

**ALABAMA DEPARTMENT OF INSURANCE  
INSURANCE REGULATION**

**CHAPTER 482-1-088**

**GUIDELINES TO ADVERTISERS REGARDING THE  
OFFERING OF FREE GIFTS, BENEFITS, ETC.**

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**Chapter 482-1-088**

**482-1-088-.01 Authority.** This chapter is made, adopted and promulgated by the undersigned Commissioner of Insurance pursuant to the authority set forth in Section 27-2-17, Code of Alabama 1975.

**Author:** Commissioner of Insurance

**Statutory Authority:** Code of Alabama 1975, §§ 27-2-17

**History:** Effective November 15, 1989; Revised May 27, 2003, Effective June 9, 2003.

**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 Alabama 1975, §§ 27-2-17

**History:** Effective November 15, 1989; Revised May 27, 2003, Effective June 9, 2003

**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 Alabama 1975, §§ 27-2-17

**History:** Effective November 15, 1989; Revised May 27, 2003, Effective June 9, 2003

**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.

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(2) While the \$15.00 valuation has been established, 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 Alabama 1975, §§ 27-2-17

**History:** Effective November 15, 1989; Revised May 27, 2003, Effective June 9, 2003

**482-1-088-.05 Allowable Amount.**

(1) The value of the amount of the gift, benefit, etc. will be no more than \$15.00 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 Alabama 1975, §§ 27-2-17

**History:** Effective November 15, 1989; Revised May 27, 2003, Effective June 9, 2003

**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 Alabama 1975, §§ 27-2-17

**History:** Effective November 15, 1989; Revised May 27, 2003, Effective June 9, 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 Alabama 1975, §§ 27-2-17

**History:** Effective November 15, 1989; Revised May 27, 2003, Effective June 9, 2003