



FEDERAL TRADE COMMISSION PROTECTING AMERICA'S CONSUMERS

R-you up on the R-value Rule?

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It's the time of year when some people are crooning "Baby, it's cold outside." Whether it's winter or summer, proper insulation can keep things comfortable. But how are consumers supposed to make heads or tails of competing claims when buying insulation? That's where the [R-value Rule](#) comes in.

The Rule requires insulation manufacturers and sellers to disclose the performance of their products, based on uniform testing procedures. That gives people the apples-to-apples benchmarks they need to comparison shop. If you or your clients are involved in the industry, you'll want to find out more about [the government's first litigated case involving deceptive claims for insulation](#) — and the largest ever R-value Rule civil penalty.

When you say insulation, most people think of the fluffy stuff. But under the names Thermakool, Thermalcool, and Energy Conservation Specialists, Florida-based Edward Sumpolec sold two different types of insulation: liquid coatings, which are applied to surfaces with a roller or paint brush, and foil radiant barriers, long sheets that can be applied in attics. His claims were eye-catching: "Saves 40 to 60% on your energy bills," "This . . . reflective coating will reduce wall and roof temperatures by 50-95 degrees," "Stops 98% of radiant heat," and "4 layered coating system . . . equals R-100 insulating value." Too bad he didn't have proof to back up those promises.

You'll want to check the [complaint](#) for details, but the case alleged violations of the FTC Act and the R-value Rule for false and unsubstantiated energy savings and performance claims. The complaint also said the defendant failed to give consumers fact sheets the Rule requires. In addition, claims for the defendant's coating products weren't based on test procedures mandated by the Rule and he failed to make necessary disclosures — for example, the type and thickness of coating needed to get the advertised R-value.

Acting on the FTC's referral, the Department of Justice filed suit against the defendant in 2011. The latest development: a civil penalty of \$350,000.

The messages for businesses that manufacture or sell insulation: Energy costs make up a hefty part of every household budget. That's why the FTC takes the R-value Rule seriously. If you haven't reviewed your legal obligations for a while, now's the time for a compliance warm-up. Are your claims substantiated? Do you follow the test procedures in the Rule? Are you keeping the necessary records? Are you making required disclosures clearly and conspicuously? Are you following the requirements about fact sheets? Those are just some of the questions to ask yourself.

The case offers another important insight regardless of your line of work. Consumer protection law enforcers take their responsibilities seriously. It's great if an appropriate settlement can be reached without litigation. But if that proves impossible, they're not afraid to present their evidence in court.



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