

304.12-092 Gifts, sweepstakes, and drawings -- When permitted.

Notwithstanding any other provision of this chapter:

- (1) Except as provided in subsections (2) and (3) of this section, an insurer, by or through its employees, affiliates, or third-party representatives, or an insurance producer, as defined in KRS 304.9-020, may:
 - (a) In connection with the marketing, purchase, or renewal of insurance:
 1. Offer or provide gifts to any person, including any named insured, if:
 - a. The gifts are not in the form of cash;
 - b. The cost does not exceed two hundred fifty dollars (\$250) per year; and
 - c. Receipt of the gifts is not contingent on the purchase or renewal of an insurance policy; and
 2. Conduct sweepstakes or drawings if:
 - a. There is no participation cost to entrants;
 - b. Either:
 - i. The prizes do not exceed five hundred dollars (\$500) in value; or
 - ii. The combined value of all prizes divided by the number of entrants is less than ten dollars (\$10); and
 - c. The sweepstakes or drawings do not obligate entrants to purchase or renew an insurance policy; and
 - (b) Offer or provide products or services that relate to, or in conjunction with, an insurance policy for free, or at a discounted price, if the products or services:
 1. Are primarily intended to educate about, assess, monitor, control, mitigate, or prevent risk of loss to persons or their lives, health, property, or other insurable interests; or
 2. Have a connection to, or enhance the value of, the insurance benefits.
- (2) The offer or provision of products or services under subsection (1)(b) of this section shall be exempt from the prohibitions set forth in subsection (1)(a) of this section.
- (3) This section shall not:
 - (a) Apply to charitable contributions by an insurer or insurance producer unless the contributions are made in connection with the purchase or renewal of insurance; or
 - (b) Be construed to limit or prohibit any conduct permitted under KRS 304.12-100.

Effective: July 14, 2022

History: Created 2022 Ky. Acts ch. 64, sec. 1, effective July 14, 2022.

Legislative Research Commission Note (7/14/2022). 2022 Ky. Acts ch. 64, sec. 7, provides that this statute, which was created by that Act, may be cited as the Kentucky Rebate Reform Model Act.