ALABAMA DEPARTMENT OF INSURANCE
ADMINISTRATIVE CODE

CHAPTER 482-1-088
GUIDELINES TO ADVERTISERS REGARDING THE OFFERING OF FREE GIFTS, BENEFITS, ETC.

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482-1-088-.01 Authority.

This chapter is adopted pursuant to Ala. Code §§27-2-17, 27-12-12, and 27-12-14.
Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-12-12, and 27-12-14.
History: Effective November 15, 1989. **Revised:** May 27, 2003; effective June 9, 2003. Filed with LRS May 30, 2003. **Amended:** Filed December 7, 2023; effective January 1, 2024. Published with LSA December 29, 2023.

Ed. Note: Rule is not subject to the Alabama Administrative Procedure Act.

482-1-088-.02 Purpose.

The purpose of this chapter is to clarify questions raised by insurers regarding marketing practices that offer some form of free gifts, benefits, etc., and the amount of the free gifts, benefits, etc.
Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-12-12, 27-12-14.
History: Effective November 15, 1989. **Revised:** May 27, 2003; effective June 9, 2003. Filed with LRS May 30, 2003.

Ed. Note: Rule is not subject to the Alabama Administrative Procedure Act.

482-1-088-.03 Scope.

This chapter shall apply to all insurers, insurance agencies, and producers doing business in the State of Alabama.
Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-12-12, 27-12-14.
History: Effective November 15, 1989. **Revised:** May 27, 2003; effective June 9, 2003. Filed with LRS May 30, 2003.

Ed. Note: Rule is not subject to the Alabama Administrative Procedure Act.

482-1-088-.04 Definitions.

(1) For the purposes of this chapter, a free gift, benefit, etc. is defined as a gift, benefit, etc., to invite an inquiry or quote from the insurance buying public. It is not an inducement or invitation to enter into an insurance contract.

(2) If necessary, a "reasonableness" test will be used to determine whether the value of the gift actually acts as an inducement to enter into an insurance contract regardless of the semantics used in the advertisement.
Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-12-12, 27-12-14.
History: Effective November 15, 1989. **Revised:** May 27, 2003; effective June 9, 2003. Filed with LRS May 30, 2003. **Amended:** Filed December 7, 2023; effective January 1, 2024. Published with LSA December 29, 2023.

Ed. Note: Rule is not subject to the Alabama Administrative Procedure Act.

482-1-088-.05 Allowable Amount.

(1) The value of the amount of the gift, benefit, etc. will be no more than $100.00 payable to an individual or family (only one gift per family). This gift cannot be cash.

(2) No rebate can be used as a part of a gift.
Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §§27-2-17, 27-12-12, 27-12-14.

History: Effective November 15, 1989. **Revised:** May 27, 2003; effective June 9, 2003. Filed with LRS May 30, 2003. **Amended:** Filed December 7, 2023; effective January 1, 2024. Published with LSA December 29, 2023.

Ed. Note: Rule is not subject to the Alabama Administrative Procedure Act.

482-1-088-.06 Severability.

If any paragraph or a portion of a paragraph of this chapter or its applicability to any person or circumstance is held invalid by a court, the remainder of the chapter or the applicability of the provision to other persons or circumstances shall not be affected.
Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §§27-2-17.
History: Effective November 15, 1989. **Revised:** May 27, 2003; effective June 9, 2003. Filed with LRS May 30, 2003.

Ed. Note: Rule is not subject to the Alabama Administrative Procedure Act.

482-1-088-.07 Effective Date.

This chapter shall become effective upon its approval by the Commissioner of Insurance and upon its having been on file as a public document in the office of the Secretary of State for ten days.
Author: Commissioner of Insurance
Statutory Authority: Code of Ala. 1975, §§27-2-17.
History: Effective November 15, 1989. **Revised:** May 27, 2003; effective June 9, 2003. Filed with LRS May 30, 2003.

Ed. Note: Rule is not subject to the Alabama Administrative Procedure Act.