



2025-2026 General Assembly

HOUSE BILL 737: Department of Insurance Omnibus Bill, Part VI: Clarify Permitted Trade Practices with Respect to Insurance Rebates.

Analysis of: S.L. 2025-45, Part VI

Date: August 27, 2025

Prepared by: Legislative Analysis
Division Staff

Part VI of S.L. 2025-45 (House Bill 737) does the following:

- Repeals the law allowing insurers, insurance producers, or limited representatives to offer or provide products or services not specified in an insurance policy.
- Provides that the following acts do not constitute unfair or deceptive acts or practices: (i) engaging in an arrangement that would not violate certain provisions of the Bank Holding Company Act Amendments of 1972 or Home Owners' Loan Act; (ii) offering or providing value-added products or services that are not specified in the insurance policy at no or reduced cost, if the product or service meets certain criteria; (iii) offering or gifting noncash gifts, items, or services, if certain conditions are met; and (iv) conducting drawings or raffles, to the extent they are otherwise permitted by law, if certain conditions are met.
- Provides that the trade practices listed above are not prohibited rebates.
- Prohibits an insurer, producer, or representative of either from offering or providing insurance as an inducement to the purchase of another policy or from using the words "free," "no cost," or similar words in an advertisement, except for specified products or services.

The provisions excluding certain acts from being unfair or deceptive acts or practices become effective January 1, 2027, and apply to trade practices related to insurance contracts issued, renewed, or amended on or after that date. The remainder of this Part became effective July 1, 2025.

Kara McCraw
Director



Legislative Analysis
Division
919-301-1976