

8-468. MISREPRESENTATION ABOUT CONDITION OF SOCIETY OR INSURANCE CONTRACT PROHIBITED.

(A) IN GENERAL.

A PERSON MAY NOT CAUSE OR ALLOW TO BE MADE, ISSUED, OR CIRCULATED IN ANY FORM:

(1) A MISREPRESENTATION OR FALSE OR MISLEADING STATEMENT ABOUT THE TERMS, BENEFITS, OR ADVANTAGES OF A FRATERNAL INSURANCE CONTRACT ISSUED OR TO BE ISSUED IN THE STATE;

(2) A MISREPRESENTATION OR FALSE OR MISLEADING STATEMENT ABOUT THE FINANCIAL CONDITION OF A SOCIETY;

(3) A FALSE OR MISLEADING ESTIMATE OR STATEMENT ABOUT THE DIVIDENDS OR SHARES OF SURPLUS PAID OR TO BE PAID BY A SOCIETY ON AN INSURANCE CONTRACT OR POLICY; OR

(4) AN INCOMPLETE COMPARISON OF AN INSURANCE CONTRACT OF ONE SOCIETY WITH AN INSURANCE CONTRACT OF ANOTHER SOCIETY OR INSURER FOR THE PURPOSE OF INDUCING THE LAPSE, FORFEITURE, OR SURRENDER OF AN INSURANCE CONTRACT.

(B) INCOMPLETE COMPARISON OF INSURANCE CONTRACTS.

A COMPARISON OF INSURANCE CONTRACTS IS INCOMPLETE IF:

(1) THE COMPARISON DOES NOT COMPARE IN DETAIL:

(I) THE GROSS RATES, AND THE GROSS RATES LESS ANY DIVIDEND OR OTHER REDUCTION ALLOWED AT THE DATE OF THE COMPARISON; AND

(II) ANY INCREASE IN CASH VALUES, AND ALL THE BENEFITS PROVIDED BY EACH CONTRACT FOR THE POSSIBLE DURATION OF THE CONTRACT AS DETERMINED BY THE LIFE EXPECTANCY OF THE INSURED; OR

(2) THE COMPARISON OMITTS FROM CONSIDERATION:

(I) ANY BENEFIT OR VALUE PROVIDED IN THE CONTRACT;

(II) ANY DIFFERENCES AS TO AMOUNT OR PERIOD OF RATES; OR

(III) ANY DIFFERENCES IN LIMITATIONS, CONDITIONS, OR PROVISIONS THAT DIRECTLY OR INDIRECTLY AFFECT THE BENEFITS UNDER THE CONTRACT.

(C) PRESUMPTION IN DETERMINING INCOMPLETENESS OF COMPARISON.

IN MAKING A DETERMINATION OF THE INCOMPLETENESS OR MISLEADING CHARACTER OF A COMPARISON OR STATEMENT, IT IS PRESUMED THAT THE INSURED DID NOT KNOW THE CONTENTS OF THE CONTRACT INVOLVED.