at home or in the hospital under medical care if the insured

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is involved in an automobile accident while driving or riding in any automobile, truck or bus without further condition or exception.

b. \$10 per day, up to \$500 for hospital expenses in connection with hospitalization in any hospital in the U.S. or Canada if the insured is injured in an automobile accident while driving or riding in any automobile, truck or bus, without further condition or exception.

c. \$2500 for accidental loss of life while riding or driving in any automobile, truck or bus; as a fare-paying passenger within a surface or elevated train, streetcar, or passenger boat; as a passenger in a passenger elevator; as a passenger during a regularly scheduled trip in a licensed passenger aircraft operated by a licensed pilot; all without further condition or exception.

2. That the respondent pays claims promptly.

3. That the furnishing of benefits under the policy is not or may not be contingent upon a medical examination under any condition.

PAR. 8. In truth and in fact:

A. In connection with Policy Form 210 C.

1. The respondent does not issue an insurance policy which provides, and pursuant to which, it will pay benefits at the rate of \$1,000 a month for hospitalization resulting from any accident without exception. On the contrary, said policy provides that the respondent will pay benefits in the event of hospital residence occurring solely as the consequence of direct bodily injury resulting from an accident and independent of all other causes while the policy is in force. Further, said policy provides that benefits will be paid beginning with the first day that injury shall continually confine the insured to a hospital and defines a hospital as a legally constituted institution which is open at all times and is operated primarily for the care and treatment of sick and injured persons as in-patients, which has a staff of one or more licensed physicians available at all times, which continuously provides twenty-four hour nursing service by graduate registered nurses, which provides organized facilities for diagnosis and major surgery, and which is not primarily a clinic, nursing, rest or convalescent home, rehabilitation center or similar establishment. Further, the respondent relies on these provisions in denying and reducing claims.

2. The respondent has cancelled policies.

3. The respondent does not pay claims promptly.

4. The respondent reserves the right to examine the person of the insured when and as often as it may reasonably require during the pendency of a claim and to make an autopsy in case of death.

B. In connection with Policy Form 610.

1. The respondent does not issue an insurance policy which provides, and pursuant to which, it will pay \$600 a month for hospitalization due to sickness or accident without further exception or limitation. On the contrary, said policy includes the following exceptions which are stated in respondent's advertising in small print at some distance from the general statement of benefits:

a. Only sickness or disease contracted and commencing while the policy is in force and causing loss commencing not less than thirty days after the effective date of the policy is covered.

b. The policy does not cover any hospital confinement from pregnancy, childbirth or miscarriage; mental disorders; declared or undeclared war or any act thereof; service in the armed forces of any country; diagnostic work or rest cure, any treatment or service rendered in any sanitarium, sanatorium, rest home, Veterans Administration or other Federal Government hospital; and, any loss resulting from tuberculosis, cancer, cardio-vascular disease, hernia (from any cause), or any disease or disorder of organs which are peculiar to women, or any sickness resulting in a surgical operation is covered only if such loss occurs more than six months after the effective date of the policy. Also, payments do not begin until the fourth day of hospital confinement.

Further, said policy includes the following limitations which are not stated in the respondent's advertising.

a. The policy is renewable only at the option of the company.

b. Within three years from the effective date of the policy the company can use misstatements made by the applicant in the application for the policy to void the policy or to deny a claim for hospital confinement.

c. The company can reduce or deny a claim for hospital confinement commencing within three years from the effective date of the policy on the ground that a disease or physical condition had existed prior to the effective date of coverage of the policy.

d. The word, "Hospital," is defined as a legally constituted institution which is open at all times and is operated primarily for the care and treatment of sick and injured persons as in-patients, which has a staff of one or more licensed physicians available at all times, which continuously provides twenty-four hour nursing service by graduate registered nurses, which provides organized facilities for diagnosis and major surgery, which is not primarily a clinic, nursing, rest or convalescent home, rehabilitation center or similar establishment.

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Further, the respondent relies on many of the above exceptions and limitations in denying and reducing claims.

2. Each child under age 18 is not fully covered under the policy.

3. The respondent reserves the right to examine the person of the insured when and as often as it may reasonably require during the pendency of a claim and to make an autopsy in case of death.

4. The respondent does not pay claims promptly.

C. In connection with Policy Form 200 C.

1. The respondent does not issue an insurance policy which provides and pursuant to which it will pay without further condition or exception the benefits set forth in Paragraph Seven C, 1, a, b, and c. On the contrary, said policy includes the following conditions and exceptions:

a. The policy insures the owner against loss from accidental bodily injury sustained while driving or riding in or entering or leaving an automobile, truck or bus for business or pleasure during the term of the policy, provided such bodily injury is caused solely by reason of an automobile, truck or bus accident.

b. In order for the total confinement benefit to be payable the injury must, immediately after the accident, wholly and continuously disable and prevent the insured from performing any and every duty pertaining to any business or occupation, and the insured must be confined thereby within doors and require regular visits therein by a legally licensed Medical or Osteopathic physician or surgeon.

In order for the additional hospital benefits to be payable the insured must be confined in a lawfully operated hospital as a result of injury (as defined in the policy) and be regularly attended by a legally licensed Medical or Osteopathic physician or surgeon. Further, the company's obligation is to pay the expenses actually incurred for hospital service but not to exceed Ten Dollars a day on account of any one accident.

c. In order for the payment for loss of life to be payable the insured must suffer loss from accidental bodily injury sustained while driving or riding in or entering or leaving any automobile, truck or bus for business or pleasure during the term of the policy, and such bodily injury must be caused solely by reason of an automobile, truck or bus accident. Further, such injury must directly and independently of all other causes result in death within sixty days from the date of accident.

Further, there are other conditions on recovery for injury sustained as a passenger which also are not revealed in the advertising. The policy provides for coverage for accidental bodily injuries sustained:

While actually riding as a fare-paying passenger in a place regularly provided for the transportation of passengers by a common carrier within a surface or elevated train, streetcar, or passenger boat; or while actually riding as a passenger in a passenger elevator used for passenger service within a building only, and in a place regularly provided for the sole use of passengers; or while riding as a fare-paying passenger during a regularly scheduled trip in a licensed passenger aircraft provided by an incorporated common carrier of passengers while operated by a licensed pilot upon a regular passenger route between definitely established airports.

Also, the policy does not cover any disability or loss unless sustained in the United States or Canada (a provision not clearly stated in the advertising) nor while participating in or attempting to commit a felony, or to which a contributing cause was the insured's being engaged in an illegal occupation, nor resulting from Military or Naval Service. Further, the policy is renewable only at the option of the company.

Further, the respondent relies on many of the above conditions and exceptions in denying and reducing claims.

2. The respondent does not pay claims promptly.

3. The respondent reserves the right to examine the person of the insured when and as often as it may reasonably require during the pendency of a claim and to make an autopsy in case of death.

Therefore, the statements and representations as set forth in Paragraphs Six and Seven hereof were and are false, misleading and deceptive.

PAR. 9. In connection with the offering of Policy Form 210 C and Policy Form 610 the respondent sets forth an introductory premium for the first month of coverage without disclosing or without disclosing clearly and in close conjunction with the statement of the introductory premium the amount of the usual premium.

PAR. 10. In truth and in fact the usual premium is substantially higher than the introductory premium and in addition Policy Form 210 C and Policy Form 610 provide that the company may assess the policy from time to time. Thus prospective purchasers are not clearly informed of the actual cost of the policies and that they are subject to assessment.

Therefore, the statements and representations as set forth in Paragraph Nine hereof were and are false, misleading and deceptive.

PAR. 11. In connection with the offering of Policy Form 200 C the respondent sets forth the premium with no disclosure that any other charges may be made for the policy.

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PAR. 12. In truth and in fact Policy Form 200 C provides that the company may assess the policy from time to time. Thus prospective purchasers are not informed that the policy is subject to assessment.

Therefore, the statements and representations as set forth in Paragraph Eleven hereof were and are false, misleading and deceptive.

PAR. 13. In connection with claims made under Policy Form 210 C the respondent has refused to pay on the grounds that the accident from which the claimed injuries resulted was caused by the insured's negligence or intoxication and that the policy provides that such grounds are a bar to recovery under the policy.

PAR. 14. In truth and in fact Policy Form 210 C does not provide that insureds may not recover for injuries resulting from accidents caused by their negligence or intoxication.

Therefore, the statements and representations as set forth in Paragraph Thirteen hereof were and are false, misleading and deceptive.

PAR. 15. In the conduct of its business, at all times mentioned herein respondent has been in substantial competition, in commerce, with corporations, firms and individuals in the sale of insurance of the same general kind and nature as that sold by the respondent.

PAR. 16. The use by respondent of the aforesaid false, misleading and deceptive statements, representations and practices has had, and now has, the capacity and tendency to mislead members of the purchasing public into the erroneous and mistaken belief that said statements and representations were and are true and into the purchase of substantial quantities of respondent's policies by reason of said erroneous and mistaken belief.

PAR. 17. The aforesaid acts and practices of respondent, as herein alleged, were and are all to the prejudice and injury of the public and of respondent's competitors and constituted, and now constitute, unfair methods of competition in commerce and unfair and deceptive acts and practices in commerce, in violation of Section 5 of the Federal Trade Commission Act.

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The Commission having heretofore determined to issue its complaint charging the respondent named in the caption hereof with violation of the Federal Trade Commission Act, and the respondent having been served with notice of said determination and with a copy of the complaint the Commission intended to issue, together with a proposed form of order; and

The respondent and counsel for the Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all the jurisdictional facts set forth in the complaint to issue herein, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in such complaint, and waivers and other provisions as required by the Commission's Rules; and

The Commission having considered the agreement and having accepted same, and the agreement containing consent order having thereupon been placed on the public record for a period of 30 days, now in further conformity with the procedure prescribed in § 2.34(b) of its Rules, the Commission hereby issues its complaint in the form contemplated by said agreement, makes the following jurisdictional findings, and enters the following order:

1. Respondent United Equitable Life Insurance Company is a corporation organized, existing and doing business under and by virtue of the laws of the State of Illinois, with its principal office and place of business located at 4554 North Broadway, in the city of Chicago, State of Illinois.

2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

It is ordered, That respondent United Equitable Life Insurance Company and respondent's officers, agents, representatives, and employees, and its successors and assigns, directly or through any corporate or other device, in connection with the advertising, offering for sale, sale and distribution of any insurance policy or policies, in commerce, as "commerce" is defined in the Federal Trade Commission Act, except in those States where respondent is licensed and regulated by State law to conduct the business of insurance, do forthwith cease and desist from:

1. Using the terms, "There are absolutely no exceptions," "any and all accidents are included," or any other words, terms or phrases of similar import.

2. Representing directly or by implication that any policy provides insurance coverage broader than that which is actually provided.

3. Unilaterally cancelling any policy which is stated in the policy to be noncancellable or guaranteed renewable for life, ex-

cept for nonpayment of premium, on any ground other than nonpayment of premium.

4. Unilaterally cancelling any policy which is advertised as non-cancellable or guaranteed renewable for life, except for nonpayment of premium, on any ground other than nonpayment of premium.

5. Using the terms, "Our Policy is to pay claims promptly," "Prompt payment of claims," or any other words, terms or phrase of similar import: *Provided, however*, That it shall be a defense in any enforcement proceeding instituted hereunder for respondent to establish that all valid claims are paid promptly.

6. Using the terms, "no medical examination to qualify," and "no medical examination," or any other words, terms or phrases of similar import to describe a policy in which the respondent reserves the right to examine the person of the insured. This provision shall not, however, prevent the truthful and nondeceptive use of the statement "No medical examination necessary to apply for the issuance of this policy; medical examination may be required only in connection with a claim."

7. Representing that any policy provides for indemnification against accident, in any amount or for any period of time, unless a clear definition of the word, "accident," in language understandable to persons not familiar with insurance law, and unless the phrase "except losses resulting directly or indirectly from bodily infirmity or disease," are conspicuously and prominently set forth in close conjunction with the representation.

8. Representing that any policy provides for indemnification against disability or loss due to sickness, disease, accident or death in any amount or for any period of time, when the policy provides any limitation on coverage of a loss resulting from accident, sickness or disease because of a prior existing condition, unless a clear disclosure of the exact nature of such limitation, in language understandable to persons not familiar with insurance law, is conspicuously and prominently set forth in close conjunction with the representation.

9. Representing that any policy provides for indemnification for hospital residence as a result of accident or sickness, unless a clear definition of the word "hospital," in language understandable to persons not familiar with insurance law, is conspicuously and prominently set forth in close conjunction with the representation, or unless the phrase "duly licensed hospital" is used in making such

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representation and the insurer does in fact indemnify for residence in such a hospital.

10. Representing to insured individuals who file claims that the policy under which they claim does not cover injuries if the accident from which the injuries resulted was caused by the insured's negligence or intoxication unless the policy is in fact so limited and such limitations are clearly and conspicuously disclosed in the advertising material for the policy.

11. Representing that any policy provides for indemnification against disability or loss due to sickness, disease, accident or death, in any amount or for any period of time, unless a statement of all the conditions, exceptions, restrictions, limitations, costs and possible additional assessments affecting the indemnification actually provided is set forth conspicuously, prominently and in sufficiently close conjunction with the representation or representations as will fully relieve it of all capacity to deceive.

12. Omitting any material limitations in the coverage of any policy in any advertising which purports to describe the coverage in the policy.

It is further ordered, That the respondent herein shall, within sixty (60) days after service upon it of this order, file with the Commission a report in writing setting forth in detail the manner and form in which it has complied with this order.