

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2025**

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**HOUSE BILL 356**

Short Title: Permitted Trade Practices/Insurance Rebates.-AB (Public)

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Sponsors: Representative Humphrey.

*For a complete list of sponsors, refer to the North Carolina General Assembly web site.*

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Referred to: Insurance, if favorable, Finance, if favorable, Rules, Calendar, and Operations of the House

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March 12, 2025

1 A BILL TO BE ENTITLED  
2 AN ACT CLARIFYING PERMITTED TRADE PRACTICES WITH RESPECT TO  
3 INSURANCE REBATES, AS RECOMMENDED BY THE DEPARTMENT OF  
4 INSURANCE.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 58-63-15(8)b.4. and G.S. 58-63-16 are repealed.

7 **SECTION 2.** G.S. 58-63-15 reads as rewritten:

8 "**§ 58-63-15. Unfair methods of competition and unfair or deceptive acts or practices**  
9 **defined.**

10 The following are hereby defined as unfair methods of competition and unfair and deceptive  
11 acts or practices in the business of insurance:

12 ...

13 (8) Rebates. –

14 ...

15 b. Nothing in subdivision (7) or paragraph a of subdivision (8) of this  
16 section shall be construed as including within the definition of  
17 discrimination or rebates any of the following practices:

18 ...

19 5. Engaging in an arrangement that would not violate section 106  
20 of the Bank Holding Company Act Amendments of 1972 (12  
21 U.S.C. § 1972), as interpreted by the Board of Governors of  
22 the Federal Reserve System, or section 5(q) of the Home  
23 Owners' Loan Act, 12 U.S.C. § 1464(q).

24 6. The offer or provision by insurers or producers, by or through  
25 employees, affiliates, or third-party representatives, of  
26 value-added products or services at no or reduced cost when  
27 such products or services are not specified in the policy of  
28 insurance if all of the following criteria are met:

29 I. Relates to the insurance coverage and is primarily  
30 designed to satisfy one or more of the following:

31 A. Providing loss mitigation or loss control.

32 B. Reducing claim costs or claim settlement costs.

33 C. Providing education about liability risks or risk  
34 of loss to persons or property.



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1 (a) No insurer, insurance producer, or limited representative shall knowingly charge,  
2 demand or receive a premium for any policy of insurance except in accordance with the  
3 applicable filing approved by the Commissioner. No insurer, insurance producer, or limited  
4 representative shall pay, allow, or give, or offer to pay, allow, or give, directly or indirectly, as  
5 an inducement to insurance, or after insurance has been effected, any rebate, discount, abatement,  
6 credit, or reduction of the premium named in a policy of insurance, or any special favor or  
7 advantage in the dividends or other benefits to accrue thereon, or any valuable consideration or  
8 inducement whatever, not specified in the policy of insurance. No insured named in a policy of  
9 insurance, nor any employee of such insured, shall knowingly receive or accept, directly or  
10 indirectly, any such rebate, discount, abatement or reduction of premium, or any special favor or  
11 advantage or valuable consideration or inducement. Nothing herein contained shall be construed  
12 as prohibiting (i) the payment of commissions or other compensation to duly licensed insurance  
13 producers and limited representatives, (ii) any participating insurer from distributing to its  
14 policyholders dividends, savings or the unused or unabsorbed portion of premiums and premium  
15 deposits, or (iii) the trade practices permitted by ~~G.S. 58-63-16. sub-subdivision b. of subdivision~~  
16 (8) of G.S. 58-63-15. As used in this section the word "insurance" includes suretyship and the  
17 word "policy" includes bond.

18 ...."

19 **SECTION 4.** This act is effective when it becomes law and applies to trade practices  
20 related to insurance contracts issued, renewed, or amended on or after that date.