

House Bill 425 (AS PASSED HOUSE AND SENATE)

By: Representatives Harbin of the 118th, Knox of the 24th, and Watson of the 91st

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 33 of the Official Code of Georgia Annotated, relating to insurance, so as to
2 permit insurers to provide food or refreshments under certain circumstances to current or
3 prospective clients during sales presentations and seminars provided that no insurance or
4 annuity applications or contracts are offered or accepted at such presentations or seminars;
5 to provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended by
9 striking subparagraph (b)(8)(C) of Code Section 33-6-4, relating to unfair methods of
10 competition and unfair or deceptive acts or practices, and inserting in lieu thereof a new
11 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 abatement
18 of premiums shall be fair and equitable to policyholders and for the best interest of
19 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 fairly
22 represents the saving in collection expense to policyholders who have continuously
23 for a specified period made premium payments directly to an office of the insurer;

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

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

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

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

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

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

18 (ix) Paying for business meals and entertainment by an insurer or an agent, broker,
19 or employee of an insurer, agent, or broker for current or prospective clients;"

20 **SECTION 2.**

21 All laws and parts of laws in conflict with this Act are repealed.