

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1841 Session of 2017

INTRODUCED BY TOBASH, DeLUCA, PICKETT, MILLARD AND WHEELAND,  
OCTOBER 2, 2017

REFERRED TO COMMITTEE ON INSURANCE, OCTOBER 2, 2017

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, revocation  
14 of licenses and penalties.

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

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

20 Section 346. Rebates and Inducements Prohibited; Revocation  
21 of Licenses; Penalties.--[No] (a) Except as otherwise provided  
22 in this section, no insurance company, association[, ] or  
23 exchange, by itself [or by its officers, or members, attorney-  
24 in-fact or by], its officers, members or attorney-in-fact or any

1 other party, shall offer, promise, allow, give, set off, or pay,  
2 directly or indirectly, any rebate of, or part of, the premium  
3 payable on the policy, or on any policy or agent's commission  
4 thereon, or earnings, profit, dividends, or other benefit  
5 founded, arising, accruing, or to accrue thereon or therefrom,  
6 or any special advantage in date of policy or age of issue, or  
7 any paid employment or contract for services of any kind, or any  
8 other valuable consideration or inducement, to or for insurance  
9 on any risk in this Commonwealth, now or hereafter to be  
10 written, which is not specified in the policy contract of  
11 insurance; nor shall any such company, association, or exchange,  
12 personally or otherwise, offer, promise, give, option, sell, or  
13 purchase any stocks, bonds, securities, or property, or any  
14 dividends or profits accruing or to accrue thereon, or other  
15 thing of value whatsoever, as inducement to insurance or in  
16 connection therewith, which is not specified in the policy.

17 (b) Nothing in this section shall be construed to prevent  
18 the taking of a bona fide obligation, with legal interest, in  
19 payment of any premium.

20 (c) Nothing in this section shall be construed as  
21 prohibiting an insurance company, association or exchange, by  
22 itself, its officers, members or attorney-in-fact or any other  
23 party, from offering or giving to an insured or prospective  
24 insured money or any favor, advantage, object, valuable  
25 consideration or thing other than money which has a cost or  
26 redeemable value of less than one hundred dollars (\$100). The  
27 Insurance Commissioner may increase the dollar amount under this  
28 subsection to reflect an upward change in the United States  
29 Department of Labor Consumer Price Index for All Urban Consumers  
30 (CPI-U) in the preceding year, upon publication of notice in the

1 Pennsylvania Bulletin.

2 (d) Nothing in this section shall prevent a company  
3 transacting industrial life insurance on a weekly payment plan  
4 from returning to policyholders, who have made a premium payment  
5 for a period of at least one year, the percentage of premium  
6 which the company would otherwise have paid for the weekly  
7 collection of such premium.

8 (e) Nothing in this section shall be construed as  
9 prohibiting an insurance company, association or exchange, by  
10 itself, its officers, members or attorney-in-fact or any other  
11 party, from offering or giving to an insured or prospective  
12 insured, for free or at a discounted price, services or other  
13 offerings that relate to or enhance the value of the insurance  
14 product being offered. Services not prohibited include, but are  
15 not limited to, risk management services, including loss  
16 control.

17 Section 2. This act shall take effect immediately.