

**ADOPTED**

1 Senators Hudgens of the 47th and Shafer of the 48th offered the following amendment:

2 Amend the Senate Insurance and Labor Committee substitute to HB 407 by inserting after  
3 "violations;" on line 3 on page 1 "to permit insurers to provide food or refreshments under  
4 certain circumstances to current or prospective clients during sales presentations and  
5 seminars provided that no insurance or annuity applications or contracts are offered or  
6 accepted at such presentations or seminars;".

7 By inserting after line 11 on page 2 the following:

8 **"SECTION 2.**

9 Said title is further amended by striking subparagraph (b)(8)(C) of Code Section 33-6-4,  
10 relating to unfair methods of competition and unfair or deceptive acts or practices, and  
11 inserting in lieu thereof a new subparagraph (b)(8)(C) to read as follows:

12 '(C) Nothing in subparagraphs (A) and (B) of this paragraph shall be construed as  
13 including within the definition of discrimination or rebates any of the following  
14 practices:

15 (i) In the case of any contract of life insurance or life annuity, paying bonuses to  
16 policyholders or otherwise abating their premiums in whole or in part out of surplus  
17 accumulated from nonparticipating insurance, provided that any bonuses or  
18 abatement of premiums shall be fair and equitable to policyholders and for the best  
19 interest of the company and its policyholders;

20 (ii) In the case of life or accident and sickness insurance policies issued on the  
21 industrial debit or weekly premium plan, making allowance in an amount which  
22 fairly represents the saving in collection expense to policyholders who have  
23 continuously for a specified period made premium payments directly to an office  
24 of the insurer;

25 (iii) Making a readjustment of the rate of premium for a policy based on the loss  
26 or expense experienced at the end of the first or any subsequent policy year of  
27 insurance thereunder, which adjustment may be made retroactive only for the policy  
28 year;

29 (iv) Issuing life or accident and sickness insurance policies covering bona fide  
30 employees of the insurer at a rate less than the rate charged other persons in the  
31 same class;

1 (v) Issuing life or accident and sickness policies on a salary-saving, payroll  
 2 deduction, preauthorized, postdated, automatic check, or draft plan at a reduced rate  
 3 commensurate with the savings made by the use of such plan;

4 (vi) Paying commissions or other compensation to duly licensed agents or brokers  
 5 or allowing or returning dividends, savings, or unabsorbed premium deposits to  
 6 participating policyholders, members, or subscribers;

7 (vii) Paying by an insurance agent of part or all of the commissions on public  
 8 insurance to a nonprofit association of insurance agents which is affiliated with a  
 9 recognized state or national insurance agents' association, which commissions are  
 10 to be used in whole or in part for one or more civic enterprises; or

11 (viii) Paying for food or refreshments by an insurer or an agent, broker, or  
 12 employee of an insurer for current or prospective clients during sales presentations  
 13 and seminars provided that no insurance or annuity applications or contracts are  
 14 offered or accepted at such presentations or seminars;'

### 15 SECTION 3.

16 Said title is further amended by adding a new subsection (e) to Code Section 33-9-36,  
 17 relating to unauthorized premiums and unauthorized inducements, to read as follows:

18 '(e) Nothing in this Code section shall be construed as prohibiting the payment for food  
 19 or refreshments by an insurer or an agent, broker, or employee of an insurer for current  
 20 or prospective clients during sales presentations and seminars provided that no insurance  
 21 or annuity applications or contracts are offered or accepted at such presentations or  
 22 seminars.'

23 By redesignating Sections 2 through 23 as Sections 4 through 25, respectively.

24 By striking "Sections 9 through 21" on page 24 and inserting in lieu thereof "Sections 11  
 25 through 23".