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## 18.01.52 - Rules Governing Disclosure Requirements for Insurance Producers When Charging Fees

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**IDAPA 18  
TITLE 01  
CHAPTER 52**

**18.01.52 - RULES GOVERNING DISCLOSURE REQUIREMENTS FOR  
INSURANCE PRODUCERS WHEN CHARGING FEES**

**000. LEGAL AUTHORITY.**

The statutory authority for this rule is Section 41-211, Idaho Code. (5-3-03)

**001. TITLE AND SCOPE.**

**01. Title.** The title of this chapter is IDAPA 18.01.52, "Rules Governing Disclosure Requirements For Insurance Producers When Charging Fees." (5-3-03)

**02. Scope.** This chapter shall apply to all resident and non-resident insurance producers who charge a fee to consumers as authorized by Section 41-1030, Idaho Code, and who: (5-3-03)

**a.** Sell, solicit, or negotiate insurance in Idaho, or to Idaho residents, or regarding subjects of insurance located in Idaho, or otherwise where a license by the director is required; or (5-3-03)

**b.** Offer advice, counsel, opinion or service with respect to the benefits, advantages or disadvantages under any policy of insurance that could be issued in Idaho. (5-3-03)

**002. WRITTEN INTERPRETATIONS.**

There are no written interpretations of these rules. (5-3-03)

**003. ADMINISTRATIVE APPEALS.**

Any administrative appeal regarding this chapter should be made in accordance with Chapter 2, Title 41, Idaho Code, and to the extent not in conflict therewith, Chapter 52, Title 67, Idaho Code, as well as IDAPA 04.11.01, "Idaho Rules of Administrative Procedure of the Attorney General," promulgated by the Office of the Attorney General. (5-3-03)

**004. INCORPORATION BY REFERENCE.**

No documents have been incorporated by reference into these rules. (5-3-03)

**005. OFFICE -- OFFICE HOURS -- MAILING ADDRESS -- STREET ADDRESS.**

**01. Office Hours.** This office is open from 8 a.m. to 5 p.m., except Saturday, Sunday and legal holidays. (5-3-03)

**02. Mailing Address.** The department's mailing address is: Idaho Department of Insurance, PO Box 83720, Boise, Idaho 83720-0043. (5-3-03)

**03. Street Address.** The principal place of business is 700 West State Street, 3<sup>rd</sup> Floor, Boise, Idaho 83702-0043. (5-3-03)

**006. PUBLIC RECORDS.**

Any records associated with these rules are subject to the provisions of the Idaho Public Records Act, Title 74, Chapter 1, Idaho Code. (5-3-03)

**007. -- 009. (RESERVED)**

**010. DEFINITIONS.**

**01. Consumer.** Consumers means an insured, a prospective insured, or an employer group. (5-3-03)

**02. Retail Producer.** A retail producer is a producer who solicits, negotiates with or sells an insurance contract directly to a consumer. (5-3-03)

**011. DISCLOSURE REQUIREMENTS.**

**01. Before Charging a Fee.** Before charging a fee to a consumer, a retail producer shall furnish to each consumer a written disclosure statement containing at least the following information: (5-3-03)

- a. A description of the nature of the work to be performed by the insurance producer. (5-3-03)
- b. The fee schedule and any other expenses that the insurance producer charges, and whether fees may be negotiated. (5-3-03)

**02. Prior Information Disclosure.** A retail producer shall disclose information required under this chapter to each consumer to whom a fee will be charged prior to engaging in any act for or on behalf of the consumer where a license is required under Section 41-1004, Idaho Code. (5-3-03)

**03. Fee for Intended Services.** A retail producer may charge a fee for those services that are intended to be provided and that are not contingent upon some future event occurring outside of the terms of the insurance contract. (5-3-03)

**04. Non-Chargeable Fee.** A retail producer may not charge a fee for services in connection with statutorily mandated insurance coverage, e.g. mandated health plans. (5-3-03)

**012. INSURANCE PRODUCER FEE DISCLOSURE FORM -- SAMPLE.**

INSURANCE PRODUCER FEE DISCLOSURE

Date: \_\_\_\_\_

Consumer: \_\_\_\_\_ Name  
Street Address  
City, State Zip

Retail Producer: Name  
Insurance Agency  
Street Address  
City, State Zip  
(Area Code) Telephone Number  
License No.  
Firm No.

Services To Be Provided: Financial Planning and research and recommendation on health care, disability, long-term care and life insurance coverage. Completion of forms for medical savings account.

Date Work Is To Be Completed By: \_\_\_\_\_

Fee Schedule: Financial Plan \_\_\_\_\_ \$  
Research and Recommend Coverage \_\_\_\_\_ \$  
Total \_\_\_\_\_ \$

Fee(s) Negotiated: Yes \_\_\_\_\_ No \_\_\_\_\_  
Type of Other Fee(s) Received (Optional): Life Commissions \_\_\_\_\_ \$  
Disability Commissions \_\_\_\_\_ \$  
Long-Term Care Commissions \_\_\_\_\_ \$

Qualifications - Occupational/ Educational Background (Optional):

Twenty-five years as a licensed agent in all lines of insurance. Securities licensed in 1986. Designated as Certified Financial Planner 1990. Twelve years' experience in financial planning, college education in accounting and economics. Other designations include CLU and FLMI.

CLIENT ATTESTATION:

By signing below I acknowledge that I have reviewed the information provided in this disclosure and have received a copy of this form.

Client Signature \_\_\_\_\_

Date \_\_\_\_\_

I attest that I have disclosed all relevant facts concerning services to be provided and the fees, charges or commissions that will be charged or received for providing the services described.

Producer's Signature \_\_\_\_\_

Date \_\_\_\_\_

(5-3-03)

**013. -- 999. (RESERVED)**

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