

House Bill 784

By: Representatives Carson of the 46<sup>th</sup>, Maxwell of the 17<sup>th</sup>, and Lumsden of the 12<sup>th</sup>

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 provide that certain insurer advertising and promotional items not exceeding \$100.00 in  
3 value will not be considered an unfair trade practice or an unlawful inducement; to provide  
4 for related matters; to repeal conflicting laws; and for other purposes.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

6 style="text-align:center">**SECTION 1.**

7 Title 33 of the Official Code of Georgia Annotated, relating to insurance, is amended in  
8 Code Section 33-6-4, relating to unfair trade practices, by revising subparagraph (b)(8)(C)  
9 as follows:

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

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

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

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

- 25 (iv) Issuing life or accident and sickness insurance policies covering bona fide  
 26 employees of the insurer at a rate less than the rate charged other persons in the same  
 27 class;
- 28 (v) Issuing life or accident and sickness policies on a salary-saving, payroll  
 29 deduction, preauthorized, postdated, automatic check, or draft plan at a reduced rate  
 30 commensurate with the savings made by the use of such plan;
- 31 (vi) Paying commissions or other compensation to duly licensed agents or brokers  
 32 or allowing or returning dividends, savings, or unabsorbed premium deposits to  
 33 participating policyholders, members, or subscribers;
- 34 (vii) Paying by an insurance agent of part or all of the commissions on public  
 35 insurance to a nonprofit association of insurance agents which is affiliated with a  
 36 recognized state or national insurance agents' association, which commissions are to  
 37 be used in whole or in part for one or more civic enterprises;
- 38 (viii) Paying for food or refreshments by an insurer or an agent, broker, or employee  
 39 of an insurer for current or prospective clients during group sales presentations and  
 40 group seminars, provided that no insurance or annuity applications or contracts are  
 41 offered or accepted at such presentations or seminars; ~~or~~
- 42 (ix) Paying for business meals and entertainment by an insurer or an agent, broker,  
 43 or employee of an insurer, agent, or broker for current or prospective clients; or
- 44 (x) Advertising or conducting promotional programs by insurers or insurance  
 45 producers whereby prizes, goods, wares, gift cards, gift certificates, sporting event  
 46 tickets, or merchandise, not exceeding a \$100.00 value per person in the aggregate in  
 47 any one calendar year, are given to all clients whose policy has been in effect for at  
 48 least 60 days under similar qualifying circumstances;"

49 **SECTION 2.**

50 Said title is further amended in Code Section 33-9-36, relating to unauthorized premiums and  
 51 unlawful inducements, by adding a new subsection to read as follows:

52 "(f) Nothing in this Code section shall be construed as prohibiting insurers or insurance  
 53 producers from advertising or conducting promotional programs whereby prizes, goods,  
 54 wares, gift cards, gift certificates, sporting event tickets, or merchandise, not exceeding a  
 55 \$100.00 value per person in the aggregate in any calendar year, are given to all clients  
 56 whose policy has been in effect for at least 60 days under similar qualifying  
 57 circumstances."

58 **SECTION 3.**

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