

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 673

(Senator Middleton, *et al.*)

Finance

Economic Matters

Insurance - Contracts and Policies - Educational and Promotional Materials and
Articles of Merchandise

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.

Fiscal Summary

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

Local Effect: None.

Small Business Effect: None.

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.

Additional Information

Prior Introductions: None.

Cross File: HB 1083 (Delegate Davis) - Economic Matters.

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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