



Benefits Administration Letter

Number: 06-202

Date: March 14, 2006

**Subject: Federal Employees' Group Life Insurance (FEGLI) Program:
Insurance Misrepresentations and Deceptive Sales Practices**

Background

We have become aware in recent months of instances in which agencies and employees are being contacted by insurance company salespeople who may be misrepresenting themselves as either having permission from OPM or being connected to the Office of Federal Employees' Group Life Insurance (OFEGLI), (the administrative unit of MetLife that processes claims for deceased Federal employees) or the Federal Employees' Group Life Insurance Program.

Purpose

This BAL gives you information to recognize suspicious insurance sales practices and to alert your employees of the same.

No Sales Agents or Telephone Solicitation

Neither OPM nor OFEGLI has endorsed any kind of privately-sponsored life insurance plan. The FEGLI Program is the only government-wide group life insurance program authorized by OPM. OPM has no connection with, nor responsibility for, any other life insurance product, whether or not it is represented as "supplemental" to the FEGLI Program. Furthermore, the FEGLI Program does not use sales agents nor does it use telephone solicitations of any kind. No one from the FEGLI Program or OFEGLI will ever contact employees at their worksite (or at home) in person or by phone to sell life insurance. If agents are trying to sell life insurance to employees, they are most assuredly NOT connected with the FEGLI Program.

Premiums for FEGLI coverage are withheld from employees' salaries. FEGLI premiums are not withheld through voluntary allotments. A request from a life insurance company to set up a voluntary allotment from an employee's pay means that the life insurance product is not connected in any way with the FEGLI Program.

The second major issue is whether the salespeople have permission to be on Government property or to be soliciting on the job in the first place. Commercial solicitation on Federal Government property is prohibited by GSA regulations found at 41 C.F.R. 102-74.410. This regulation prohibits only the physical entry of commercial solicitors on Federal property and does not apply to phone solicitations. It also does not regulate the content of the solicitations. OPM has no authority to enforce these regulations for other agencies. OPM also does not give

private life insurance companies permission to solicit at other agencies. So someone saying they have OPM's permission or authorization is not telling the truth.

Certainly employees are free to purchase whatever life insurance they choose. We encourage comparison shopping. However, employees should do so knowingly and not because they were misled into believing that the insurance was sponsored by OPM or OFEGLI, or because they believe it is connected with the FEGLI Program.

Please alert your employees about these important issues and thank you for your help.

Robert F. Danbeck
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for Human Resources Products and Services