

Introduced by

Senators O. Larsen, Kannianen

Representative Kasper

1 A BILL for an Act to amend and reenact subdivision c of subsection 8 of section 26.1-04-03,  
2 subsection 2 of section 26.1-04-06, and subsection 2 of section 26.1-25-16 of the North Dakota  
3 Century Code, relating to limitations on insurance rebates.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Subdivision c of subsection 8 of section 26.1-04-03 of the  
6 North Dakota Century Code is amended and reenacted as follows:

7 c. Notwithstanding any other provision in this subsection, if the cost does not  
8 exceed an aggregate retail value of ~~fifty~~one hundred dollars per person per year,  
9 an insurance producer may give a gift, prize, promotional article, logo  
10 merchandise, meal, or entertainment activity directly or indirectly to a person in  
11 connection with marketing, promoting, or advertising the business. As used in this  
12 subdivision, "person" means the named insured, policy owner, or prospective  
13 client or the spouse of any of these individuals, but the term does not include a  
14 certificate holder, child, or employee of the named insured, policy owner, or  
15 prospective client. Subject to the limits of this subdivision, an insurance producer  
16 may give a gift card for specific merchandise or services such as a meal,  
17 gasoline, or car wash but may not give cash, a cash card, any form of currency,  
18 or any refund or discount in premium. An insurance producer may not condition  
19 the giving of a gift, prize, promotion article, logo merchandise, meal, or  
20 entertainment activity on obtaining a quote or a contract of insurance.  
21 Notwithstanding the limitation in this subdivision, an insurance producer may  
22 make a donation to a nonprofit organization that is exempt from federal taxation  
23 under Internal Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] in any

1 amount as long as the donation is not given as an inducement to obtain a quote  
2 or a contract of insurance.

3 **SECTION 2. AMENDMENT.** Subsection 2 of section 26.1-04-06 of the North Dakota  
4 Century Code is amended and reenacted as follows:

5 2. Notwithstanding any other provision in this section, if the cost does not exceed an  
6 aggregate retail value of ~~fortyone hundred~~ fiftyone hundred dollars per person per year, an insurance  
7 producer may give a gift, prize, promotional article, logo merchandise, meal, or  
8 entertainment activity directly or indirectly to a person in connection with marketing,  
9 promoting, or advertising the business. As used in this subsection, "person" means the  
10 named insured, policy owner, or prospective client or the spouse of any of these  
11 individuals, but the term does not include a certificate holder, child, or employee of the  
12 named insured, policy owner, or prospective client. Subject to the limits of this  
13 subsection, an insurance producer may give a gift card for specific merchandise or  
14 services such as a meal, gasoline, or car wash but may not give cash, a cash card,  
15 any form of currency, or any refund or discount in premium. An insurance producer  
16 may not condition the giving of a gift, prize, promotional article, logo merchandise,  
17 meal, or entertainment activity on obtaining a quote or a contract of insurance.  
18 Notwithstanding the limitation in this subsection, an insurance producer may make a  
19 donation to a nonprofit organization that is exempt from federal taxation under Internal  
20 Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] in any amount as long as the  
21 donation is not given as an inducement to obtain a quote or a contract of insurance.

22 **SECTION 3. AMENDMENT.** Subsection 2 of section 26.1-25-16 of the North Dakota  
23 Century Code is amended and reenacted as follows:

24 2. Notwithstanding any other provision in this section, if the cost does not exceed an  
25 aggregate retail value of ~~fortyone hundred~~ fiftyone hundred dollars per person per year, an insurance  
26 producer may give a gift, prize, promotional article, logo merchandise, meal, or  
27 entertainment activity directly or indirectly to a person in connection with marketing,  
28 promoting, or advertising the business. As used in this subsection, "person" means the  
29 named insured, policy owner, or prospective client or the spouse of any of these  
30 individuals, but the term does not include a certificate holder, child, or employee of the  
31 named insured, policy owner, or prospective client. Subject to the limits of this

1 subsection, an insurance producer may give a gift card for specific merchandise or  
2 services such as a meal, gasoline, or car wash but may not give cash, a cash card,  
3 any form of currency, or any refund or discount in premium. An insurance producer  
4 may not condition the giving of a gift, prize, promotional article, logo merchandise,  
5 meal, or entertainment activity on obtaining a quote or a contract of insurance.  
6 Notwithstanding the limitation in this subsection, an insurance producer may make a  
7 donation to a nonprofit organization that is exempt from federal taxation under Internal  
8 Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] in any amount as long as the  
9 donation is not given as an inducement to obtain a quote or a contract of insurance.