



STATE OF TENNESSEE  
DEPARTMENT OF COMMERCE AND INSURANCE  
500 JAMES ROBERTSON PARKWAY  
NASHVILLE, TENNESSEE 37243-5065

BILL HASLAM  
GOVERNOR

JULIE MIX MCPEAK  
COMMISSIONER

**BULLETIN**

TO: All Licensed Insurance Companies and Producers  
FROM: Julie Mix McPeak, Commissioner *Julie Mix McPeak*  
RE: Rebating  
DATE: February 13<sup>th</sup>, 2015

The Department has been made aware of several insurance companies and producers that are offering gifts to consumers as a marketing promotion to solicit additional business.

Tenn. Code Ann. § 56-8-104(8) of the Unfair Trade Practices and Claims Settlement Act prohibits rebating and provides, in pertinent part, that it is an unfair trade practice to knowingly permit or offer valuable consideration or an inducement to enter into a policy, unless such consideration is specified in the policy. The Department takes the position that gifts and valuable consideration offered to potential consumers irrespective of whether they purchase a policy, such as gift offers for requesting an insurance quote, will not be considered an inducement to a policy in violation of the rebating statute.

Gifts and offers that are provided exclusively to those who purchase a policy will be presumed to be inducements and rebating in violation of Tenn. Code Ann. § 56-8-104(8) unless such gifts and/or offers are specified in the policy forms. Violations will be strictly enforced and violators will be subject to actions against their license and/or civil monetary penalties under the authority of Tenn. Code Ann. §§ 56-2-305, 56-6-112(a)(7), and 56-8-103.

This Bulletin repeals and replaces any other prior inconsistent guidance issued by the Department related to rebating.

Any questions regarding the intent of this Bulletin should be directed to the Insurance Division's Policy Analysis Section, 6<sup>th</sup> Floor, Davy Crockett Tower, 500 James Robertson Parkway, Nashville, Tennessee, 37243, and/or (615) 741-2825.