

With Spring in the Air, States Renew Their Efforts to Allow Value-Added Products and Services

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Following North Dakota, New Mexico, and Washington's actions in 2021, there is a renewed effort by states to freshen up their rebating provisions to allow value-added products and services.

Kansas came alive first by passing Senate Bill 448, which adopts nearly all of the rebating language from the NAIC's recently updated Unfair Trade Practices Model Law (#880). Other states rejuvenating their rebating provisions include:

Connecticut (House Bill No. 5388)

Ohio (Senate Bill No. 256)

Georgia (House Bill No. 1059)

Rhode Island (House Bill No. 7752)

Massachusetts (House Bill No. 1141)

Vermont (House Bill No. 515)

Nebraska (Legislative Bill No. 863)

While the states are generally following Model 880's language, some state variations include:

- Connecticut – Provides more specificity on the requirements for a pilot program and reflects that the Connecticut Insurance Department will be developing a process in which a pilot would be filed with the department.

- Georgia – Eliminates as types of permitted value-added products and services, those that are primarily designed to enhance health, enhance financial wellness through items such as education or financial planning services, and assist in the administration of the employee or retiree benefit insurance coverage.
- Vermont – Applies the new language only to insurers, eliminates the pilot program language, and requires an insurer offering or providing value-added products or services to submit to the commissioner, within 10 days of first making such offer or provision, a description of the offer or provision and an explanation of how each Vermont criterion for value-added products and services is met.

As the state legislative season reaches an equinox, further legislative activity may slow. However, state insurance departments may expose regulatory provisions adopting the updated Model 880 value-added products and services provisions.

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