

**Representative John Knotwell** proposes the following substitute bill:

**INSURANCE RELATED INDUCEMENTS**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: John Knotwell**

Senate Sponsor: Curtis S. Bramble

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**LONG TITLE**

**General Description:**

This bill modifies the Insurance Code to address inducements.

**Highlighted Provisions:**

This bill:

⚡→ [~~addresses de minimis gifts or meals;~~] ←⚡

- ▶ addresses when goods and services may be provided;
- ▶ provides for disclosures; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

**Utah Code Sections Affected:**

AMENDS:

**31A-23a-402.5**, as last amended by Laws of Utah 2014, Chapters 290 and 300

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **31A-23a-402.5** is amended to read:

**2nd Sub. H.B. 141**



181 (G) providing performance reviews or performance review training;

182 (H) providing union advice;

183 (I) providing accounting services;

184 (J) providing discrimination testing; or

185 (K) providing data analysis information technology programs.

186 (6) A producer, consultant, or other licensee or an officer or employee of a licensee  
187 shall itemize and bill separately from any other insurance product or service offered or  
188 provided under Subsection (5)(b).

189 (7) (a) A de minimis gift or meal not to exceed a fair market value of ~~Ŝ~~ ~~→~~ ~~[f]~~ \$25  
189a ~~[f]~~ ~~→~~ ~~Ŝ~~ for

190 each individual receiving the gift or meal is presumed to be a social courtesy not conditioned  
191 on a quote or purchase of a particular insurance product for purposes of Subsection (4)(a).

192 (b) Notwithstanding Subsection (4)(a), a de minimis gift or meal not to exceed \$10  
193 may be conditioned on receipt of a quote of a particular insurance product.

194 (8) If as provided under Subsection (5)(b) a producer, consultant, or other licensee is  
195 paid a fee to provide an item listed in Subsection (5)(b), the licensee shall comply with  
196 Subsection 31A-23a-501(2) in charging the fee, except that the fee paid for the item shall equal  
197 or exceed the fair market value of the item.

198 (9) For purposes of this section, "fair market value" is determined on the basis of what  
199 an individual insured or policyholder would pay on the open market for that item.

200 (10) Notwithstanding any other provision of this section, a producer, consultant, or  
201 other licensee, or an officer or employee of a licensee, may offer, make available, or provide  
202 goods or services, whether or not the goods or services are directly related to an insurance  
203 contract, for free or for less than fair market value if:

204 (a) the goods or services are available on the same terms to the general public;

205 (b) receipt of the goods or services is not contingent upon the immediate or future  
206 purchase, continuation, or termination of an insurance product or receipt of a quote for an  
207 insurance product ~~Ŝ~~ ~~→~~ ~~[:]~~ ; **and**

207a **(c) the producer, consultant, or other licensee, or an officer or an employee of a licensee, does**  
207b **not retroactively charge for the goods or services based on an event subsequent to receipt of**  
207c **the goods or services.** ~~←~~ ~~Ŝ~~

208 (11) (a) A producer, consultant, or other licensee, or an officer or employee of a  
209 licensee, that provides or offers goods or services that are not described in Subsection (3) or (4)  
210 for free or less than fair market value shall conspicuously disclose to the recipient before the  
211 purchase of insurance, receipt of a quote for insurance, or designation of an agent of record.