

Independent Insurance Agents and Brokers of Arizona, Inc.

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2004 BULLETINS

Bulletin # 14

TO: All IAB of Arizona Members
All IAB of Arizona Associate Members

DATE: April 2004

FROM: Lanny L. Hair
Executive Vice President

Brooke A. Bower
Government Affairs

RE: Agent Practices Regarding CLUE and A-Plus Reports

In the past year the Association has issued numerous bulletins suggesting that producers not provide their clients with copies of their CLUE or A-Plus reports because of the potential liabilities associated with this action. Recently we have received various inquiries from members asking if our position was still the same and commenting that agents other than independent agents, are distributing this information to clients. Regardless of others practices our position remains consistent: agents who provide clients with information contained in a CLUE or A-Plus reports may be in violation of the Federal Fair Credit Reporting Act, thus greatly increasing their liability regarding violation of Federal Privacy Laws. Additionally as an agent of the insurance company the producer may be in violation of their insurance company contract and possibly in violation of the contract with the Insurance Support Organizations providing the reports.

If you would like to drink and drive the consequences will be severe, having stated that, you are free to do what you like. If you still wish to distribute loss information obtained from CLUE or A-Plus reports keep in mind the penalties. All our Association can do is advise you of the possible consequences - the decision on "what to do" rests entirely with you. Consequences for violation of the FCRA can include actual damages, court costs and attorney's fees, fines, punitive damages, and up to 2 years in prison. Contributing to the violation of a company contract with an Insurance Support Organization could cause severe problems with your carrier.

The FCRA permits access to personal and private information only in relation to a "permissible purpose". Accessing a CLUE or A-Plus report to underwrite a policy is included in the definition of an insurance transaction as a permissible purpose. Relaying the information contained in the report at that time, whether it is verbally to a consumer sitting across your desk or allowing them to view your computer screen, may violate the permissible purpose with which you accessed that information.

IAB of Arizona understands the difficulties our members may incur by refusing to relay to a consumer their personal and private information. Although it is a violation of Federal law for the agent to provide the report the consumer *is* entitled to view the entire "book" of their personal and private information as well as a free copy of their CLUE or A-Plus report when an adverse action has occurred. In an effort to help alleviate some of that burden please provide your clients with the following contact information in an effort to assist them in

obtaining their own copy of the report.

ChoiceTrust - CLUE
For Adverse Action: (P) 800-456-6004
www.consumerdisclosure.com

ISO - A Plus
For all Inquiries: (P) 800-709-8842

For Curious Consumers: (P) 866-527-2600
www.choicetrust.com
\$9 per report

To limit your liability as an agent you should always refer consumers to the Insurance Support Organization in order to obtain a copy of their loss history reports. If you have any questions or concerns regarding this practice please contact Brooke Bower (602) 956-1851.

Thank you for allowing YOUR Association to be of assistance.

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