

**Department of Legislative Services**  
Maryland General Assembly  
2018 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 1083  
Economic Matters

(Delegate Davis)

Finance

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**Insurance – Contracts and Policies – Educational and Promotional Materials and  
Articles of Merchandise**

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This bill increases the maximum value of educational materials, promotional materials, or articles of merchandise that can be offered and given out by insurers from \$25 to \$50. A person may not make the receipt of any such material or merchandise contingent on the sale or purchase of insurance.

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**Fiscal Summary**

**State Effect:** The bill does not directly affect State operations or finances.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law/Background:** Insurers in the State are generally prohibited from paying, allowing, or giving out certain valuable considerations in order to induce an applicant into purchasing an insurance policy or annuity. For example, an insurer may not pay, allow, or give out rebates of premiums, a special favor or advantage in dividends or other benefits, paid employment or a contract for services, or any valuable consideration or inducement that is not specified in an insurance contract.

Insurers are, however, authorized to offer, promise, and give out educational materials, promotional materials, and merchandise if the cost of the materials or merchandise is no

more than \$25. These types of materials are frequently given out at conferences for advertising purposes.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** SB 673 (Senators Middleton and Astle) - Finance.

**Information Source(s):** Maryland Insurance Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - February 11, 2018  
mm/jc Third Reader - March 19, 2018  
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Analysis by: Richard L. Duncan

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510