

Legislative Analysis



GIFT LIMIT FOR LIFE INSURANCE PROVIDERS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 6144 as reported from committee

Sponsor: Rep. Steven Johnson

Committee: Financial Services

Complete to 6-9-22

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 6144 would amend the Insurance Code to increase (from \$5 to \$50) the cap on gifts of merchandise that life insurers can provide applicants for a life insurance policy, allow the gifts to be given to policyholders as well as to applicants, and change the cap to apply annually and not on a one-time or cumulative basis.

The act currently provides that sections 2024, 2066, and 2070 (which address rebates, special inducements, and reduction of insurance policies) do not prohibit a life insurer or life insurance agent from giving to each applicant for a life insurance policy an article of merchandise having an invoice value of \$5 or less.

The bill instead would provide that those sections do not prohibit a life insurer or life insurance producer from giving to each applicant for or an insured under a life insurance policy an article of merchandise with a cost to the insurer of \$50 or less per calendar year.

MCL 500.2024a

FISCAL IMPACT:

The bill would have no fiscal impact on state or local government.

POSITIONS:

A representative of National Association of Insurance and Financial Advisors of Michigan testified in support of the bill. (6-8-22)

The Department of Insurance and Financial Services indicated a neutral position on the bill. (6-8-22)

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