**Section 2002.APPENDIX A Guidelines**

**Section 2002.ILLUSTRATION C Guideline to Section 2002.30(b)**

a) This Section holds a company responsible for the actions of an agent or employee unless the company can demonstrate that it had no prior knowledge of the actions and unless the company can demonstrate to the satisfaction of the Director of Insurance that it has an adequate system of control as described in Section 2002.30(b) of this Part.

b) It is recognized that there are three kinds of advertisements:

1) offer to contract,

2) offer to inquire, and

3) institutional advertisements.

These distinctions are made since, historically, different provisions in a policy were required or not required to be disclosed depending on the kind of advertisement; the company's attention is directed to Sections 2002.40, 2002.70(b)(1), and Section 2002.80 in determining those provisions that must be disclosed.