

EVIDENCE OF TIED SALES IN CREDIT INSURANCE

The Division of Insurance has received information about the percentage of credit insurance written on loans granted by certain lender institutions. The results of audits show very high sales closing ratios at these institutions. The percentages have run as high as 100 percent. This indicates tied sales, an unfair practice specifically prohibited by NRS 686A.200 and NRS 690A.140.

Although a particular ratio or percentage of credit insurance applications to loans granted may not be proof of tied sales, the commissioner considers unusually high percentages as evidence of this prohibited activity and will refer the results for investigation. Insurers, agents or brokers may have appropriate disciplinary action brought against them.

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