Michigan DIFS Issues New Bulletin on Insurance 'Sliding'

Frankenmuth Insurance wants to keep its agency partners informed on potentially deceptive sales tactics called "sliding" that not only tarnish the reputation of our industry, but could also result in penalties and the suspension or revocation of a producer and/or agency license.

The Michigan Department of Insurance and Financial Services (DIFS) recently issued a bulletin to help educate the industry and consumers on sliding. DIFS' Informational Bulletin 2018-10-INS defines insurance sliding as "an agent's failure to fully disclose all the details of, and obtain informed consent to, the purchase of all products and services being included in an insurance transaction. When engaging in sliding, an agent, without disclosure to the customer, combines the charge for additional products or coverages with the premium charged for insurance."

Specific examples of insurance sliding include:

- Representing to an applicant that a roadside assistance product is part of a DIFS-approved insurance product when, in fact, it is not
- Representing to an applicant that a roadside assistance product is required for the purchase of automobile insurance, when it is not
- Representing to an applicant that any ancillary coverage or product is required in conjunction with the purchase of insurance when such coverage or product is not required
- Enticing customers into signing up for an auto club membership by failing to fully explain and disclose what is being signed or agreed to
- Enticing customers into signing up for insurance coverage without fully explaining all coverages included and the cost for each
- Representing to an applicant that an ancillary coverage, service, or product is included as part of an insurance product or without additional charge, when it is not or when such charge is in fact required
- Failing to accurately disclose the cost of insurance as charged by the insurer
- Failing to fully explain the details and separate cost of any ancillary product offered in conjunction with the sale of insurance
- Charging an applicant for an ancillary coverage or product, in addition to the cost of the insurance coverage being applied for, without the informed consent of the applicant

To read the full bulletin, click here.