

BULLETIN 2019-05

**GUIDANCE GOVERNING THE GIVING OF
PROMOTIONAL OR ADVERTISING ITEMS**

Effective July 24, 2019

This bulletin supersedes, replaces and rescinds bulletin 2009-13. The purpose of this bulletin is to provide guidance to insurance agents and insurance companies (“licensees”) who wish to give promotional or advertising items to potential insureds or insureds in exchange for the opportunity to market insurance products. This bulletin also clarifies sponsorship of raffles and the provision of certain services by licensees.

Ohio law generally prohibits the giving of something of value as an inducement to purchase or renew insurance. Specifically, R.C. 3901.21(G)(1) prohibits life, annuity or accident and health insurance licensees from giving as an inducement to purchase insurance a rebate of premiums or any valuable consideration or inducement not specified in the policy by defining such acts as unfair and deceptive acts or practices in the business of insurance. R.C. 3911.20 prohibits life insurance licensees from giving any rebate of premium payable on the policy or any valuable consideration or inducement as an inducement to purchase insurance, while R.C. 3933.01 prohibits other than life licensees from giving any rebate of premium on the policy or any valuable consideration or inducement not plainly specified in the insurance policy. These statutes protect consumers by requiring licensees to market insurance in a nondiscriminatory manner to like insureds or potential insureds and promoting a level playing field for licensees engaging in the business of insurance in this state.

The Department does not interpret the offering or giving of promotional or advertising items or meals to an insured or potential insured to violate R.C. 3901.21(G)(1), R.C. 3911.20 or R.C. 3933.01 when the total fair market value of the promotional or advertising items and/or meals does not exceed fifty dollars per calendar year and is not tied to the purchase of an insurance policy. “Fair market value” means the price for which a comparable item or meal of like kind and quality could be purchased in a retail transaction.

The Department does not interpret a contest, raffle or drawing held by a licensee that is open to the general public in which all participants are given a free chance to win a prize to violate R.C. 3901.21(G)(1), R.C. 3911.20 or R.C. 3933.01 so long as it is not tied to the sale or solicitation of insurance and no purchase or renewal of insurance is required to enter, win, or claim the prize.

Licensees are reminded that any promotion must comply with all existing Ohio laws, including, but not limited to, those that prohibit: unlawful compensation; untrue, deceptive or misleading advertisements; announcements or statements in the business of insurance; and unlawful gambling or raffles. *See* R.C. 3901.19 – 3901.26, R.C. 3905.18, R.C. Chapter 2915, Ohio Adm.Code 3901-8-07.

Advertising and marketing programs of title insurance licensees must comply with the more restrictive prohibitions contained in R.C. 3905.26 and the guidelines set forth in bulletin 95-3.

Superintendent of Insurance

A handwritten signature in blue ink that reads "Jillian Froment". The signature is written in a cursive style with a long horizontal flourish at the end.

Jillian Froment
Director