

Ethics and Social Media

You are an Agent in a large Independent Insurance Agency located in a suburban area of a large city. Some of your many personal lines clients have invited you to become a “friend” on their Facebook pages. You eagerly accept each invitation because this is an opportunity to make personal contact with your clients in a speedy and efficient manner. You also have the opportunity to better assess your clients needs. You notice on a client’s Facebook page that the client has just added a new child to their family. You may wish to send them a “congratulations on your new baby” card – and discuss their life insurance needs with them. BUT what if you discover on a long time insured’s Facebook page that your client was convicted of a DUI ten years ago, and is now celebrating his 10th anniversary of being clean and sober? What are your ethical dilemmas?

1. The experience period required for auto policies is 39 months. The motor vehicle report will reflect activity for 39 months with the exception of a DUI, which remains on the MVR for 7 years. Do you have an ethical obligation to notify the insurance company underwriter of this information? Keep in mind that there may be a contractual obligation through the Agency Agreement (or through the common law principles of agency) with the insurer and the regulatory promulgations about fraud, misrepresentation and concealment.
2. Do you have an ethical obligation to your client to keep this information private if the information gathered was obtained from a “Friend’s Only” (private) setting on Facebook? What if your client’s Facebook privacy settings are on “Everyone” (public)?
3. What possible issues of intentional torts could we face if the information posted is about a third party?
4. Is it ethical to warn the client to remove this information from their Facebook page instead of reporting it to the company?
5. Would the fact that you are a broker as opposed to an agent alter your ethical obligations in any of the above questions?