

**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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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: Ala. Code §§ 27-2-17, 27-12-12, 27-12-14

History: Effective November 15, 1989; Revised May 27, 2003, Effective June 9, 2003; Revised December 7, 2023, Effective, January 1, 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: Ala. Code §§ 27-2-17, 27-12-12, 27-12-14

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: Ala. Code §§ 27-2-17, 27-12-12, 27-12-14

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.

(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: Statutory Authority: Ala. Code §§ 27-2-17, 27-12-12, 27-12-14

History: Effective November 15, 1989; Revised May 27, 2003, Effective June 9, 2003; Revised December 7, 2023, Effective, January 1, 2024

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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: Statutory Authority: Ala. Code §§ 27-2-17, 27-12-12, 27-12-14

History: Effective November 15, 1989; Revised May 27, 2003, Effective June 9, 2003; Revised December 7, 2023, Effective, January 1, 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: Statutory Authority: Ala. Code §§ 27-2-17, 27-12-12, 27-12-14

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: Statutory Authority: Ala. Code §§ 27-2-17, 27-12-12, 27-12-14

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