

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

**SENATE BILL**No. **878** Session of  
2017

INTRODUCED BY WHITE AND WARD, SEPTEMBER 6, 2017

AS REPORTED FROM COMMITTEE ON INSURANCE, HOUSE OF  
REPRESENTATIVES, AS AMENDED, FEBRUARY 5, 2018

## AN ACT

1 Amending the act of May 17, 1921 (P.L.682, No.284), entitled "An  
2 act relating to insurance; amending, revising, and  
3 consolidating the law providing for the incorporation of  
4 insurance companies, and the regulation, supervision, and  
5 protection of home and foreign insurance companies, Lloyds  
6 associations, reciprocal and inter-insurance exchanges, and  
7 fire insurance rating bureaus, and the regulation and  
8 supervision of insurance carried by such companies,  
9 associations, and exchanges, including insurance carried by  
10 the State Workmen's Insurance Fund; providing penalties; and  
11 repealing existing laws," in general provisions relating to  
12 insurance companies, associations and exchanges, further  
13 providing for rebates and inducements prohibited.

14 The General Assembly of the Commonwealth of Pennsylvania  
15 hereby enacts as follows:

16 Section 1. Section 346 of the act of May 17, 1921 (P.L.682,  
17 No.284), known as The Insurance Company Law of 1921, is amended  
18 to read:

19 Section 346. Rebates and Inducements Prohibited; Revocation  
20 of Licenses; Penalties.--~~(a)~~ [No] (A) EXCEPT AS OTHERWISE <--  
21 PROVIDED IN THIS SECTION, NO insurance company, association, or  
22 exchange, by itself or by its officers or members, attorney-in-  
23 fact or by any other party, shall offer, promise, allow, give,

1 set off, or pay, directly or indirectly, any rebate of, or part  
2 of, the premium payable on the policy, or on any policy or  
3 agent's commission thereon, or earnings, profit, dividends, or  
4 other benefit founded, arising, accruing, or to accrue thereon  
5 or therefrom, or any special advantage in date of policy or age  
6 of issue, or any paid employment or contract for services of any  
7 kind, or any other valuable consideration or inducement, to or  
8 for insurance on any risk in this Commonwealth, now or hereafter  
9 to be written, which is not specified in the policy contract of  
10 insurance; nor shall any such company, association, or exchange,  
11 personally or otherwise, offer, promise, give, option, sell, or  
12 purchase any stocks, bonds, securities, or property, or any  
13 dividends or profits accruing or to accrue thereon, or other  
14 thing of value whatsoever, as inducement to insurance or in  
15 connection therewith, which is not specified in the policy.  
16 Nothing in this section shall be construed to prevent the taking  
17 of a bona fide obligation, with legal interest, in payment of  
18 any premium.

19 ~~(b) Nothing in this section shall be construed as~~ <--  
20 ~~prohibiting an insurance company, association or exchange, by~~  
21 ~~itself or by its officers or members, attorney in fact or by any~~  
22 ~~other party from offering or giving to an insured or prospective~~  
23 ~~insured money or any favor, advantage, object, valuable~~  
24 ~~consideration or anything other than money which has a cost of~~  
25 ~~or a redeemable value less than or equal to \$100. The~~  
26 ~~commissioner may increase this amount upon publication of notice~~  
27 ~~in the Pennsylvania Bulletin.~~

28 (B) AN INSURANCE COMPANY, ASSOCIATION OR EXCHANGE, BY <--  
29 ITSELF, ITS OFFICERS, MEMBERS OR ATTORNEY-IN-FACT OR ANY OTHER  
30 PARTY MAY OFFER OR GIVE TO AN INSURED OR A PROSPECTIVE INSURED,

1 ON AN ANNUAL AGGREGATE BASIS, ANY FAVOR, ADVANTAGE, OBJECT,  
2 VALUABLE CONSIDERATION OR ANYTHING OTHER THAN MONEY THAT HAS A  
3 COST OR REDEEMABLE VALUE OF LESS THAN OR EQUAL TO ONE HUNDRED  
4 DOLLARS (\$100). THE INSURANCE COMMISSIONER MAY INCREASE THIS  
5 AMOUNT UPON PUBLICATION OF NOTICE IN THE PENNSYLVANIA BULLETIN.

6 (B.1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION TO  
7 THE CONTRARY, AN INSURANCE COMPANY, ASSOCIATION OR EXCHANGE, BY  
8 ITSELF, ITS OFFICERS, MEMBERS OR ATTORNEY-IN-FACT OR ANY OTHER  
9 PARTY MAY NOT MAKE RECEIPT OF ANYTHING OF VALUE CONTINGENT ON  
10 THE PURCHASE OF INSURANCE.

11 (c) Nothing in this section shall [prevent] be construed as: <--

12 (1) preventing a company transacting industrial life  
13 insurance on a weekly payment plan from returning to  
14 policyholders, who have made a premium payment for a period of  
15 at least one year, the percentage of premium which the company  
16 would otherwise have paid for the weekly collection of such  
17 premium[.]; <--

18 (2) PERMITTING ANY UNFAIR METHOD OF COMPETITION OR AN UNFAIR  
19 OR DECEPTIVE ACT OR PRACTICE UNDER THE ACT OF JULY 22, 1974  
20 (P.L.589, NO.205), KNOWN AS THE "UNFAIR INSURANCE PRACTICES  
21 ACT"; OR

22 ~~(d) Nothing in this section shall be construed as (3) <--~~  
23 ~~prohibiting an insurance company, association or exchange, by~~  
24 ~~itself or by its officers or members, attorney-in-fact or by any~~  
25 ~~other party from offering or giving to an insured or A <--~~  
26 ~~prospective insured, for free or at a discounted price, services~~  
27 ~~or other offerings that relate to or enhance the value of the <--~~  
28 ~~insurance product being offered. Services not prohibited~~  
29 ~~include, but are not limited to, risk management services,~~  
30 ~~including loss control. LOSS CONTROL OF THE RISKS COVERED UNDER <--~~

1 THE POLICY.

2 Section 2. This act shall take effect in 60 days.