



## **REBATING/INDUCEMENTS — STATE OF WASHINGTON**

*The Washington Department of Insurance has made it a priority to ensure producers in the state of Washington are abiding by the rebating and inducement laws set forth in state law, including RCWA 48.30.140, which states, in pertinent part:*

(1) Except to the extent provided for in an applicable filing with the commissioner then in effect, no insurer, insurance producer or title insurance agent 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, or any commission thereon, or earnings, profits, dividends or other benefit, or any other valuable consideration or inducement whatsoever which is not expressly provided for in the policy.

(4) This section shall not apply to advertising or promotional programs conducted by insurers, insurance producers or title insurance agents whereby prizes, goods, wares or merchandise, not exceeding \$25 in value per person in the aggregate in any 12-month period, are given to all insureds or prospective insureds under similar qualifying circumstances.

### **In addition, 48.30.150 states, in pertinent part:**

(1) No insurer, insurance producer, title insurance agent or other person shall, as an inducement to insurance, or in connection with any insurance transaction, provide in any policy for, or offer, or sell, buy or offer or promise to buy or give, or promise, or allow to, or on behalf of, the insured or prospective insured in any manner whatsoever:

(c) Any prizes, goods, wares or merchandise of an aggregate value in excess of \$25.

Recent court decisions and orders issued by the Washington DOI have made clear the \$25 limit applies to, and includes, meals. See *Chicago Title Ins. Co. v. Washington State Office of Ins. Com'r*, 309 P.3d 372 (2013). Please be aware of this restriction in your marketing.

If, in addition to being an insurance producer, you are registered as an investment advisor, FINRA rule 3220 sets forth a gifting limit of \$100 per year per client. However, all insurance producers must comply with the standard set forth in the Washington insurance laws if there is a potential for your marketing to lead to the sale of insurance products.

In addition to questions concerning meal limits, we have recently received inquiries regarding permissibility of raffles at events. Please also be aware that in addition to complying with rebating and inducement laws, any raffles or drawings must comply with state gaming lottery laws. Information regarding raffles in the state of Washington can be found [here](#). Information regarding applicable Washington state insurance law can be found [here](#).

Advisors Excel would also encourage you to review your state law guidelines with regard to all marketing conduct if you have questions about your practices.

**Thank you for your prompt attention to this matter.**

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*Please note, the information provided in this bulletin should not be construed as legal advice. Advisors Excel attorneys cannot act as your attorney nor represent you in private or regulatory matters. Should you have questions about your specific marketing practices, please contact your private attorney.*