

GIFT LIMIT FOR LIFE INSURANCE PRODUCERS

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House Bill 4179 as reported from committee

Sponsor: Rep. Joseph A. Aragona

Committee: Insurance

Complete to 4-14-25

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

SUMMARY:

House Bill 4179 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 that has 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 that has a cost to the insurer of \$50 or less per calendar year.

MCL 500.2024a

BACKGROUND:

House Bill 4179 is identical to House Bill 4704 of the 2023-24 legislative session as that bill was passed by the House of Representatives.¹

As noted in committee testimony, the \$5 limit has not been increased since 1986.

FISCAL IMPACT:

House Bill 4179 would have no fiscal impact on any units of state or local government.

POSITIONS:

A representative of the National Association of Insurance and Financial Advisors Michigan testified in support of the bill. (3-19-25)

The following entities indicated support for the bill (3-19-25):

- Big I Michigan
- American Council of Life Insurers

¹ <https://www.legislature.mi.gov/Bills/Bill?ObjectName=2023-HB-4704>

A representative of the Michigan Department of Insurance and Financial Services indicated a neutral position on the bill. (3-19-25)

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.