

## State Rebating and Consulting Laws

State	Rebating Laws or Regulations	Producer License	Separate Consulting License	Notes
<b>AL</b>	No person shall knowingly make any agreements other than as plainly expressed in the contract issued. Producers cannot offer to pay, any rebate of premiums or promise or give anything of value whatsoever not specified in the contract.	Yes	No	
<b>AK</b>	Except as otherwise expressly provided by law, a person may not rebate premiums payable on the contract, or promise, or give anything of value that is not specified in the contract.	Yes	No	
<b>AZ</b>	Except as otherwise expressly provided by law, no person shall knowingly make, permit to be made or offer to make any contract of life insurance, annuity or health insurance, any rebate of premiums or considerations payable on the contract, or anything of value whatsoever not specified in the contract	Yes	No	
<b>AR</b>	No broker, agent, or solicitor shall rebate or reduce the premium of a policy of insurance or any valuable consideration or inducement not specified in the policy. The agents cannot charge a fee if the fee is not in the insurer's rate structure, per Ark. Code Ann. § 23-66-310(b)(1)	Yes	No	An insurance producer is defined as an “agent, producer or consultant.”
<b>CA</b>	In 1988, California repealed its Anti-Rebate Law applicable to most lines of insurance as part of Proposition 103 in 1988. However, if the rebate is being given by the broker to his or her clients, there is case law holding this to be a prohibited practice under section 1300.46. (Schmidt v. Foundation Health (1995) 35 CalApp.4th 1702.)	Yes	No	
<b>CO</b>	No person shall knowingly permit or offer, pay or allow, or give, directly or indirectly, an inducement to buy insurance, rebate premiums payable, or any special favor or advantage not specified in the contract.	Yes	No	Bulletin number 1.22 requires that every producer disclose the names of all affiliated business arrangements to which the agent or the agency is a party.
<b>CT</b>	No person shall receive or accept	Yes	Yes	A fee-based “certified

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	from any company, or attorney, producer or any other person, as inducement to insurance, any such rebate of premium payable on the policy, any special favor... or any valuable consideration or inducement not specified in the policy of insurance.			insurance consultant” is required to have a separate license from an insurance producer. <a href="#">Chapter 701c</a> Secs. 38a-731 to 38a-739
<b>DE</b>	Except as otherwise expressly provided by law, no person shall knowingly make, permit to be made or offer to make any contract of life insurance, annuity or health insurance, any rebate of premiums or considerations payable on the contract, or anything of value whatsoever not specified in the contract.	Yes	No	Delaware terminated the consultant license in 2002. Persons acting as consultants can either receive commissions or fees, but not both.
<b>DC</b>	No person shall knowingly pay, allow, or give inducements, rebate premiums, or provide special favors or anything of value that is not specified or plainly expressed in the contract or policy.	Yes	No	
<b>FL</b>	Insurance agents are allowed to rebate commissions, but must comply with statutory nondiscrimination guidelines.	Yes	No	A consulting fee CAN NOT be charged where the fee is part of the consideration for insurance coverage, as that fee would be considered additional premium. HOWEVER, a consulting fee can be charged for services not related to placing the coverage if there is a SEPARATE consulting contract between the agent and the insured. If a consulting fee is charged, the insured must fully understand that he is entering into a separate contract and paying a separate consideration in advance of the performance or consulting service. The services rendered must be other than those normally provided by an insurance agent in connection with the solicitation or

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				effectuation of the insurance coverage.
<b>GA</b>	No person shall knowingly permit or offer, pay or allow, or give, directly or indirectly, an inducement to buy insurance, rebate premiums payable, or any special favor or advantage not specified in the contract.	Yes	Yes	A fee-based “counselor” is required to have a separate license from an insurance producer. The limited group health counselor license is for individuals working with large and small group health coverages/plans. It allows the holder of such license to provide consultation to the consumer and charge a fee for this consultation.
<b>HI</b>	No person shall knowingly permit or offer, pay or allow, or give, directly or indirectly, an inducement to buy insurance, rebate premiums payable, or any special favor or advantage not specified in the contract.	Yes	No	
<b>ID</b>	Except as otherwise expressly provided by law, no person shall make an agreement not plainly expressed in the contract or offer any special favors including rebates, special advantages, employment, or other inducements.	Yes	No	State law requires that producers file a form disclosing consulting fees.
<b>IL</b>	No insurance agent or broker shall offer, promise, allow, give, set off or pay, directly or indirectly, any rebate of or part of the premium payable on the policy, or on any policy or agent's commission thereon or earnings, profits, dividends or other benefits founded, arising, accruing or to accrue thereon or therefrom, or any special advantage in date of policy or age of issue, or any paid employment or contract for services of any kind or any other valuable consideration or inducement to or for insurance on any risk in this state	Yes	No	
<b>IN</b>	The law states that the commissioner may revoke the license if the licensee is guilty of rebating, or offering to rebate, or unlawfully dividing, or offering to divide, the licensee's commissions in the case of limited surety agents; and for such reasons is found by the commissioner to be a source of detriment, injury, or loss to	Yes	Yes	A fee-based “certified insurance consultant” is required to have a separate license from an insurance producer. Persons acting as consultants can either receive commissions or fees, but not both.

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	the public.			
<b>IA</b>	Except as otherwise expressly provided by law, no person shall knowingly permitting or offering to make or making any contract of life insurance, life annuity or accident and health insurance, or agreement as to such contract other than as plainly expressed in the contract.	Yes	No	
<b>KS</b>	Except as otherwise expressly provided by law, knowingly permitting, offering to make or making any contract of life insurance, life annuity or accident and health insurance, or agreement as to such contract other than as plainly expressed in the insurance contract issued thereon; paying, allowing, giving or offering to pay, allow or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, any special favor or advantage in the dividends or other benefits is prohibited	Yes	No	
<b>KY</b>	Except as expressly provided by law no insurer, employee, or No representative shall knowingly permit or offer to make or make any contract of life insurance, life annuity or health insurance, or agreement as to such contract other than as plainly expressed in the contract issued thereon, or pay or allow, or give or offer to pay, allow or give, directly or indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not expressed in the contract.	Yes	Yes	A fee-based “consultant” is required to have a separate license from an insurance producer. A consultant is an individual or business entity who is paid by someone other than an insurer to advise the client relative to coverage, advisability, rights, or interests under an insurance or annuity contract, existing or proposed. This individual must hold a consultant license for property and casualty and/or a consultant license for life and health.
<b>LA</b>	Except as otherwise expressly provided by law, knowingly permitting or offering to make any contract of insurance including health and accident insurance, offering to pay, allow, or give, directly or	Yes	No	

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	indirectly, as inducement to such insurance, or annuity, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not specified in the contract.			
<b>ME</b>	The anti-rebating laws generally prohibit any person from offering any inducement, discount, or incentive to purchase insurance that is not specifically included in the insurer's filings. The exception is that a producer may offer gifts valued up to \$20 per year per policy or quote in connection with the marketing of insurance, and conduct raffles or drawings with prizes valued at no more than \$100, so long as there is no participation costs to entrants. These incentives may not be in the form of cash or cash equivalent.	Yes	No	Charges for placing insurance must be as indicated in the company's filings; in other words, the regular premiums as filed, and the resulting commissions. However, there are two circumstances allowing producers to charge fees. First, producers with surplus lines authority may charge a nominal service charge in connection with surplus lines placements. Second, fees in addition to or in lieu of commissions may be charged for large commercial property and casualty risks.
<b>MD</b>	Except as otherwise expressly provided by law, a person may not rebate premiums, give special favors or paid employment not specified in the contract. Also, a person may not offer or promise valuable consideration not specified in the contract, except for educational and promotional materials, or articles of merchandise that cost less than \$25, regardless of whether a policy is purchased.	Yes	Yes	A fee-based "insurance advisor" is required to have a separate license from an insurance producer.
<b>MA</b>	Except as otherwise expressly provided by law, knowingly permitting or offering to pay, allow, or give, directly or indirectly, a rebate of premiums payable on the contract, or any special favors is prohibited. Also, offering anything of value whatsoever not specified in the contract.	Yes	Yes	A fee-based "insurance advisor" is required to have a separate license from an insurance producer.
<b>MI</b>	Except as otherwise expressly	Yes	No	A counselor's license

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	provided by law, knowingly permitting or offering to pay, allow, or give, directly or indirectly, a rebate of premiums payable on the contract, or any special favors is prohibited. Also, offering anything of value whatsoever not specified in the contractor.			will allow a person to counsel in the areas of life (LI) insurance and/or property and casualty (Multiple Lines P&C) insurance. The State of Michigan does not issue a license for counseling accident and health insurance. Individuals desiring to counsel in accident/health insurance must pass either the life counselor or P&C counselor examination and maintain the accident and health qualification as a producer. Persons admitted to the practice of law in Michigan may counsel insurance without obtaining a license but cannot represent themselves as licensed counselors by the State of Michigan.
<b>MN</b>	No person shall receive or accept any such rebate of premium payable on the policy, or any special favor or advantage in the dividends or other financial profits accrued, or to accrue, thereon, any valuable consideration or inducement not specified in the policy of insurance.	Yes	No	
<b>MS</b>	Agents shall not provide insurance products or services at free or reduced costs.	Yes	No	
<b>MO</b>	No producer shall pay, allow, or give, directly or indirectly, as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement, credit or reduction of the premium named in a policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy of insurance, except to the extent provided for in applicable filings.	Yes	No	

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MT	An insurance producer may not rebate or reduce a premium, provide a special favors or inducements not specified in the policy.	Yes	Yes	A fee-based “consultant” is required to have a separate license from an insurance producer
NE	No person shall offer, promise, allow, give, set off, or pay, directly or indirectly, any rebate of, or part of, the premium payable on the policy, or of any policy, or agent's commission thereon, or earnings, profits, dividends, or other benefits founded, arising, accruing or to accrue thereon or therefrom, or any paid employment or contract for service, or for advice of any kind, or any other valuable consideration or inducement to, or for insurance, on any risk authorized to be taken under section 44-201 now or hereafter to be written, which is not specified in the policy contract of insurance	Yes	Yes	A fee-based “consultant” is required to have a separate license from an insurance producer.
NV	Except as otherwise expressly provided by law, no person shall knowingly pay, allow, or offer to pay or rebate of premiums, nor give any special favors or valuable considerations or inducements not specified in the contract.	Yes	Yes	“Insurance consultant” means a person who, for a fee, holds himself or herself out to the public as engaged in the business of offering advice, counsel, opinion or service with respect to the benefits, advantages or disadvantages promised pursuant to any policy of insurance that could be issued in this State.
NH	In addition to prohibiting the reduction of premiums, RSA 402:39 prohibits an insurance company or producer from giving or promising anything of value as an inducement to purchase insurance except as provided for in the policy contract. Knowingly giving (directly or indirectly) a rebate as an inducement to purchase insurance is also an unfair trade practice in violation of RSA 417:4, IX (a).	Yes	No	
NJ	Except as otherwise expressly provided by law, no person shall knowingly make, permit to be made or offer to make any contract of life insurance, annuity or health	Yes	No	

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	insurance, any rebate of premiums or considerations payable on the contract, or anything of value whatsoever not specified in the contract.			
NM	Except as otherwise expressly provided by law, no person shall knowingly: permit to be made or offer to make or make any contract of health insurance, or agreement as to such contract, other than as plainly expressed in the contract issued, or pay or allow, or give or offer to pay, allow or give, directly or indirectly, or knowingly accept, as an inducement to such insurance or annuity any rebate of premiums payable on the contract.	Yes	Yes	A fee-based “consultant” is required to have a separate license from an insurance producer.
NY	New York clarified its rebating statute in Circular Letter No. 9 (2009). An insurer or insurance producer may not provide or offer to provide an insured or potential insured with any special benefit or discount, including any rebate from the premium, or any service or other incentive in conjunction with the sale of insurance that is not specified in the policy or contract.	Yes	Yes	A fee-based “consultant” is required to have a separate license from an insurance producer. An agent or broker may consult with respect to lines for which he is authorized and charge a consulting fee based upon a written memorandum signed by the party to be charged, without being licensed as a consultant. An agent or broker may charge a consulting fee and receive commissions for the sale of insurance if both the consulting fee and the insurance commissions are provided for in the written memorandum signed by the party to be charged. (3) An agent or broker may offset consultant’s fee against commissions received on the sale of insurance only if provided for in the written memorandum.
NC	The law provides that no insurer, agent, broker or limited representative shall pay, allow, or give, or offer to pay, allow, or give,	Yes	No	



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	directly or indirectly, as an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement, credit, or reduction of the premium named in a policy of insurance, or any special favor or advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or inducement whatever, not specified in the policy of insurance.			
<b>ND</b>	Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any contract of life insurance, life annuity, or accident and health insurance, or agreement as to such contract other than as plainly expressed in the contract.	Yes	Yes	A fee-based “consultant” is required to have a separate license from an insurance producer.
<b>OH</b>	No person shall receive or accept from any company, agent, sub-agent, or any other person any such rebate of premium payable on the policy, or any special favor or advantage in the dividend or other benefits to accrue thereon, or any valuable consideration or inducement not specified in the policy of insurance. No person shall be excused from testifying or from producing any books, papers, contracts, agreements, or documents at the trial of any other person charged with violation of this section, upon the ground that such testimony or evidence may tend to incriminate, but no person shall be prosecuted or subjected to any penalty or forfeiture on account of any transaction, matter, or thing concerning which he so testifies or produces evidence, and no testimony so given or produced shall be received against him upon any criminal investigation or proceeding involving rebates or violation of insurance laws.	Yes	No	
<b>OK</b>	No person shall knowingly permit or	Yes	Yes	A fee-based “consultant”

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	offer, pay or allow, or give, directly or indirectly, an inducement to buy insurance, rebate premiums payable, or any special favor or advantage not specified in the contract.			is required to have a separate license from an insurance producer.
<b>OR</b>	No person shall personally or otherwise offer, promise, allow, give, set off, pay or receive, directly or indirectly, any rebate of or rebate of part of the premium payable on an insurance policy or the insurance producer's commission thereon, or earnings, profit, dividends or other benefit founded, arising, accruing or to accrue on or from the policy, or any other valuable consideration or inducement to or for insurance on any domestic risk, which is not specified in the policy.	Yes	Yes	A fee-based "consultant" is required to have a separate license from an insurance producer.
<b>PA</b>	No insurance company, association, or exchange, or by its officers or members, or by any other party, shall offer, promise, allow, any rebate of, the premium payable, or any other valuable consideration or inducement not specified in the policy.	Yes	No	
<b>RI</b>	Except as otherwise expressly provided by law, knowingly permitting or offering to make a policy agreement not plainly expressed in the policy issued, paying or allowing or any rebate of premiums payable, or any special favor, or any valuable consideration or inducement not specified in the policy, is prohibited.	Yes	No	
<b>SC</b>	The law specifically prohibits any person from giving, directly or indirectly, a "contract for services" as an inducement to the purchaser of insurance.	Yes	No	
<b>SD</b>	No person shall knowingly permit or offer, pay or allow, or give, directly or indirectly, an inducement to buy insurance, rebate premiums payable, or any special favor or advantage not specified in the contract.	Yes	No	
<b>TN</b>	TCA 56-8-104(8) Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any policy of insurance, including, but not limited to, any life insurance policy or	Yes	No	

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	annuity, or accident and health insurance or other insurance, or agreement as to the contract other than as plainly expressed in the policy issued thereon, or paying or allowing, or giving or offering to pay, allow, or give, directly or indirectly, as inducement to the policy, any rebate of premiums payable on the policy, or any special favor or advantage in the dividends or other benefits thereon, or any valuable consideration or inducement whatever not specified in the policy; or giving, or selling, or purchasing or offering to give, sell, or purchase as inducement to the policy or annuity or in connection with the policy or annuity, any stocks, bonds or other securities of any insurance company or other corporation, association or partnership, or any dividends or profits accrued thereon, or anything of value whatsoever not specified in the policy;			
<b>TX</b>	Except as otherwise expressly provided by law, it is an unfair method of competition or an unfair or deceptive act or practice in the business of insurance to knowingly permit the making of, offer to make, or make a life insurance contract, life annuity contract, or accident and health insurance contract or an agreement regarding the contract, other than as plainly expressed in the issued contract, or directly or indirectly pay, give, or allow or offer to pay, give, or allow as inducement to enter into a life insurance contract, life annuity contract, or accident and health insurance contract a rebate of premiums payable on the contract.	Yes	Yes	A fee-based “counselor” is required to have a separate license from an insurance producer.
<b>UT</b>	A producer may not pay, allow, give, or offer to pay, allow, or give, directly or indirectly, as an inducement to obtaining any title insurance business including any rebate, reduction, or abatement of any rate or charge made incident to the issuance of the title insurance;	Yes	Yes	Producer must have three years prior experience before completing consultant license

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	any special favor or advantage not generally available to others; or any money or other consideration, except if approved			
<b>VT</b>	Making any contract of insurance or agreement as to such contract other than as plainly expressed in the insurance contract or promising anything of value not specified in the contract is prohibited.	Yes	Yes	A fee-based “consultant” is required to have a separate license from an insurance producer.
<b>VA</b>	Except as otherwise expressly provided by law, no person shall: knowingly permit, offer, or make an agreement which is not plainly expressed in the contract issued; allow or give as inducement; sell or purchase anything of value not specified in the contract; or rebate any part of premium payable.	Yes	Yes	A fee-based “consultant” is required to have a separate license from an insurance producer.
<b>WA</b>	Except to the extent provided for in an applicable filing with the commissioner then in effect, no producer shall, as an inducement to insurance, or after insurance has been effected, directly or indirectly, offer, promise, allow, give, set off, or pay to the insured or to any employee of the insured, any rebate, discount, abatement, or reduction of premium or any part thereof named in any insurance contract	Yes	No	
<b>WV</b>	No person shall knowingly make an agreement or give an inducement that is not plainly expressed in the insurance contract.	Yes	No	
<b>WI</b>	No insurer, no employee of an insurer, and no insurance intermediary may seek to induce any person to enter into an insurance contract or to terminate an existing insurance contract by offering benefits not specified in the policy.	Yes	No	
<b>WY</b>	Except as otherwise provided by law, no person shall knowingly permit any contract or agreement or pay, give or offer to pay, allow or give in any manner as inducement to the insurance or any rebate of premiums payable on the contract.	Yes	No	