Bulletin 09-02

DATE: May 4, 2009

TO: Life & Health Insurance agents

FROM: Merle Scheiber, Director

RE: Life & Health Insurance Lead Cards

It has come to the attention to the Division that certain lead cards are being sent to South Dakota citizens inviting the recipients to get more information on the South Dakota long term care partnership program. While lead cards can be used to solicit leads for health insurance in South Dakota, such advertisements/solicitations must follow all applicable statutes and rules.

Examples of impermissible lead cards

1. Use of the seal of the State of South Dakota in the lead card or otherwise creating an impression directly or indirectly that the insurance plan is approved, endorsed, or accredited by the state or another governmental entity.
2. Failure to disclose that the lead is an insurance solicitation.
3. Failure to disclose in the lead card that an insurance agent may contact the recipient.
4. Misrepresenting the purpose of the lead card.

The following is a lead card that clearly does not comply and would subject any agent using the lead card to contact potential applicants to potential penalties, especially if the use is subsequent to the effective date of this Bulletin.
Administrative penalties on agents for impermissible use

Insurance agents who use lead cards that do not comply with applicable advertising and solicitation statutes and rules subject themselves to possible administrative penalties.

Applicability
This bulletin only applies to solicitations of life and health insurance. This bulletin applies to any lead cards used by insurance agents whether the lead card is generated by the agent or agency or whether the lead cards are purchased from an outside source.

Anyone who has questions or concerns can contact the Division of Insurance for assistance by calling 605.773.3563, by letter to the South Dakota Division of Insurance, 445 East Capitol Avenue, Pierre, SD 57501, or by visiting the division’s website at www.state.sd.us/insurance.