

**191—28.13(509) Prohibited transactions.** The following practices, when engaged in by insurers in connection with the sale or placement of credit insurance, or as an inducement, shall constitute unfair methods of competition and shall be subject to the unfair trade practices Acts of this state.

**28.13(1)** The offer or grant by an insurer to a creditor of any special advantage or any service not set out in either the group insurance contract or in the agency contract, other than the payment of agent's commissions.

**28.13(2)** Agreement by an insurer to deposit with a bank or financial institution money or securities of the insurer with the design or intent that the same shall affect or take the place of a deposit of money or securities which otherwise would be required of the creditor by the bank or financial institution as a compensating balance or offsetting deposit for a loan or other advancement.

**28.13(3)** Deposit by an insurer of money or securities without interest or at a lesser rate of interest than is currently being paid by the creditor, bank or financial institution to other depositors of like amounts. This subrule shall not be construed to prohibit the maintenance by an insurer of demand deposits or premium deposit accounts reasonably necessary for use in the ordinary course of the insurer's business.

**28.13(4)** Failure by the insurance companies to refund, within a reasonable time period, unearned premiums to the person who originally paid the premium.

**28.13(5)** Misrepresentation or deception by the lender-agent by either leading a borrower to believe that the borrower must purchase insurance from a specific insurance company or failing to inform the borrower that insurance is not mandatory and by including the cost of insurance premiums in all loan quotations.

**28.13(6)** Any representation, either express or implied, that could reasonably cause a borrower to believe that the loan might be jeopardized if insurance is not purchased through the recommended channels and, by taking advantage of the weak bargaining position of the debtor, cause the purchase of insurance which might not otherwise be wanted.

**28.13(7)** Claim adjusting not in reasonable conformity with policy provisions.

**28.13(8)** Failure by both companies and agents to inform the debtor of coverage.

**28.13(9)** Charging rates that are unfairly discriminatory in that the company charges different rates for identical groups with similar mortality, morbidity, expenses and other valid underwriting characteristics.

**28.13(10)** Any violation of Iowa Code chapter 507B or Iowa Code section 714.16.