

# Best Compliance Practices for Social Media

By Jerry L. Wickersham, JD, AIRC



Social media is part of everyday life. Organizations that do not embrace social media in their marketing, do so at their peril. But it is not without its chal-

lenges. A careful analysis and strategy is needed for success.

## The Regulatory Advertising Umbrella

The foundation for advertising regulations (social media is a subset) is based on the laws created to stop unfair trade practices. Broadly, these legal issues such as whether or not the advertisement has the capacity, tendency or the effect of misleading or deceiving purchasers. That determination is made by the insurance commissioner, or

designees, in each state.

Specifically to insurers, advertising is defined by most states as material “designed to create public interest in insurance, an insurer, or a producer” or to “induce the public to purchase, increase, modify, reinstate or retain” a policy of insurance. In many cases, this not only includes communications to prospects and customers but also, “agent use only,” “agent recruiting materials,” “agent training materials” (in some states) and “home office communications (to the field).” These regulations are familiar to insurance marketers that have been advertising with other media for decades. And it’s pretty easy to see how social media falls under the advertising umbrella.

But social media has its own defining characteristics, mostly having to

do with its broad reach and numerous means of communications such as email, social media sites such as Facebook, LinkedIn, Pinterest, Twitter, YouTube and websites.

Simultaneously, individuals and groups now have a new voice to respond to corporate messages and have their voice be heard, creating a lack of control that most companies are not used to. Knowledge of that environment and pre-active planning is key.

## Best Practices

So companies (and individuals) have new ways to send and receive positive messages to millions, instantly. That’s the good news.

However we’ve all heard about the horror stories that inadvertent messages can create. A rogue employee. An

*continued on page 8*

She'll never buy your policy.  
**Until she hears from us.**

**She's an association member. So what?**  
DMW Direct knows that affinity marketing needs to dig deeper, going beyond “Dear Member” to deliver intimacy, relevancy and real value to your prospects — while delivering amazing results for you.

Learn how we can help you turn more prospects into policyholders.

**Visit us at [dmwdirect.com/PiMA](http://dmwdirect.com/PiMA)**

DMW | Direct

# Best Compliance Practices for Social Media *(continued from page 7)*

employee that thinks they're using their personal account but who is in fact using a corporate identity. An unhappy customer. And we've all "replied all" by mistake. Social media communications (and that includes mistakes) can get posted, tweeted and blogged around the world literally in a matter of minutes.

## Best Practices for Social Media Control

Social media communications must, for a start:

1. Comply with the CAN-SPAM Act;
2. Comply with state advertising laws regarding content, format and record retention requirements;

3. Link imbedded links back to the homepage or page with a "traffic directing" mechanism;
4. Include a statement that the email is intended for recipient only and should not be forwarded;
5. Disclose the insurer's licensing information (e.g. Insurer is not licensed in all states including (list));
6. File emails and advertisements of certain products for approval, if required by state law.

It doesn't stop there. Companies who use, or intend to use, social media must also develop internal controls and strategies that will protect them – and their employees. These include training in the proper use of the selected tools;

### ADDITIONAL RESOURCES

1. Corpedia White Paper on Social Media Policies; [request.corpedia.com/grc-social-media-whitepaper](http://request.corpedia.com/grc-social-media-whitepaper)
2. NAIC White Paper 2012; [www.naic.org](http://www.naic.org)
3. IRES: *The Regulator 12-02 Summer* article: "An Insurance Social Media Toolkit" by Randa Zalman; [www.go-ires.org](http://www.go-ires.org). Request a copy of *The Social Media Toolkit Handout*; [RZalman@redstoneweb.com](mailto:RZalman@redstoneweb.com)

implementation and enforcement of approval processes; monitoring and review of cyber-communications. If there is a corporate social media account, make sure employees use two

## ▶ EXPERIENCE. PRUDENTIAL.

Benefit experiences that help create and protect financial wellness.

With more than 65 years of experience, it's no secret that The Prudential Insurance Company of America (Prudential) is one of the best partners for life, disability and other insurance plans for associations and affinity groups—as well as their TPAs.

If you're offering life, disability, or a suite of coverages to your members, Prudential's proven underwriting and claims administration, as well as industry recognized marketing services, will exceed your expectations and offer real insurance solutions to your membership.

We are eager to share with you the same breadth of knowledge and service we provide to all our clients—those with whom we have decades of history, and those who recently embraced our expertise. Their enthusiastic acceptance of our services is the best endorsement we could offer.

**Find out what Prudential can do for your organization—and the people who count on you. Call John Kelly at 1-985-624-5224. We'll introduce you to a new way of protecting your members that's more than 65 years in the making.**



▶ Association/Affinity Services

Life and Long Term Disability Income coverages are issued by The Prudential Insurance Company of America, 751 Broad St., Newark NJ, 07102. Contract Series 83500.

This policy provides disability income insurance only. It does NOT provide basic hospital, basic medical, or major medical insurance as defined by the New York Department of Financial Services.

**North Carolina Residents: THIS IS NOT A MEDICARE SUPPLEMENT PLAN. If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare, which is available from the company.**

© 2015 Prudential, the Prudential logo, the Rock symbol, and Bring Your Challenges are service marks of Prudential Financial Inc. and its related entities, registered in many jurisdictions worldwide.

0216833

0216833-00004-00 Ed.1/12



separate applications or platforms, one for personal use and one for business, to help avoid the inadvertent misuse of the corporate account.

A written social media policy is a necessity and should address policies on topics such as personal communications on company time; the employee's right to privacy on company-owned equipment, on and off the job; clear definitions of what the company considers to be proprietary information and enforcement policies.

This policy should be consistent with your current Ethics and Compliance Policies and Procedures as well as state and federal regulations.

Have a social media crisis management plan. Don't wait until the worst happens to figure out what to do. And have a clear social media Rulebook so employees know their restrictions on corporate accounts, including after normal work hours.

(It is always a good idea to also track what others are saying about your company – good and bad – and to respond appropriately. There are a number of services that provide that service if internal resources are not available.)

Social media gives companies new ways to market and communicate. It's not an easy world but the potential is amazing.

*Jerry L. Wickersham, JD, AIRC, is vice president and senior consultant for First Consulting & Administration, Inc., an insurance regulatory consulting firm that has served the industry since 1969. Jerry can be reached at 816-391-2743 or jerry.wickersham@firstconsulting.com.*

## 2015 Annual Meeting Prize Winners

### Hotel Drawings

**Stoweflake Resort**  
Bill Hrabik, Humana

**Hilton Los Cabos**  
Jodie Heins, Alliant Insurance

### Golf Winners

**Longest Drive Ladies:**  
Cathy Colburn

**Longest Drive Men:**  
Doug Layman

**Closest to Pin:**  
Kevin Smith

**3rd Place:**  
Doug Hayes, Mathew Hooper,  
Woodrow Levin, Jeff Musich

**2nd Place:**  
Daniel Beck, Stu Liebeskind,  
Kevin Coghill, Greg Nelson

**1st Place Random:**  
Arnie Feffer, Chris Howard,  
Michael Kosloske

**1st Place Set Team:**  
Tom Denoma, Allen Bress,  
Doug Layman, Mark Torrison

# Having trouble reaching the hard-to-reach consumer?

## Reach out to us.

We tap into untapped markets every day. And do it with over 40 years of direct marketing expertise – delivering the right message, to the right target, to achieve the right results – time and time again.

We're committed to direct mail response excellence. So much so, we invested over 30 million of our own dollars last year in marketing spend. And that's in addition to constantly optimizing our time-tested direct marketing.

Want to attract and retain the hard-to-reach?

Reach out to Liz Sheehan today at 1-203-956-8852.

Insurance  
Solutions  
powered by Affinion