

# LOSS CONTROL BULLETIN

## *False Advertising and Your Business*

What would you do if one of your customers felt your advertising was unfair? What would you do if a competitor felt you were unfair to them in your advertising? As a small business owner, you realize that advertising can dramatically increase your ability to attract and retain customers. Mailing, phone calls, personal communications, billboards or networking may all be options for you to consider in developing your marketing plan. Understanding and applying some of the basic legal and practical boundaries regarding advertising can assist you in creating advertising that attracts customers, not lawsuits.

### **What is deceptive or unfair advertising?**

A representation is deceptive if it is likely to mislead consumers and affect consumers' behavior about a product or service.

A practice is unfair if the injury it causes or is likely to cause is substantial, not outweighed by other benefits and not reasonably avoidable.

### **What can I do to avoid this risk?**

1. Tell the truth.
2. Don't mislead consumers.
3. Substantiate your claims.

Keeping yourself informed as a business owner will not only give you an added advantage over your competition, but it will also protect the most valued interests in your investment – clients and customers. The next time you think about criticizing a competitor or advertising your products, think about whether the advertising will harm anyone in any way. When in doubt, check with the Fair Trade Commission (FTC). Be familiar with advertising requirements. Don't take the risk of being liable for false advertising. You want advertising to present your business in a positive manner. A false advertising charge will only be a detriment to your marketing campaign.

No one wants to think about suffering a loss. In the unfortunate event you do have a loss, our **ANPAC Five Star Claim Service<sup>SM</sup>** is designed to provide assurance and confidence to our policyholders throughout the claims process.

**24-Hour Claims Hotline 1-800-333-2860**

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