

**CERTIFICATION OF ADMINISTRATIVE RULES
FILED WITH THE LEGISLATIVE SERVICES AGENCY
OTHNI LATHRAM, DIRECTOR**

(Pursuant to Code of Alabama 1975, §41-22-6, as amended).

I certify that the attached is/are correct copy/copies of rule/s as promulgated and adopted on Thursday, December 7, 2023, and filed with the agency secretary on Thursday, December 7, 2023.

AGENCY NAME: Alabama Department of Insurance

INTENDED ACTION: Amend

RULE NO.: Chapter 482-1-088

(If amended rule, give specific paragraph, subparagraphs, etc., being amended) **-.01; -.04, paragraph 2; and -.05, paragraph 1**

RULE TITLE: Guidelines to Advertisers Regarding the Offering of Free Gifts, Benefits, Etc.

ACTION TAKEN: State whether the rule was adopted with or without changes from the proposal due to written or oral comments:

Adopted without changes. No comments received.

NOTICE OF INTENDED ACTION PUBLISHED IN VOLUME XLII, ISSUE NO. 1, AAM, DATED TUESDAY, OCTOBER 31, 2023.

STATUTORY RULEMAKING AUTHORITY: Ala. Code 1975 §§ 27-2-17, 27-12-12, & 12-12-14

(Date Filed)
(For LRS Use Only)
REC'D & FILED
DEC 7, 2023
LEGISLATIVE SVC AGENCY

Reyn Norman
Reyn Norman
Certifying Officer or his or her Deputy

(NOTE: In accordance with §41-22-6(b), as amended, a proposed rule is required to be certified within 90 days after completion of the notice.)

ALABAMA DEPARTMENT OF INSURANCE
ADMINISTRATIVE CODE

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

TABLE OF CONTENTS

482-1-088-.01	Authority
482-1-088-.02	Purpose
482-1-088-.03	Scope
482-1-088-.04	Definitions
482-1-088-.05	Allowable Amount
482-1-088-.06	Severability
482-1-088-.07	Effective Date

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:** Published December 29, 2023; effective February 12, 2024.

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, and 27-12-14.

History: Effective November 15, 1989. **Revised:** May 27, 2003; effective June 9, 2003. Filed with LRS May 30, 2003. **Amended:** Published December 29, 2023; effective February 12, 2024.

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. **Amended:** Published December 29, 2023; effective February 12, 2024.

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, and 27-12-14.

History: Effective November 15, 1989. **Revised:** May 27, 2003; effective June 9, 2003. Filed with LRS May 30, 2003. **Amended:** Published December 29, 2023; effective February 12, 2024.

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:** Published December 29, 2023; effective February 12, 2024.

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.

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.