



UNITED STATES MARINE CORPS

MARINE CORPS AIR STATION

BOX 99100

YUMA, ARIZONA 85369-9100

StaO 1740.1E Ch 1

3AR

07 FEB 1996

STATION ORDER 1740.1E Ch 1

From: Commanding Officer
To: Distribution List

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

1. Purpose. To direct pen changes to the basic order.

2. Action

a. On page 1, change ref (a) to read "SECNAVINST 1740.2D vice SECNAVINST 1740.2C."

b. On page 1, change ref (c) to read "DOD Directive 5500.7-R vice SECNAVINST 5370.2H."

3. Filing Instructions. File this change directly behind the signature page of the basic Order.

A handwritten signature in black ink, appearing to read "am", followed by a horizontal line.

A. M. TORRANCE
By direction

DISTRIBUTION: B



UNITED STATES MARINE CORPS
U.S. MARINE CORPS AIR STATION
YUMA, ARIZONA 85369-5001

StaO 1740.1E
3AR
25 Jan 91

STATION ORDER 1740.1E

From: Commanding Officer
To: Distribution List

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

Ref: (a) SECNAVINST 1740.2C
(b) Truth-in-Lending Act (P.L. 90-321), 82 Stat. 146; 15 USC 1601 (NOTAL)
(c) SECNAVINST 5370.2H

Encl: (1) Definitions
(2) Conditions for Private Commercial Solicitations on Board Marine Corps Air Station, Yuma, Arizona
(3) Conditions Governing Solicitation for Insurance Sales
(4) DOD Standards of Fairness

1. Purpose. To implement reference (a) and to disseminate policy and promulgate regulations concerning solicitation and the conduct of all private commercial activities on board Marine Corps Air Station (MCAS), Yuma, Arizona, including the sale of life insurance.

2. Cancellation. StaO 1740.1D.

3. Action

a. The provisions of this Order apply to all persons desiring to undertake solicitation on board the Air Station. This order does not apply to telephonic or mail order solicitations.

b. The provisions of this Order apply to commercial facilities authorized by the Marine Corps Exchanges and to credit unions.

c. The provisions of this Order do not regulate military installation services, such as milk deliveries, laundry, and related residence services, furnished by nongovernment entities when such services are authorized by the Commanding Officer, MCAS Yuma.

d. The provisions of this Order do not regulate the selling of items for nonprofit fund raising within a Family Housing area by bona-fide residents of that Family Housing area.

e. Definitions applicable to this order are contained in enclosure (1).

4. Policy

a. No person has the right to enter the Air Station and undertake solicitation.

b. DOD personnel are expressly prohibited from representing any company or firm, with or without compensation, within the limits of the Air Station.

c. Persons seeking to undertake solicitation aboard the Air Station must comply with the provisions of enclosure (2). Insurance agents additionally must comply with applicable provisions of enclosure (3).

d. Solicitation will be permitted only when:

(1) Authorized by the Commanding Officer, MCAS Yuma, in writing.

(2) A specific prior appointment has been made with the individual concerned, and is conducted in the conference room, Building 980 or in the housing area when the appointment is with persons residing there. Arrangements for the use of the conference room must be made in advance by contacting the Station Adjutant, extension 2226, during normal working hours.

(3) The solicitor is duly licensed and, if an insurer, or agent, thereof, accredited, under applicable Federal, Arizona, or Yuma City laws, and has complied with this Order regarding registration and pass control procedures. Minimum requirements for accreditation for insurers are outlined in enclosure (3).

5. Requests and Authorization

a. All persons who desire to conduct solicitation aboard the Air Station, must submit a written request to the Commanding Officer. The request shall include a listing of all items, services, insurance or investment plans, identified by company title, which will be offered for sale on board this installation, and a statement that no others will be offered for sale; a copy of the Arizona State Tax or business license or the Yuma City business license, and; if an agent, a statement from an authorized official of the company agreeing to comply with this Order and accepting full responsibility for the actions of the named agent.

b. Requests should be submitted to the Director of the Law Center, Building 1214, phone 726-2468, for initial review and determination of compliance. The person will be provided a copy of enclosure (2) and, if the requestor is seeking to sell insurance, a copy of enclosure (3) will also be provided. The person will be asked to indicate in writing that they have read the enclosures and will comply with it/them. Failure to so indicate in writing will result in the

denial of the request. Upon thorough review, if approved, the Commanding Officer, will issue a letter of authorization to the person.

6. Station Entry

a. A letter of authorization from the Commanding Officer will entitle the person to obtain a visitor's pass from the Station Pass and Identification Office, Building 952.

b. Upon completion of business with the person with whom the person had an appointment, the person will return the visitor's pass and depart the station.

7. Complaints. Anyone who receives an unrequested solicitation aboard this station should report the full circumstances and identification of the solicitor, if known, to the Provost Marshal's Office, Building 916, phone 726-2205 immediately.

8. Denial and Withdrawal of On-Base Solicitation Privilege. The Commanding Officer will deny or withdraw permission to conduct solicitation activities on board this Station in any case in which such activity would not further the best interests of the Command.

a. Grounds for denial or withdrawal of such permission include, but are not limited to, the following:

(1) Secretary of the Navy action denying or withdrawing permission for solicitations throughout the Department of the Navy.

(2) Failure to meet the licensing and other requirements prescribed above.

(3) Commission of any of the practices prohibited in this Order.

(4) Substantiated adverse complaints or reports regarding the quality of goods, services, or commodities, or the manner in which they are offered for sale.

(5) Knowing and willful violations of the prohibitions contained in references (b) and (c).

(6) Personal misconduct by a solicitor while on board the Air Station.

(7) The possession of, or attempt to obtain, supplies of military allotment forms.

(8) Failure to abide by the Standards of Fairness policies attached as enclosure (4).

b. The following procedures shall be followed when grounds appear to exist for denying or withdrawing solicitation privileges:

(1) The Commanding Officer shall inquire into the allegations upon which proposed denial or withdrawal action is based. Incident to the inquiry, each person or entity affected by the proposed action shall be notified of the allegations, afforded a reasonable opportunity to become familiar with all matters which will be considered by the Commanding Officer in disposing of the allegations, and afforded a reasonable opportunity to submit a statement for the Commanding Officer's consideration.

(2) The Commanding Officer shall determine whether to limit the proposed action to the agent alone or extend it to the represented company. If the grounds for action bear significantly on the eligibility of the agent or company to hold a state license or to meet other regulatory requirements, the appropriate authorities will be notified.

(3) The Commanding Officer will notify affected persons of the action taken.

(4) If circumstances dictate, the Commanding Officer may immediately suspend solicitation privileges for a period of 30 days while an investigation is conducted. Inability to notify the offending solicitor of the termination of permission to solicit after reasonable effort by the Commanding Officer will not operate to bar the termination.

(5) All withdrawals and denials of solicitation privileges will be for a set period of time, normally not to exceed 2 years, at the end of which period reapplication may be made for permission to solicit on board the station.

9. Advertising Policies. Commercial enterprises soliciting DOD personnel through advertisements in unofficial military publications will voluntarily observe, or the publisher of such publications will request the advertiser to observe, the highest business ethics in describing goods, services and commodities. This will include full compliances with all terms of the sale, including guarantees, warranties, etc., and credit advertising which conforms to the provisions of the Truth-in-Lending Act, reference (b), as implemented by Regulation Z, 12CFR226.

10. Violation. Individuals who conduct, or attempt to conduct, personal commercial solicitation on board this Air Station in violation of any portion of this Order, may be prosecuted under federal or state law, as appropriate, and may, in addition, receive adverse administrative action.

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11. Concurrence. The Commanding Officers of MAG-13, 2dLAAM Bn, MWSS-371, VMFT-401, MAWTS-1, CSSD-16 and MACS-7 concur in and make this Directive applicable to their respective Commands.



C. T. DUNSTAN
By direction

DISTRIBUTION: B

DEFINITIONS

A. General

I. 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.

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

III. Commanding Officer. Commanding Officer, Marine Corps Air Station, Yuma, Arizona.

IV. 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 nonappropriated fund instrumentalities.

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

VI. 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 Marine Corps Air Station, Yuma, Arizona.

B. Insurance Terms

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

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

a. 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 associations while on active duty) and their dependents.

b. 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).

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of the association as a self-insurer, or a combination of (1) and (2).

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

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

ENCLOSURE (1)

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

I. 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 solicitations 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 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.

II. 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 utilized 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.

ENCLOSURE (2)

CONDITIONS GOVERNING SOLICITATION FOR INSURANCE SALES

I. 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 (c), 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.

II. 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 insured, unless such restrictions are clearly indicated on the face of the policy.

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(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 policyholder 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.

III. 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.

IV. Associations - 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.

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V. Requirements for Accreditation. Insurers soliciting on this station are automatically accredited if they possess a valid Arizona license, and if an authorized official of the insurance company issues a letter agreeing to comply with this Order and accepting responsibility for the actions of its agent.

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DOD STANDARDS OF FAIRNESS

I. 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 as established by the Department of Defense.

II. 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.

III. 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.

IV. 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.

V. 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 will not be levied where an allotment has been timely filed, but payment of the allotment has been delayed. 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.

VI. 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 inured 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

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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.

VII. 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.

VIII. 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.

IX. 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.

X. 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 preproduction 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 FRB Regulation Z.

ENCLOSURE (4)