

State of Idaho
DEPARTMENT OF INSURANCE

CECIL D ANDRUS
Governor

500 South 10th Street
Boise, Idaho 83720
Phone (208)334-2250
FAX # (208)334-2298

HARRY C WALRATH
Director

BULLETIN NO: 91-12

DATE: September 19, 1991

TO: ALL INSURANCE COMPANIES AUTHORIZED TO TRANSACT
INSURANCE IN IDAHO

FROM: HARRY C. WALRATH, DIRECTOR
DEPARTMENT OF INSURANCE

RE: UNFAIR AND DECEPTIVE SALE PRACTICES

The Idaho Department of Insurance has become aware of an increase in the possible use of unfair and deceptive trade practices involving the solicitation or sale of insurance products to consumers affected by questions regarding the solvency or financial stability of competitors. In particular, the Department is concerned about possible agent mailings, personal contacts by agents or phone calls from agents stating as fact, rumors and unofficial reports concerning certain insurance companies, some of which have been placed in conservatorship.

Agents should be aware that repeating market rumors or circulating news articles questioning competitors solvency may be prohibited practices under the Trade Practices and Frauds section of the Insurance Code, Chapter 13, Title 41, Idaho Code. In particular, attention is directed to the following sections: 41-1303 dealing with misleading statements or misrepresentations as to financial conditions; Section 41-1304 dealing with untrue, deceptive or misleading advertising and promotion; and Section 41-1308 dealing with defamation and derogatory statements as to an insurer's financial condition.

This office will not tolerate misrepresentation, unfair or deceptive sale practices or other market abuses under any conditions or for any reasons. Accordingly, we will have no alternative but to take administrative action against any company and/or agent violating or failing to act in compliance with Idaho Statutes or Regulations and we will not hesitate to do so.

You should immediately notify all your Idaho agents of the contents of this bulletin and acknowledge your receipt and understanding of this bulletin no later than September 27, 1991. Such acknowledgements shall be directed to the attention of Examination Section.

Equal Opportunity Employer