

March 3, 2017

Nevada State Legislature
Assembly Committee on Commerce and Labor

Filed Electronically

RE: AB 244, Consumer Rebate/Promotional Items – NAMIC’s Written Testimony in SUPPORT

Dear Representative Irene Bustamante Adams, Chair; Representative Maggie Carlton, Vice-Chair; and honorable members of the Assembly Committee on Commerce and Labor:

Thank you for affording the National Association of Mutual Insurance Companies (NAMIC) an opportunity to submit written testimony to your committee for the March 6, 2017, public hearing on SB 331.

The National Association of Mutual Insurance Companies (NAMIC) is the largest property/casualty insurance trade association in the country, with more than 1,400 member companies. NAMIC supports regional and local mutual insurance companies on main streets across America and many of the country’s largest national insurers. NAMIC members represent 40 percent of the total property/casualty insurance market, serve more than 170 million policyholders, and write nearly \$225 billion in annual premiums. NAMIC has 162 members who write property/casualty in the State of Nevada, which represents 36% of the insurance market.

NAMIC is pleased to support AB 244, because it is a pro-consumer bill that recognizes the business marketing realities of the competitive insurance marketplace in a way that benefits consumers in a risk free manner.

AB 244 would allow an insurer to offer a rebate in the form of a prize, goods, wares, merchandise, gift certificates, donations made to charitable organizations, raffle entries, meals, and event tickets with an aggregate value that does not exceed \$100 in a calendar year. The proposed \$100 limit is consistent with the Financial Industry Regulatory Authority (FINRA) rule.

As a practical matter, insurance consumers are not making decisions about their insurance needs and/or decisions about which insurer provides the best insurance products, price-point, and service based upon de-minimus business swag and promotional trinkets provided by an insurer to attract the consumer to stop and listen to an insurer’s marketing education about their insurance products.

These promotional gifts, prizes and awards don't "buy" consumers decisions about what insurance carrier best addresses their personal risk management needs. A consumer's decision about which policy and carrier is best suited to address their personal insurance and business needs is not swayed because they were provided with a promotional opportunity to win a prize worth less than \$100 in the aggregate annually.

Insurance consumers are not fools, distracted from doing what is best for their family by "something shiny".

The proposed legislation is merely a pro-consumer bill that allows insurers to offer consumers little enticements to compensate them for taking time out of their hectic pace day to consider the insurer's product in a competitive insurance marketplace.

For the aforementioned reasons, NAMIC respectfully requests that you **VOTE YES on AB 244, because insurance consumers should be allowed to receive more than just entertaining and comical advertising commercials from insurers for their time and attention to standard business marketing.**

Thank you for your time and consideration. Please feel free to contact me at 303.907.0587 or at crataj@namic.org, if you would like to discuss NAMIC's written testimony.

Respectfully,



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