

Chapter Ins 20

INSURANCE MARKETING

Ins 20.01 Home solicitation selling.

Ins 20.01 Home solicitation selling. (1) PURPOSE.

(a) The purpose of this section is to require certain disclosures by an insurance agent making home solicitation of insurance.

(b) The office of the commissioner of insurance has received numerous complaints indicating that certain presentations may be misleading to consumers unless disclosures are required. The public interest requires that these disclosures be made. The commissioner finds that without these disclosures, such presentations are misleading and deceptive.

(2) SCOPE. This section applies to all insurance intermediaries or their representatives making home solicitation selling of insurance in the state of Wisconsin.

(3) DEFINITION. For purpose of this section:

(a) “Buyer” means both an actual or prospective purchaser of insurance offered through home solicitation selling.

(b) “Home solicitation sale” or “sale” means a sale resulting from home solicitation selling as defined in par. (c).

(c) “Home solicitation selling” means the solicitation or the offering for sale of insurance where the solicitation or sale is either personally solicited or consummated by the agent at the residence or place of business or employment of the buyer or away from the agent’s regular place of business. Personal solicitation includes solicitations made directly or indirectly by telephone, person to person contact, or by written or printed communication, other than general advertising indicating a clear intent to sell insurance or services at a regular place of business.

(d) “Seller” means a person, insurance agent, representative, insurance intermediary or organization engaged in any of the following:

1. Home solicitation selling;
2. Advertising or offering services in home solicitation selling; or
3. Providing or exercising supervision, direction, or control over sales practices used in home solicitation sales.

(4) DISCLOSURE OBLIGATION. (a) In home solicitation selling every seller shall, at the time of initial contact or communication with the buyer, clearly and expressly disclose:

1. The seller’s individual name;
2. The name of the business firm or organization represented;
3. A statement of the fact that insurance is being sold;
4. The identity of the insurer, if the solicitation is primarily for a single insurer.

5. The type of insurance being solicited.

(b) When the initial contact is made in person or by telephone, the disclosures shall be made before asking any questions or making any statements other than an initial greeting.

(c) If the seller receives cash or a check, the seller shall furnish to the buyer, at or prior to the time payment is made, a receipt or other document evidencing the transaction showing:

1. The date of the sale;
2. A description of the type of policy applied for;
3. The total price paid;
4. The individual name of the person making the sale; and
5. The name and mailing address of the insurer issuing the policy.

(5) PROHIBITED PRACTICES. (a) No seller engaged in a home solicitation sale shall represent directly or by implication that the seller is making an offer to specially selected persons or that the buyer or prospective buyer has been specially selected, unless such representations are true and the specific basis for such representations is stated at the same time the representation is made.

(b) No seller engaged in a home solicitation sale shall represent that the seller is conducting a survey, test or research project, or engaged in a contest or other venture to win a cash award, scholarship, vacation or similar prize, when in fact the principal objective is to make an insurance sale or obtain information to help identify sales prospects.

(c) No seller engaged in a home solicitation sale shall represent that the seller is conducting a special sales promotion campaign or making a special limited offer to a few persons only or for a limited period of time, or is authorized to sell the insurance in a few homes, unless the representations are true and the specific basis upon which representations are made is disclosed at the same time as the representations are made to the prospective buyer.

(d) No seller engaged in making a home solicitation sale shall use any false, deceptive or misleading representations to induce a sale, or use any plan, scheme or ruse which misrepresents that the person making the call is selling insurance, or fail to leave the premises at which a sales presentation is made promptly when requested to do so.

(6) PENALTY. Violations of this rule shall subject violators and marketing firms to the penalties specified in ss. 601.64 and 601.65, Stats.

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