

Producers' Fees & Commissions Survey

- * The laws governing the payment of fee compensation (i.e., whether producers may charge fees in addition to or in lieu of commissions) vary from state to state and often do not address the issue specifically. This can make it challenging for agents and brokers to structure compliant compensation arrangements.
- * Given the lack of uniformity among state requirements, the *Producers' Fees & Commissions Survey* is designed to assist Council members in navigating the murky waters of state agent/broker compensation laws. In particular, the survey seeks to address:
 - *Fee + Commission* (i.e., whether producers can charge both a fee and collect a commission in connection with transactions and services provided to a particular client (or whether a fee may be charged in lieu of a commission)).
 - Some states (e.g., Alabama, California, Hawaii, Nevada, etc.) require the fee to be disclosed in the rate filing, while others (e.g., Arizona, Arkansas, Connecticut, Idaho, Illinois, Kansas, Minnesota, Missouri, New York, Ohio, Wisconsin, etc.) simply require general compliance with the state's compensation disclosure framework.
 - Other states (e.g., Alaska, Colorado, Delaware, Florida, Maine, Michigan, New Hampshire, Rhode Island, South Dakota, and West Virginia) affirmatively prohibit certain compensation arrangements via statutory text or guidance interpreting their statutory provisions as prohibiting or restricting a producer's ability to charge fees in addition to commissions.
 - Finally, a small number of states (e.g., Mississippi) remain silent on the issue altogether or otherwise only reference fee arrangements that are permissible for producers who are also licensed as consultants (e.g., Georgia, Kentucky, Oklahoma, Wyoming, etc.).
 - *Disclosure Requirements* (i.e., whether specific disclosure or written agreements are required for a producer to charge a fee). Most states impose some form of compensation disclosure obligation on their producers requiring, for example, a signed acknowledgement of fee compensation by the client.
 - *Compensation Sharing* (i.e., whether producers can share compensation (such as override fees) with other producers and agencies). The vast majority of states have incorporated language from the [NAIC's Producer Licensing Model Act](#), which permits producers to pay or assign commissions, service fees, brokerages, or other valuable consideration to an agency or unlicensed person, provided that such compensation sharing does not run afoul of the state's anti-rebating rules.
 - *Referral Fees* (i.e., whether referral fees are permitted). The majority of states permit producers to pay referral fees to unlicensed individuals, provided that certain requirements are met (e.g., the referral fee is a nominal/fixed amount, it is not contingent on the purchase of coverage, etc.).
- * The Council regularly monitors federal and state legislative activity. New activity will be included in this survey to reflect changes in state laws and regulations. In compiling this directory, every effort has been made to be as thorough, comprehensive and accurate as possible and to describe the various state requirements in as uniform a manner as possible. The survey, however, is intended to serve only as a guide. The states may differ in some of their specific requirements and terms. The definition of premium, for example, may differ from state to state. Thus, the summaries and discussions herein are not intended to be, and cannot substitute for, legal advice. If you have any questions about the applicability of a state law or regulation to a specific situation, consult your legal counsel or call the appropriate state insurance regulator.

State	Fee + Commission	Compensation Disclosure	Miscellaneous
<p><i>Alabama</i></p>	<p>Alabama law prohibits insurance producers from charging fees in addition to receiving commissions for their services as an insurance producer, <u>unless</u> such compensation is specified in the policy and in accordance with the rate filing approved by the commissioner. In cases where classifications, premiums, or rates are not required, fees may not be in excess of those specified in the policy and as fixed by the insurer.</p> <p>This does <u>not</u> prohibit, among other things, insurance producers from charging:</p> <ul style="list-style-type: none"> • A collection fee of up to 1.5% per month on unpaid balances for insurance premiums; or • Administrative fees to process property and casualty insurance applications when the fees have been approved by the commissioner. ALA. CODE § 27-12-17; Alabama News – Producer Fees (2001). 	<p><i>Alabama law does not address producer compensation disclosure.</i></p> <p>With respect to <u>administrative fees</u>, the Department of Insurance has stated that such fees are separate and distinct from the insurance company’s premium and they must be disclosed to consumers as a separate charge by the producer. Alabama News – Producer Fees (2001).</p> <p>The Department also recommends that producers engaged in <u>personal financial planning</u> <u>not</u> charge fees for financial planning other than commissions, <u>unless</u> the fees are based upon a written agreement, signed by the party to be charged in advance of the performance of the services under the agreement. Alabama News – Producer Fees (2001).</p>	<p><i>Compensation Sharing.</i> An insurer or producer may pay or assign commissions to an insurance agency or persons who do not sell, solicit, or negotiate insurance in Alabama, unless the payment would violate the Unfair Trade Practices Act. ALA. CODE § 27-7-35.1.</p> <p>A producer may divide or share in the commissions with other producers licensed as to the same kinds of insurance. ALA. CODE § 27-7-35.</p> <p><i>Referral Fees.</i> <i>Alabama law does not appear to address referral fees.</i></p>
<p><i>Alaska</i></p>	<p>An insurance producer appointed as a client’s broker may charge a fee or be compensated by a combination of fees and commissions. Specifically, a producer acting as a broker may <u>only</u> receive compensation in the following forms:</p> <ul style="list-style-type: none"> • A fee that requires the insurance producer to offset or reimburse the client for the full amount of a commission earned by the producer; • A combination of a fee paid by the client and a commission paid by an insurer with which coverage is placed that may offset or reimburse a client for all or part of a commission earned by the insurance producer if the amount of the commission is disclosed to the client; or • A commission paid by an insurer with which coverage has been placed. Bulletin B 04-14; Bulletin B 16-02; ALASKA STAT. § 21.27.560. <p>An insurance producer acting as an agent is prohibited from charging a fee, <u>unless</u> the fee is specified in the policy, agreed to by the insurer, and included in the insurer’s rate filing for review by the Division. Bulletin B 16-02 (basing this interpretation on the broad definition of “premium” to</p>	<p>A producer acting as a broker may not charge a fee, <u>unless</u> the fee is based on a written agreement signed by the client, containing</p> <ul style="list-style-type: none"> • The appointment by the client naming the insurance producer as their broker; • The duties, functions powers, and authority of the insurance producer as their broker; • The fee to be charged and how the fee is calculated; and • A statement providing that the client is under no obligation to purchase an insurance product. Bulletin B 04-14; Bulletin B 16-02; ALASKA STAT. § 21.27.560. <p>A producer acting as an agent must specify the fee to be charged in the insurer’s rate filing. Bulletin B 16-02.</p>	<p><i>Compensation Sharing.</i> An insurance producer may compensate an insurance agency or persons who do not sell, solicit, or negotiate insurance in Alaska if that person does not transact insurance in the state and the payment does not otherwise violate Alaska law. ALASKA STAT. § 21.27.370; Bulletin B 04-14 (explaining that compensation may be shared between appropriately licensed persons).</p> <p><i>Referral Fees.</i> An insurance producer appointed as a broker may share a fee or commission with another properly licensed producer, provided all necessary disclosures are made. ALASKA STAT. § 21.27.370; Bulletin B 04-14.</p> <p>A producer may pay referral fees to an unlicensed person provided the unlicensed person does not discuss specific terms and conditions of a policy or give opinions or advice regarding insurance. For the referral fee to be valid, the compensation for each referral must:</p>

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	<p>include any fee “by whatever name called” and the requirement that the policy “contain the entire contract between the parties”); ALASKA STAT. § 21.27.550 (providing no explicit authorization that a producer acting as an agent may charge a fee). The Division cautions that producers acting as agents who charge a fee that is <u>not</u> specified in the policy and <u>not</u> part of an insurer’s approved rate filing may be subject to penalties under Alaska law. Bulletin B 16-02.</p>	<p>A person licensed as a <i>financial planner, investment adviser, consultant, financial counselor or similar specialist engaged in the business of giving financial planning or advice relating to investment, insurance, real estate, etc.</i> is prohibited from charging a fee other than a commission for financial planning, <u>unless</u> the fee is based upon a written agreement signed before the performance of a service under the agreement. ALASKA STAT. § 21.36.500.</p>	<ul style="list-style-type: none"> • Be a nominal one-time fee of a fixed dollar amount for each referral; • Not depend on whether the customer purchases the insurance; and • Not be contingent on the volume of insurance transacted. ALASKA STAT. § 21.27.370.
<p><i>Arizona</i></p>	<p>An insurance producer may charge or receive any fee or service charge in addition to the premium in connection with the transaction of insurance provided that <u>both</u> of the following apply:</p> <ul style="list-style-type: none"> • The fee or service charge and the specific services for which it is charged are disclosed and agreed to in writing by the insured, <u>and</u> • The amount of the fee or service charge is reasonably related to the cost of the service rendered and does not duplicate or increase any fee or service charge included in the insurer’s rate filing. ARIZ. REV. STAT. § 20-465. <p>Regardless of whether the two requirements are met, an insurance producer nonetheless must <u>not</u> charge or receive any fee in connection with the transaction of Medicare supplement insurance. ARIZ. REV. STAT. § 20-465.</p> <p>This does <u>not</u>:</p> <ul style="list-style-type: none"> • Prohibit insurance producers from charging and collecting fees included in the insurer’s rate filing; or • Apply to insurance producers transacting commercial insurance or surplus lines brokers transacting surplus lines insurance under Arizona law. ARIZ. REV. STAT. § 20-465. 	<p>Fees and service charges must be disclosed and agreed to in writing by insured. ARIZ. REV. STAT. § 20-465.</p>	<p><i>Compensation Sharing.</i> An insurance producer may pay or assign commissions, service fees, brokerages, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Arizona. ARIZ. REV. STAT. § 20-298; Bulletin 2001-14 (offering an example of permissible commission sharing).</p> <p><i>Referral Fees.</i> <i>Arizona law does not appear to address referral fees.</i></p>
<p><i>Arkansas</i></p>	<p>Generally, a producer is prohibited from collecting any “charge for insurance” in excess of the premium charge, classification, and rates filed and approved by the Department. There are, however, several exceptions, including the below which are not prohibited:</p> <ul style="list-style-type: none"> • Surplus lines brokers licensed under Arkansas law may collect/charge the amount of applicable state/federal taxes in addition to the premium 	<p>Before the placement of insurance, all producers must disclose:</p> <ul style="list-style-type: none"> • Whether the producer or its affiliate represents the customer or the insurer; <u>and</u> • The source(s) of the producer’s or affiliate’s compensation for the placement. 	<p><i>Compensation Sharing.</i> An insurance producer may pay compensation to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Arkansas (unless doing so would violate some other law, such as rebating). ARK. CODE ANN. § 23-64-513. An insurance producer cannot share</p>

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	<p>and expense of underwriting as required by the insurer on risks written pursuant to the surplus lines law;</p> <ul style="list-style-type: none"> • A life insurer may charge/collect amounts actually to be expended for medical examination of an applicant; • A property and casualty agent may charge/collect interest upon premiums and charges that remain unpaid for a period of 30 days beyond the date that the original premium was due; • A property and casualty agent may collect membership dues when membership of the applicant in an organization is a prerequisite of the insurer to the issuance of the coverage; <u>or</u> • A licensed consultant may charge a fee if the fee is not excessive (i.e., if the total of such fees when added to commissions received exceeds 20% of the premium charged, it will not be presumed reasonable). ARK. CODE ANN. § 23-66-310; Bulletin 06-2012. <p>Additionally, the following payment arrangements are permitted under Arkansas law:</p> <ul style="list-style-type: none"> • Property and casualty producers may charge fees <i>in excess</i> of premiums as long as: <ul style="list-style-type: none"> - The fee is separately disclosed on the insured’s bill or invoice; <u>and</u> - The fee does not exceed 20% of the premium. ARK. CODE ANN. § 23-66-310; Producer FAQs. • Any fee charged by a licensed insurance agent or producer for services not customarily associated with the solicitation, negotiation, or servicing of an insurance policy will not be deemed a premium or charge for insurance (and will be permitted under Arkansas law) if the following requirements are met: <ul style="list-style-type: none"> - The fee is based upon a written agreement signed by the party to be charged in advance of the performance of services under the agreement; - A copy of the agreement is provided to the party to be charged; - The services for which the fee is charged are (1) specifically stated in the agreement and (2) vary from those customarily associated with the solicitation, negotiation, and servicing of an insurance policy or contract; - The amount of the fee charged is specifically stated in the agreement; 	<p>If the producer represents the insurer, it must disclose to the customer that the producer provides services to the customer on behalf of the insurer.</p> <p>If the producer receives compensation from the customer for a placement of insurance or acts as a broker, the producer must disclose:</p> <ul style="list-style-type: none"> • The source(s) of the producer’s or affiliate’s compensation for the placement; <u>and</u> • Whether the produce or its affiliate will receive compensation for the placement from the insurer or other third party based upon volume, profitability, or other factors <u>and</u> (if the customer asks) the producer must provide a reasonable estimate of the amount of compensation. ARK. CODE ANN. § 23-64-520. <p>Note that a written disclosure is <u>not</u> required. The Department advises, however, that “a producer would be well served in documenting that the disclosure was made to the customer, as well as the specific date on which the disclosure was made.” Producer FAQs.</p> <p>Other disclosures may be necessary depending on the circumstances of the transaction (i.e., whether it is for services “not customarily associated with the solicitation, negotiation, or servicing of an insurance policy”) and the producer’s line of insurance (i.e., property and casualty producers must disclose the fee separately on an insured’s bill or invoice). ARK. CODE ANN. § 23-66-310.</p>	<p>commissions with someone who should be licensed as an agent but is not. Producer FAQs.</p> <p>Referral Fees. A producer may pay a referral fee to an unlicensed person provided the unlicensed person does not:</p> <ul style="list-style-type: none"> • Sell, solicit, or negotiate insurance; • Discuss specific insurance policy terms and conditions; or • Make recommendations or offer advice concerning insurance policies or coverages. <p>The unlicensed person may be compensated only if the compensation is a fixed dollar amount for each referral that does not depend on whether the customer purchases the insurance product from the licensed producer. ARK. CODE ANN. § 23-66-609.</p> <p>Consultants. Consultants licensed pursuant to the Arkansas producer licensing provisions may charge reasonable fees for consulting services. ARK. CODE ANN. § 23-66-310. For more information on this licensure regime and its application, see Bulletin 06-2012.</p>

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	<ul style="list-style-type: none"> - The agreement contains a statement concerning the receipt and charge of the fee; and - The producer retains a copy of the agreement for at least 3 years after completion of the services. ARK. CODE ANN. § 23-66-310. • Insurance producers for large commercial accounts may also charge and receive fees for the services they provide <i>in lieu</i> of receiving commissions. Bulletin 3-98. 		
<p><i>California</i></p>	<p>Producers acting in their capacity as an agent are not permitted to charge any fees related to the procurement of insurance that are not part of the insurer’s rate filing and authorized by the insurer. Bulletin 80-6.</p> <p>Producers acting in their capacity as a broker may charge a broker fee and receive a commission on a personal lines policy, provided that:</p> <ul style="list-style-type: none"> • The consumer agrees to the fee in advance of signing a broker fee agreement, after full disclosure of all material facts surrounding the fee, including (if true) the fact that an insurer may pay to the broker a commission in addition to the broker fee; • The fee is not being charged on a California Automobile Assigned Risk Plan or the California FAIR Plan, and is not prohibited by statute or regulation; • The broker is <u>not</u> an appointed agent of the insurer with which the coverage is or will be placed; • The broker provides the consumer with the state’s Standard Broker Fee Disclosure; • The consumer and broker sign a broker fee agreement that includes at minimum, and does not conflict with, the state’s Standard Broker Fee Agreement; • The broker has an in-force broker bond on file with the Department; • The broker discloses the fact that a broker fee may be charged. CAL. CODE OF REGS. tit. 10, § 2189.3; Broker Fee Regulations Summary; Bulletin 80-6. 	<p>To charge a fee and receive a commission, a broker placing personal lines policies must offer a customer a standard disclosure and agreement to be signed or initialed by the consumer. CAL. CODE OF REGS. tit. 10, § 2189.4; CAL. INS. CODE § 1623. Under California law, such a written agreement must contain all of the following:</p> <ul style="list-style-type: none"> • That the person is transacting insurance on behalf of the consumer; • A description of the basic services the person will perform as a broker; • The amount of all broker fees being charged by the person; and • If applicable, the fact that the person may be entitled to receive compensation from the insurer, directly or indirectly, for the consumer’s purchase of insurance as a consequence of the transaction. CAL. INS. CODE § 1623. <p>Note, however, that if a transaction involves both a retail broker and a wholesale intermediary broker, the wholesale intermediary broker will be deemed to have satisfied its disclosure obligations if it provides written disclosure to the retail broker. CAL. INS. CODE § 1623. For more information, see the Standard Broker Disclosure; Standard Broker Fee Agreement; Broker Fee Regulations Summary.</p>	<p>Compensation Sharing. <i>California law does not appear to address compensation sharing.</i></p> <p>Referral Fees. Several provisions of California law govern prohibitions on referral fees. For example:</p> <ul style="list-style-type: none"> • It is unlawful for any person to solicit, receive, offer, or pay any referral fee for the furnishing of services or goods that are reimbursable by an insurer. CAL. INS. CODE § 754. • It is a crime for any person who engages in the practice of processing, presenting, or negotiating claims and who offers, delivers, receives, or accepts any rebate, refund, commission, or other consideration as compensation or inducement to/from any person for the referral or procurement of clients, cases, patients, or customers. CAL. INS. CODE § 750. <p>For additional information governing unlawful referrals, see CAL. INS. CODE § 750 et seq.</p>

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<p><i>Colorado</i></p>	<p>Insurance producers are prohibited from charging separate fees in addition to those contemplated in the rate filing and included in their commissions for the solicitation and procurement of insurance and for servicing existing insurance policyholders (e.g., inspections, quoting premiums, issuing or signing policies, etc.). CCR 1-2-9, § 5(B).</p> <p>Producers may, however, charge fees for services which are beyond the scope of services pertaining to acquiring and/or maintaining specific insurance policies (e.g., risk management services, financial planning, investment counseling, or any other service for which the producer does not receive a commission from an insurance company). Such fees may <u>only</u> be charged under the following circumstances:</p> <ul style="list-style-type: none"> • A person signs a disclosure statement in advance of the performance of the specific services; and • The circumstances must be such that it is clear from the outset that no insurance product sale related to the specific services rendered will occur through the insurance producer. CCR 1-2-9, § 6(A). <p>Insurance wholesale intermediaries must advise the insurance producer, in writing, that “the cost of the insurance coverage provided herein includes a fee to a wholesale intermediary in addition to the premium charges.” CCR 1-2-9, § 6(C).</p>	<p>An insurance producer may charge a fee for specific services (i.e., those beyond the scope of services pertaining to acquiring and/or maintaining specific insurance policies and for which the producer does not receive a commission), provided that the person signs a disclosure statement in advance of the performance of the specific services which states that the person is under no obligation to purchase any insurance product through the insurance producer in exchange for receiving the specific services. This disclosure requirement may be met by including the disclosure language in any disclosure statement required by federal or state securities law. CCR 1-2-9, § 6(A)(1).</p> <p>No disclosure is required, however, if it is clear from the outset that no insurance product sale related to the specific services rendered will occur through the producer. CCR 1-2-9, § 6(A)(2).</p>	<p>Compensation Sharing. An insurance producer may pay or assign commissions, service fees, brokerages, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Colorado. COLO. REV. STAT. § 10-2-702.</p> <p>Referral Fees. <i>Colorado law does not appear to address referral fees.</i></p> <p>Fees for Overhead Expenses. Insurance producers are prohibited from charging fees for the following:</p> <ul style="list-style-type: none"> • Purchasing new computer equipment, • Extending business hours, • Adding new sales facilities, or • Other overhead expenses associated with the solicitation or procurement of insurance products or the servicing of existing insurance policies. CCR 1-2-9, § 5(C).
<p><i>Connecticut</i></p>	<p>Insurance producers do not have any right to compensation—other than commissions deductible from premiums on insurance policies/contracts—from any insured or prospective insured for services related to the negotiation or procurement of an insurance contract (i.e., “service fees”), <u>unless</u>:</p> <ul style="list-style-type: none"> • The right to compensation is based on a written memorandum, signed by the party to be charged and specifying/clearly defining the amount or extent of such compensation; <u>and</u> • The fees charged are in accordance with the fee schedules put forth under Connecticut law. CONN. GEN. STAT. § 38a-707; CONN. ADMIN. CODE §§ 38a-707—38a-707-8. 	<p>A written memorandum is required when a licensed insurance producer charges a fee for the negotiation or procurement of insurance. The memorandum must be</p> <ul style="list-style-type: none"> • Signed by the party to be charged and • Specify/clearly define the amount or extent of such compensation. CONN. GEN. STAT. § 38a-707. <p>An insurance producer who is an advisory representative of a registered investment adviser who seeks to receive a commission on a policy related to services provided in connection with the sale or writing of any insurance must make a full disclosure</p>	<p>Compensation Sharing. An insurance producer may pay compensation to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Connecticut. CONN. GEN. STAT. § 38a-702l.</p> <p>Referral Fees. <i>Connecticut law does not appear to address referral fees.</i></p> <p>Other Fees. In addition to the scheduled fees, a producer may charge as reimbursement any moneys expended by him for certain expenses (e.g., inspection fees, motor vehicle department reports, policy reports, credit card service fees, etc.). CONN. GEN. STAT. § 38a-707.</p>

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<i>Delaware</i>	<p>If a producer wants to charge fees other than those listed in the fee schedule, then the producer must be licensed as a certified insurance consultant. CONN. GEN. STAT. § 38a-731. The consultant may <u>not</u>, however, receive a commission on a policy related to services provided in connection with the sale or writing of any insurance, <u>unless</u> the consultant is an advisory representative of a registered investment adviser. CONN. GEN. STAT. § 38a-734.</p> <p>No producer acting as a consultant may accept any fee, commission, or other consideration from an insurer for any activity for which the producer acting as a consultant has received or will receive a fee from the producer’s client (i.e., a fee and a commission are not allowed for the same service). DEL. CODE ANN. tit. 18, § 1714(e); <i>see also</i> DEL. ADMIN. CODE § 502-2.3. The Department provided guidance in March 2016 and September 2018 that this provision prohibits a licensee (including licensed brokers/producers who are not appointed with insurance companies and do not receive commissions from insurance companies related to the sale of insurance) from both collecting a commission from an insurance company and charging a fee to a client for the sale of the new policy.</p> <p>The Department further provides the following guidance in its FAQs: “Delaware does not permit producers to charge fees in addition to a premium. Therefore, no producer may act as both agent of the insured and charge the consumer fees in addition to commissions earned on policies.” FAQ.</p>	<p>in a written memorandum, signed by the party to be charged, which specifies the amount of such fee or compensation for services performed under the federal Investment Advisers Act of 1940 and which also discloses that a commission may be paid to the producer from the sale of insurance. CONN. GEN. STAT. § 38a-734.</p> <p>No insurance consultant, agent, or broker can consult—for a fee or other valuable consideration—with or for a client until a written agreement has been prepared and signed by both parties. Such an agreement must include the client’s contact information, a general statement of the work to be undertaken, the fee agreed upon, and the signature of both parties. DEL. ADMIN. CODE tit. 18, § 502-2.2.</p>	<p><i>Compensation Sharing.</i> An insurance producer may pay compensation to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Delaware, unless the payment would violate the Unfair Trade Practices Act. Del. Code Ann. tit. 18, § 1714(d).</p> <p><i>Referral Fees.</i> An unlicensed person who refers a customer or potential customer to a personal lines insurer or producer and who does not discuss specific terms and conditions of a policy, or otherwise give advice regarding insurance, may be compensated for the referral if the compensation for each referral is:</p> <ul style="list-style-type: none"> • A nominal, one-time fee of a fixed dollar amount; • <u>Not</u> dependent on whether the customer purchases the insurance; and • <u>Not</u> contingent on the volume of insurance transacted. DEL. CODE ANN. tit. 18, § 1714(g); FAQs. <p>These provisions do <u>not</u> apply to commercial lines insurers or producers. DEL. CODE ANN. tit. 18, § 1714(g).</p>
<i>District of Columbia</i>	<p>Insurance producers are not permitted to willfully collect as a premium or charge of insurance a sum in excess of the premium/charge specified in the policy and applicable to such insurance, <u>unless</u> it is in accordance with the classifications and rates as filed with and approved by the Commissioner.</p> <p>In a case where the classifications, premiums, or rates are not required to be filed and approved, the premium or charge must not be in excess of that specified in the policy or fixed by the insurer. D.C. CODE § 31-2231.07.</p>	<p>All fees, other than commissions for financial planning by an insurance producer, shall be based upon a written agreement signed by the party to be charged in advance of the performance of the services under the agreement. The agreement must specifically state:</p> <ul style="list-style-type: none"> • The services for which the fee is to be charged, 	<p><i>Compensation Sharing.</i> An insurance producer may pay compensation to an insurance agency or to persons who do not sell, solicit, or negotiate insurance, unless the payment would violate the District’s law relating to insurance. D.C. CODE § 31-1131.13.</p> <p><i>Referral Fees.</i> District of Columbia law does not appear to address referral fees.</p>

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		<ul style="list-style-type: none"> The amount of the fee or the manner in which it will be determined, and The client is not required to purchase an insurance product through the person furnishing the agreement. <p>A copy of the agreement must be provided to the party to be charged at the time the agreement is signed. D.C. CODE 31-2231.15.</p>	
<p>Florida</p>	<p>A producer may not accept both a fee and a commission; this provision, however, has been interpreted by one court to apply only to health insurance/health benefit plans. <i>Claire’s Stores, Inc. v. JMB Insurance Inc.</i>, 2007 WL 9677071 (S.D. Fla. June 12, 2007). A producer must rebate any commission received when the producer also is receiving a fee. Thus, a producer may only accept a fee net of commission. FLA. STAT. § 626.593(3); Florida CFO (2016).</p> <p>There are other provisions of Florida law that govern the ability of agents selling specific lines of insurance to charge a fee in addition to or in lieu of a commission. <i>E.g.</i>, Fla. Stat. § 626.593 (concerning the ability of health insurance agents to charge a fee in lieu of receiving a commission for health policies). In particular, Florida law renders it unlawful for surplus lines insurers and agents to charge fees to the insured upon the sale of a surplus lines policy. Bulletin 2002-001 clarifies, “[b]roker fees,’ ‘consulting fees[,]’ and similarly named fees that produce additional income for agents are not authorized by law.” For additional restrictions for surplus lines agents, see Fla. Stat. §§ 626.916(4), 626.932(1), 626.9325(1), (5); FSLSO Bulletin 2016-04.</p>	<p>Florida law does not address producer compensation disclosure.</p>	<p>Compensation Sharing. An agent may share in commissions only with other agents appointed and licensed to write the same kind of insurance (or may divide commissions with a customer representative). Fla. Code Ann. § 626.753(1).</p> <p>Referral Fees. Insurance producers are permitted to pay referral fees to unlicensed persons provided the compensation does not in any way depend upon whether the referral results in the purchase of an insurance product (only referrals by insurance agencies to an insurance agent may be dependent upon whether the referral results in the purchase of an insurance product). Fla. Stat. § 626.112(8).</p>
<p>Georgia</p>	<p>An insurance agent “who is not licensed as a counselor” is prohibited from accepting or receiving “any compensation from the customer for the placement of insurance” (i.e., to receive only a fee from the insured for the placement of coverage, both an agent and a counselor license are required). GA. CODE ANN. § 33-23-46.</p>	<p>A producer licensed as a counselor who receives compensation from/charges any other fee to a customer may not accept or receive compensation from an insurer or other third party for placement of insurance, unless the producer has, prior to the purchase of insurance:</p>	<p>Compensation Sharing. Agents, subagents, or counselors may share commissions with a licensed insurance agency in which all employees, stockholders, directors, or officers who sell, solicit, or negotiate insurance contracts are qualified insurance agents, limited subagents, or counselors holding currently valid Georgia licenses. GA. CODE ANN. §33-23-4(c). Agents may also share commissions with:</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
	<p>A producer licensed as a counselor may charge a fee in addition to a commission for insurance placement, provided the producer has, prior to the customer’s purchase of the insurance, complied with the necessary disclosure requirements. GA. CODE ANN. §§ 33-23-46, 33-23-1(a)(6). For more information on the requirements to be licensed as a counselor, see GA. CODE ANN. § 33-23-5.</p> <p>A licensed producer who has a counselor’s license may receive a commission for a transaction and charge a fee for “additional ancillary services for commercial risks in excess of acquisition services” (e.g., risk identification, loss measurement, setting of risk retention levels, etc.) if those services are disclosed in writing to and approved in advance by the insured. GA. CODE ANN. §§ 33-23-1.1, 33-23-1(a)(6).</p>	<ul style="list-style-type: none"> • Obtained the customer’s documented acknowledgement that such compensation will be received by the producer or affiliate; <u>and</u> • Disclosed the amount of compensation from the insurer or other third party for that placement. GA. CODE ANN. § 33-23-46(b)(1). <p>Fees for ancillary services for commercial risks must be disclosed in writing and approved in advance by the insured. GA. CODE ANN. § 33-23-1.1.</p>	<ul style="list-style-type: none"> • Other agents licensed in Georgia; • An agency that has as its proprietor, partner, officer, or employee one or more agents licensed in regard to insurance that is within the scope of the agency; or • An nonresident agent/agency that is licensed in the other state for the transaction of insurance in that state. GA. CODE ANN. § 33-23-38. <p><i>Referral Fees. Georgia law does not appear to address referral fees.</i></p>
<p>Hawaii</p>	<p>Producers are prohibited from charging/receiving any fee, compensation, or consideration for insurance, <u>unless</u> such compensation is contemplated in the premium/charge for insurance included in the policy.</p> <p>Under Hawaii law, the premium stated in the policy must include all fees, charges, premiums, or other consideration charged for the insurance or for its procurement. HAW. REV. STAT. § 431:10-218.</p>	<p><i>Hawaii law does not address producer compensation disclosure.</i></p>	<p><i>Compensation Sharing.</i> An insurance producer may pay compensation to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Hawaii, unless the payment would violate the state’s Unfair Trade Practices Act. HAW. REV. STAT. § 431:9A-113(d); Memorandum 2002-3L.</p> <p><i>Referral Fees.</i> Hawaii law does not directly address referral fees. The Department of Commerce and Consumer Affairs, however, has addressed referral fees in the context of compensation sharing between producers. Per this guidance, a producer who paid a referral fee to a person who engaged in unlicensed insurance business in Hawaii would, by making such a payment, be in violation of Hawaii’s insurance law.</p> <p>In view of this, the Department advises producers to reasonably ascertain, prior to paying a referral fee, whether the person who made the referral had engaged in the sale, solicitation, or negotiation of insurance so as to require a license. Payment in the latter situation is prohibited. Memorandum 2002-6L.</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
<i>Idaho</i>	<p>Retail producers and wholesale producers may charge a fee or be compensated by a combination of fees and commissions, provided they comply with the specific disclosure requirements. IDAHO CODE § 41-1030.</p>	<p>Before charging a fee to a consumer, a retail producer must provide to the consumer a written statement that describes the services that the retail producer will perform and the fees the retail producer will receive. Acceptance by the consumer of a fee arrangement will be evidenced by the consumer signing and dating the fee statement. IDAHO CODE § 41-1030.</p> <p>Before charging a fee to a retail producer, a wholesale producer must provide the retail producer with a written statement that describes the services the wholesale producer will perform and the fees the wholesale producer will receive. Information regarding the amount of the fees charged by the wholesale producer must be disclosed in writing on the face of the policy as a separately itemized charge. IDAHO CODE § 41-1030.</p>	<p>Compensation Sharing. An insurance producer may pay or assign commissions, service fees, or other valuable consideration to any person, regardless of whether that person is licensed as a producer, <u>unless</u> such payment would constitute an illegal rebate or inducement or otherwise violate Idaho insurance law or a Department of Insurance rule. IDAHO CODE § 41-1017.</p> <p>Referral Fees. <i>Idaho law does not appear to address referral fees.</i></p>
<i>Illinois</i>	<p>When insurance producers charge any fees or compensation separate from commissions deductible from, or directly attributable to, premiums on insurance policies/contracts, it must comply with the applicable disclosure obligations. 215 ILL. COMP. STAT. ANN. § 5/500-80.</p>	<p>When a producer charges any fees or compensation separate from commissions deductible from, or attributable to, premiums on insurance policies/contracts, the producer must:</p> <ul style="list-style-type: none"> • Provide a written disclosure to the consumer/contracting party that clearly specifies the amount or extent of the compensation or fee prior to the delivery of the corresponding policy. • If the combined compensation or fee exceeds 10% of a directly attributable premium amount of a corresponding contract or policy, include the signature of the consumer or contracting party. • If an insurance policy or contract is cancelled for any reason within 90 days following the inception date, refund to the consumer a prorated portion of the fee or compensation within 30 days after the producer or business entity receives proper 	<p>Compensation Sharing. An insurance producer may pay compensation to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Illinois, unless the payment would violate the Unfair Trade Practices Act. 215 ILL. COMP. STAT. ANN. § 5/500-80.</p> <p>Referral Fees. Illinois law does not address referral fees. The Department of Insurance, however, has addressed referral fees in the context of compensation sharing between producers. It provides that, in the event only one of the producers has the proper qualification, a commission or referral fee can still be shared as long as the non-qualified producer did not sell, solicit, or negotiate the insurance being sold. Moreover, a producer may pay a referral fee to a non-licensed person as long as that person does not sell, solicit, or negotiate insurance or perform any other duty that would require a license under Illinois law. If a producer chooses to pay a referral fee to a</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
		<p>documentation that the corresponding insurance policy or contract has been cancelled (note that at no time may a producer charge the consumer a fee for cancellation of any insurance policy or contract).</p> <p>If the policy file contains documentation that the producer performed a service corresponding to the applicable coverage or policy and the written disclosure stated that the fees were fully earned, then those fees shall be fully earned at inception of the disclosure’s execution. 215 ILL. COMP. STAT. ANN. § 5/500-80.</p>	<p>non-licensed person, the payment may not be conditioned on the purchase of insurance nor may the purchase or insurance by a factor in determining the amount of the referral fee. Bulletin 2012-11.</p>
<p><i>Indiana</i></p>	<p>An insurance producer may not receive compensation for the sale, solicitation, negotiation, or renewal of any insurance policy issued to a person/entity for whom the insurance producer—<i>for a fee—acts as a consultant</i> for that policy, <u>unless</u> the following disclosure obligations are met:</p> <ul style="list-style-type: none"> • The insurance producer provides to the insured a written agreement, as required for consultants under Indiana law; <u>and</u> • The insurance producer discloses to the insured the following information prior to the sale, solicitation, negotiation, or renewal of any policy: (1) the fact that the producer will receive compensation for the sale of the policy, and (2) the method of compensation. IND. CODE § 27-1-15.6-22. <p>Note that a duly licensed insurance producer is <u>not</u> required to obtain a consultant’s license to provide consulting services for a fee. IND. CODE § 27-1-15.6-23; Bulletin 229.</p>	<p>Producers acting as a consultant must provide their consultant services as outlined in a written agreement. The agreement must:</p> <ul style="list-style-type: none"> • Be signed by the person receiving the services; • Be provided to the person receiving services <u>before</u> any services are performed (i.e., in copy form); and • Outline the nature of the work to be performed by the consultant and the method of compensation. IND. CODE § 27-1-15.6-23(c). <p>In the absence of an agreement on the consultant’s fee, the consultant will not be entitled to recover a fee. IND. CODE § 27-1-15.6-23(c).</p>	<p><i>Compensation Sharing.</i> An insurance producer may pay compensation to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Indiana, unless the payment violates Indiana’s insurance law on unlawful rebates or unfair competition. Ind. Code § 27-1-15.6-13(d).</p> <p><i>Referral Fees.</i> Indiana law does not address referral fees. The Department of Insurance, however, has addressed referral fees in the context of compensation sharing between producers. Per this guidance, in the event only one of the producers has the proper qualification, a commission or referral fee can still be shared as long as the non-qualified producer did not sell, solicit, or negotiate the insurance being sold. If a producer chooses to pay a referral fee to a non-licensed person, the payment may not be conditioned on the purchase of insurance nor may the purchase of insurance be a factor used in determining the amount of the referral fee. Bulletin 177.</p>
<p><i>Iowa</i></p>	<p>An insurance producer may not charge an additional fee for services that are customarily associated with the sale, solicitation, negotiation, and servicing of an insurance policy. <i>This prohibition does not apply to assigned risk and commercial property/casualty policies.</i> Any additional fee that a producer intends to charge for assigned risk policies and</p>	<p>An insurance producer cannot charge fees other than commissions unless such fees are based on a written agreement signed by the client in advance of the performance of the service.</p>	<p><i>Compensation Sharing.</i> An insurance producer may pay compensation to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Iowa, unless the payment violates the Unfair Trade Practices Act. IOWA CODE ANN. § 522B.12(4).</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
	<p>commercial property and casualty policies must comply with Iowa’s disclosure requirements. IOWA ADMIN. CODE §§ 191-10.14(4), 19.15.8(3)(d).</p>	<p>A copy of the agreement must be provided to the client at the time the agreement is signed by the client, and the agreement must specifically state:</p> <ul style="list-style-type: none"> • The service for which the fee is to be charged; • The amount of the fee to be charged or how it will be determined or calculated; and • That the client is under no obligation to purchase any insurance product through the insurance producer or consultant. IOWA ADMIN. CODE 191.15.8(3)(c). 	<p>An insurance producer may assign commissions with an entity organized for the purpose of operating that producer’s insurance business if all of the entity’s representatives who personally sell, solicit or negotiate insurance in Iowa are individually licensed as producers under Iowa law. IOWA ADMIN. CODE § 191-10.14.</p> <p>A person who is not engaged in any activities in Iowa that require a producer license is not required to maintain an active producer license to receive override or hierarchy commissions. IOWA ADMIN. CODE § 191-10.14.</p> <p><i>Referral Fees.</i> An insurance producer may pay a nominal fee for referrals if the same fee is paid for each referral whether or not the referral results in an insurance transaction. IOWA ADMIN. CODE § 191-10.14(3).</p>
<i>Kansas</i>	<p><i>Insurance agents</i> have the right to compensation other than commissions from any insured or prospective insured on account of negotiation or procurement of/other services in connection with contracts of insurance policies (including adjustment of claims) if such compensation is based upon a written agreement between the insurance agent and insured specifying the amount of such compensation. KAN. STAT. ANN. § 40-4911.</p>	<p>An <i>insurance agent’s</i> compensation must be based upon a written agreement between the agent and insured specifying the amount of such compensation. KAN. STAT. ANN. § 40-4911.</p>	<p><i>Compensation Sharing.</i> An insurance agent may pay or assign a commission, service fee, brokerage, or any other valuable consideration to an agency or any holding company which does not sell, solicit, or negotiate insurance in Kansas, unless such payment violates the state’s Unfair Trade Practices law.</p> <p>An insurance agent that is not appointed with a particular insurer may place insurance with that insurer through an appropriately licensed agent appointed by the insurer. The appointed agent may divide or share in commissions with the non-appointed agents licensed to write the same kind(s) of insurance. KAN. STAT. ANN. § 40-4910(d)-(f).</p> <p><i>Referral Fees. Kansas law does not appear to address referral fees.</i></p>
<i>Kentucky</i>	<p>Kentucky does not appear to address the ability of an agent or broker to</p>	<p><i>Consultants</i> may charge fees for services unrelated to placement of insurance (e.g., examining, appraising,</p>	<p><i>Compensation Sharing.</i> An agent, consultant, etc. is not permitted to share their commission or other compensation</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
	<p>receive fees in addition to/in lieu of commissions, unless they are also licensed as consultants.</p> <p>A consultant who is also licensed as an agent (i.e., a person who sells, solicits, or negotiates insurance contracts) is prohibited from receiving or sharing in both a fee and other compensation paid from an insured or any insurer with respect to any insurance contract procured, renewed, continued, modified, etc. or transaction engaged in by the consultant-agent. KY. REV. STAT. ANN. § 304.9-350(1).</p> <p>Consultants may not receive fees, commissions, or other things of value for examining, appraising, reviewing, or evaluating any insurance policy or making a recommendation/giving advice with regard to a policy, <u>unless</u> such compensation is based upon a prior written contract. KY. REV. STAT. ANN. § 304.9-350(3).</p> <p>Note, however, that a person dually licensed as a consultant and an agent may not act as both a consultant and an agent with regards to any risk which is the subject of a written contract. KY. REV. STAT. ANN. § 304.9-350(7).</p> <p>To charge fees for consulting services, an agent must be licensed as a consultant. KY. REV. STAT. ANN. §§ 304.9-040, 304.9-320, 304.9-350.</p>	<p>reviewing, or evaluating any insurance policy) subject to the terms of a prior written contract. Specifically, prior to the provision of the consultant’s services, a consultant must disclose the following in a written contract signed by the party to be charged:</p> <ul style="list-style-type: none"> • The services to be provided by the consultant to the insured and prospective insured; • The beginning and ending date of the agreement; • Any insurance to which the contract for consultant’s services applies; • The arrangement for compensation of the consultant; • Whether the consultant is dually licensed as an agent; and • Whether the consultant has a financial or business ownership interest in/affiliation with any business entity or insurer. KY. REV. STAT. ANN. § 304.9-350(4). 	<p>with any individual/business entity not also licensed as an agent, consultant, etc. as to the kinds of insurance involved in the transaction. This does <u>not</u> affect personal use of the commissions/compensation, override commission, etc. KY. REV. STAT. ANN. § 304.9-421.</p> <p><i>Referral Fees.</i> An insurer, agent, consultant, etc. may pay any compensation, fee, or other consideration to an individual not licensed to sell insurance for the referral of a consumer to a licensed individual, <u>only</u> if the consideration is paid regardless of whether the insurance coverage is sold to the consumer. KY. REV. STAT. ANN. § 304.9-425(5).</p>
<p>Louisiana</p>	<p>The premium quoted by the insurer must be a “specific dollar amount” that is inclusive of all fees, charges, premiums, or other consideration charged for the insurance or for the procurement thereof. Producers are prohibited from charging or receiving any fees, compensation, or consideration for insurance that is <u>not</u> included in the premium quoted to the insured and the premium specified in the policy delivered to the insured, <u>except</u> for:</p> <ul style="list-style-type: none"> • The premium tax on a surplus lines policy; • Reimbursement expenses due to the producer for expenses incurred by the producer directly related to the insurance coverage for the insured; and • An agency fee, if any, related to services provided by the producer, as authorized under Louisiana law. LA. REV. STAT. ANN. § 22:855; Advisory Letter 2015-02. 	<p>Louisiana law does not address producer compensation disclosure.</p>	<p><i>Compensation Sharing.</i> A licensed insurance producer may pay or assign commissions, service fees, brokerage fees, or other valuable consideration with persons who are not licensed as producers in Louisiana but are licensed in their state of domicile and act only to assist producers licensed in Louisiana in placing business with authorized insurers. LA. REV. STAT. ANN. § 22:1557(A)(4).</p> <p><i>Referral Fees.</i> Referrals are permitted from people not licensed to sell insurance, provided that any compensation received by the unlicensed referrer is not in the form of a sales commission and is not based on the customer’s application for or purchase of insurance.</p>

<i>State</i>	<i>Fee + Commission</i>	<i>Compensation Disclosure</i>	<i>Miscellaneous</i>
	<p>In short, regardless of which producer compensation scheme is employed by the insurer (e.g., percentage of premium or flat fee), the cost of the commission, if any, must be included in the quoted premium and in the rate filing. Advisory Letter 2015-02.</p> <p>There are other provisions of Louisiana law that govern commissions for specific lines of insurance. E.g., LA. REV. STAT. § 22:1557(C) (commissions for fire, casualty, surety, fidelity, guaranty, and bonding insurance); LA. REV. STAT. § 22:1568 (commissions for major medical health insurance); Directive 209 (individual health insurance policies).</p> <p><i>Net of Commission.</i> Net of commission quotes violate a number of statutory provisions and constitute an unfair or deceptive trade practice under Louisiana law, except where the Insurance Code strictly and specifically authorizes such arrangements. Advisory Letter 2015-02.</p>		<p>Any person or entity responsible for making a specific loan or extension of credit may also receive a reasonable referral fee for the insurance referral of a customer who is required to provide insurance for the loan or extension of credit, provided the referral fee is not in the form of an insurance sales commission that varies based on the quotation or application for insurance, purchase of insurance, or the amount of premium written. LA. REV. STAT. ANN. § 22:1598.</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
<p>Maine</p>	<p>According to the Maine Bureau of Insurance, the basic rule is that fees are not allowed. Charges for placing insurance must be as indicated in the company’s filings (i.e., the regular premiums as filed and the resulting commissions). There are, however, <u>two circumstances</u> in which producers may charge fees:</p> <ul style="list-style-type: none"> Producers with surplus lines authority may charge a nominal service charge to cover communication expenses in connection with surplus lines placement; <u>and</u> Fees in addition to/in lieu of commissions may be charged for large commercial property and casualty risks. ME. REV. STAT. ANN. tit. 24-A, §§ 1450, 2174; FAQs. <p>Specifically, with respect to the sale of property and casualty insurance sold to large commercial insurance risks, producers may be compensated by fees paid by or on behalf of the insured, by commissions paid by an insurer, or by a combination of both. ME. REV. STAT. ANN. tit. 24-A, § 1450.</p> <p>Property and casualty consultants may not charge a consultant fee <u>and</u> receive or share in any commission for the sale of insurance as a producer, unless the advice given by the producer for the insurance occurs at least 12 months before or after the period of employment as a consultant. <i>This does not prevent a licensed property and casualty producer from receiving a fee rather than a commission on the sale of property and casualty insurance.</i> ME. REV. STAT. ANN. tit. 24-A, § 1466.</p> <p>Life and health consultants may charge consulting fees <u>and</u> receive commissions for the sale of insurance as an insurance producer if both the consulting fee and the insurance commissions are provided for in a written agreement—in a form approved by the Superintendent—signed by the client and consultant. ME. REV. STAT. ANN. tit. 24-A, § 1466.</p> <p>If a producer wants to charge fees as a consultant, then the producer must be licensed as a consultant. ME. REV. STAT. ANN. tit. 24-A, § 1462 et seq.</p>	<p>Prior to receiving a fee in lieu of or in combination with commission for the sale of large commercial property and casualty insurance policies, the insurance producer must disclose in writing to the insured that:</p> <ul style="list-style-type: none"> The fee is not a part of the premium charge for the insurance policies, and The fee will not be a part of any calculation of unearned premium owed by the insurer in the event of policy cancellation. <p>In the event that a fee is charged in combination with commission, the amount of the fee and commission must be disclosed separately in writing by the producer to the insured. Code of Me. R. § 02.031.900(8).</p> <p>If a life and health consultant charges a consulting fee and receives a commission for the sale of insurance as a producer, both the consulting fee and commission must be disclosed in an agreement signed by the client. ME. REV. STAT. ANN. tit. 24-A, § 1466.</p>	<p>Compensation Sharing. If an insurance producer does not have an appointment with an insurer, the insurance producer may place insurance with that insurer, through a duly licensed and appointed producer of such insurer, an insurance coverage necessary for the adequate protection of a subject of insurance and share in the commission of that insurance, if each producer is licensed as to the kinds of insurance involved (i.e., sharing commissions is permissible as long as each producer has the proper license type). Me. Rev. Stat. Ann. tit. 24-A, § 1450; FAQs.</p> <p>Additionally, an insurance producer may pay compensation to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Maine, unless the payment would violate the Unfair Trade Practices law. ME. REV. STAT. ANN. tit. 24-A, § 1420-L.</p> <p>Referral Fees. <i>Maine law does not appear to address referral fees.</i></p>
<p>Maryland</p>	<p>A person is not permitted to willfully collect a premium or charge for insurance that:</p>	<p>Maryland law does not address producer compensation disclosure.</p>	<p>Compensation Sharing. An insurance producer may pay or assign commissions, service fees, or other valuable consideration to an insurance agency or to persons who do not</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
	<ul style="list-style-type: none"> Exceeds or is less than the premium or charge applicable to that insurance under the applicable classifications and rates as filed with/approved by the Commissioner; or Exceeds or is less than the premium or charges specified in the policy and set by the insurer (if classifications, premiums, or rates are not required to be filed with/approved by the Commissioner). MD. INS. CODE ANN. § 27-216(b). <p>An insurance producer who is licensed to sell health insurance may charge reasonable fees for an administrative service that is sold by the producer to an employer. The producer may <u>not</u>, however, charge fees for services that are:</p> <ul style="list-style-type: none"> Compensated by commissions or other compensation paid to the producer by an insurer, nonprofit health service plan, or HMO related to a health benefit plan of an employer; or Performed by an insurance producer acting as an administrator. <p>Additionally, before a fee for administrative services is charged, a producer must issue certain disclosures on a form adopted by the Commissioner. MD. INS. CODE ANN. § 27-216.</p> <p>An insurance producer acting as an adviser may charge fees for services performed in their capacity as an adviser, provided that an agreement between the adviser and the person receiving the services comports with the disclosure requirements. MD. INS. CODE ANN. §§ 10-215, 27-216. Note that advisers must generally obtain a separate license, unless a producer is acting as an adviser on behalf of an insurer. MD. INS. CODE ANN. § 10-203.</p>	<p>Before a producer selling health insurance charges a fee for administrative services, the producer must disclose the following in a clear and conspicuous manner:</p> <ul style="list-style-type: none"> Each administrative service to be provided; The fee for each administrative service to be provided; and If the producer sells a health benefit plan to the employer, the amount of commission or other compensation that the producer will receive from an insurer, nonprofit health service plan, or HMO related to the health benefit plan. MD. INS. CODE ANN. § 27-216. <p>Licensed advisers may charge fees for insurance services, if they enter into a written contract that, among other things, plainly states the amount of the fee to and the services to be performed by the adviser. MD. INS. CODE ANN. §§ 10-215, 27-216.</p>	<p>sell, solicit, or negotiate insurance in Maryland, unless the payment would constitute an unlawful inducement or rebate. MD. INS. CODE ANN. § 10-130, Bulletin 15-22; Bulletin 15-24.</p> <p>Referral Fees. Maryland law does not address referral fees. The Insurance Administration, however, has addressed referral fees in the context of compensation sharing between producers. It provides that a licensed insurance producer is not required to be appointed by an insurer to receive a referral fee, commission split, or other valuable consideration in exchange for a referral of an applicant to an insurer or its appointed producer. Bulletin 15-22; Bulletin 15-24.</p>
<p>Massachusetts</p>	<p>While no specific laws or regulations speak to the ability of an agent or broker to receive additional fees as part of insurance consulting, the Massachusetts Department of Insurance issued Bulletin 9 in 2013 that provides that insurance producers engaged in the solicitation, negotiation, and sale of insurance may charge the purchaser of an insurance product a fee in addition to the policy premium established by the insurance company, provided that the disclosure requirements are met. Bulletin 2013-09.</p>	<p>Insurance producers engaged in the sale of insurance in Massachusetts may charge a fee in addition to the policy premium provided:</p> <ul style="list-style-type: none"> The purpose and amount of the fee is disclosed in writing to the purchaser prior to the time of the sale; The fee is not included in the policy premium as established by the insurance company issuing the policy; and 	<p>Compensation Sharing. <i>Massachusetts law does not appear to address compensation sharing.</i></p> <p>Referral Fees. The payment of additional compensation in the form of referral fees to unlicensed employees of a licensed insurance producer/business entity producer for customers referred to the producer by the unlicensed employees in connection with the purchase of insurance. MASS. GEN. LAWS ch. 175, § 177.</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
<i>Michigan</i>	<p>Agents may charge a fee in addition to receiving a commission for insurance placement only if the fee is charged for the rendering of services as an insurance counselor, provided that the disclosure obligations are met. MICH. COMP. LAWS ANN. § 500.1236; FAQs. Insurance agents that offer services in addition to the “customary advice offered by a licensed insurance agent” are required to be licensed as insurance counselors. MICH. COMP. LAWS ANN. § 500.1232. For the licensure requirements of an insurance counselor, see MICH. COMP. LAWS ANN. § 500.1234.</p> <p>With respect to services rendered <u>not</u> as an insurance counselor, the Department has noted that a producer license does not generally authorize brokering (i.e., representing and receiving payment from a client for placing business). FAQs. As such, the Department provided guidance in October 2018 that—in general—producers cannot charge fees because they are representing the insurance carrier, not the insured. A representative from the state’s Licensing Division suggested that this policy may be based on a decision by the Office of General Counsel or may just be an internal policy.</p> <p>Surplus lines agencies/agents may charge insureds a \$64 fee for selling, soliciting, and negotiating surplus lines insurance. Market Conduct Agency Audit News; Bulletin 2019-08.</p>	<ul style="list-style-type: none"> The fee is separately itemized on the policy declarations page, billing statement, or other documentation provided to the purchaser setting forth the cost of the policy. Bulletin 2013-09. <p>In advance of rendering any service as an insurance counselor, a written agreement must be prepared by the counselor that:</p> <ul style="list-style-type: none"> Outlines the nature of the work to be performed by the counselor; States the fee for the work (and that the fee may not be waived under any circumstances); Discloses that the counselor will receive a commission from the insurer on any insurance placed by the counselor acting as an insurance agent; and Is signed by both the counselor and the client. MICH. COMP. LAWS ANN. § 500.1236. 	<p>Compensation Sharing. An insurance producer may pay compensation to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Michigan, unless the payment would violate Michigan’s law prohibiting rebates and special inducements in the context of life or accident and health insurance. MICH. COMP. LAWS ANN. § 500.1240; FAQs.</p> <p>Likewise, a licensed producer may receive an override (i.e., a portion of a licensed producer’s commission) for business sold by a licensed producer. FAQs.</p> <p>Referral Fees. The Department of Insurance and Financial Services has interpreted its law to allow an unlicensed individual to provide a list of referrals to a licensed producer for a fee—so long as payment of the referral fee is not contingent upon a referred individual applying for or purchasing a policy—unless the payment of the referral fee violates Michigan’s law prohibiting rebating or inducement. MICH. COMP. L. § 500.1027; MICH. COMP. L. § 500.1212; FAQs.</p> <p>Likewise, a licensed producer may split a commission with another licensed producer who referred a client. FAQs.</p>
<i>Minnesota</i>	<p>A producer is prohibited from charging a fee for any services rendered in connection with the sale, solicitation, negotiation, or servicing of any insurance contract, <u>unless</u>:</p> <ul style="list-style-type: none"> Before rendering the services, a written disclosure statement is provided; <u>and</u> 	<p>Before charging a fee for any services rendered in connection with the solicitation, negotiation, or servicing of any insurance contract, a producer must provide a written statement disclosing:</p> <ul style="list-style-type: none"> The services for which the fees are charged; The amount of the fees; 	<p>Compensation Sharing. An insurance producer may pay compensation to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Minnesota, unless the payment would constitute an illegal rebate or otherwise violate the Unfair Trade Practices law. MINN. STAT. § 60K.48.</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
	<ul style="list-style-type: none"> All fees charged are reasonable in relation to the services rendered. MINN. STAT. § 60K.46. 	<ul style="list-style-type: none"> That the fees are charged in addition to premiums; <u>and</u> That premiums include a commission. MINN. STAT. § 60K.46. 	<p>A duly licensed producer may pay commissions or direct that commissions be paid to a partnership of which the producer is a member, employee, or agent, or to a corporation of which the agent is an officer, employee, or agent. MINN. STAT. § 60K.46.</p> <p><i>Referral Fees. Minnesota law does not appear to address referral fees.</i></p>
<i>Mississippi</i>	<p>While no specific laws or regulations speak to the ability of an agent or broker to receive fees in addition to/in lieu of commissions, insurance brokers and agents are not permitted to knowingly charge, demand, or receive a premium for any policy of insurance, <u>except</u> in accordance with the applicable filing approved by the Commissioner. MISS. CODE ANN. § 83-3-121.</p>	<p><i>Mississippi law does not address producer compensation disclosure.</i></p>	<p><i>Compensation Sharing.</i> An insurance producer may pay or assign commissions, service fees, brokerages, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Mississippi, unless the payment would violate Mississippi’s law on payments to unauthorized agents or otherwise run counter to Mississippi’s insurance law. Miss. Code Ann. § 83-17-73.</p> <p><i>Referral Fees.</i> An insurance agent, agency, or affiliate may pay a referral fee to any unlicensed employee of the agent, agency, or affiliate when the employee refers a prospective insured to the licensed agent or agency. The referral fee must:</p> <ul style="list-style-type: none"> Be a one-time nominal fee of a fixed dollar amount for each referral customer; Not depend on whether the referral results in a sale of any insurance products; Not be based on a percentage of any premiums or commissions collected by the licensed agent; and Not be paid, either directly or indirectly, to the prospective insured. MISS. CODE ANN. § 83-17-7.
<i>Missouri</i>	<p>Insurance producers may represent the insured and charge fees in addition to commissions, provided there is proper disclosure to the insured and a written Producer’s Service Agreement is executed. MO. REV. STAT. § 375.116; Bulletin 02-04.</p>	<p>To charge fees in addition to commissions, the right to such compensation must be based upon a written agreement between the producer and the insured specifying or clearly defining the amount or extent of the compensation. MO. REV. STAT. § 375.116.</p>	<p><i>Compensation Sharing.</i> An insurance producer may pay or assign commissions, service fees, brokerages, or other valuable consideration to a business entity licensed as an insurance producer or to persons who do not sell, solicit, or negotiate insurance in Missouri, unless the payment would</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
			<p>qualify as an illegal rebate or otherwise violate the Unfair Trade Practices law. MO. REV. STAT. § 375.076.</p> <p><i>Referral Fees. Missouri law does not appear to address referral fees.</i></p>
<p><i>Montana</i></p>	<p>Montana does not appear to address the ability of an agent or broker to receive fees in addition to/in lieu of commissions, unless they are also licensed as consultants.</p> <p>Insurance consultants may not receive a commission, service fee, brokerage fee, or other valuable consideration for the sale of a service of a line of insurance, if the consultant has received compensation from the client for consulting services on the same line of insurance sold or serviced within the preceding 12 months. MONT. CODE ANN. § 33-17-512.</p> <p>A licensed insurance consultant may charge a fee for examining, appraising, reviewing, or evaluating an insurance policy, provided that the disclosure requirements are met. MONT. CODE ANN. § 33-17-511</p> <p>To charge a fee for consulting services (e.g., examining, appraising, reviewing, or evaluating an insurance policy), a consultant must be licensed, <i>see</i> MONT. CODE ANN. § 33-17-502.</p>	<p>A licensed insurance consultant may receive a fee for examining, appraising, reviewing, or evaluating an insurance policy, unless the compensation is based on a written memorandum that:</p> <ul style="list-style-type: none"> • Includes the insurance consultant’s Montana insurance license number, • Is signed by the party to be charged, and • Specifies or clearly defines the services to be provided and the amount of the consultant’s compensation. MONT. CODE ANN. § 33-17-511. 	<p><i>Compensation Sharing.</i> An insurance producer may pay commissions, service fees, brokerage fees, or other valuable consideration to a person for services as an insurance producer, provided the person performing the service holds a valid license with regard to the kind(s) of insurance for which the service was rendered at the time the service was performed.</p> <p>An insurance producer may not share commissions or other compensation with any person not also licensed as to the same kind(s) of insurance involved in the transactions.</p> <p>Surplus lines producers may share commissions with a property and casualty insurance producer. MONT. CODE ANN. § 33-17-1103.</p> <p><i>Referral Fees. Montana law does not appear to address referral fees.</i></p>
<p><i>Nebraska</i></p>	<p>Insurance agents are prohibited from charging any fees, compensation, charges, etc., unless such compensation is specified in the policy. NEB. REV. STAT. § 44-354.</p> <p>It appears that agents who are licensed as consultants may charge fees for services unrelated to the sale or writing of insurance for which the agent-consultant receives a commission. A consultant may not, however, receive any part of any commission or compensation paid by an insurer/agent thereof in connection with the sale or writing of insurance which is within the subject matter of any consulting service performed prior to the sale of insurance and for which the consultant has contracted to receive a fee. NEB.</p>	<p>Each fee agreement with a consultant must:</p> <ul style="list-style-type: none"> • Be in writing and executed in duplicate by the person to be charged or by the authorized representative of such person; • Define the subject matter of the consulting services; • Outline the nature of the work to be performed; and • State the fee for the work. NEB. REV. STAT. § 44-2630. 	<p><i>Compensation Sharing.</i> An insurance producer may pay or assign commissions, service fees, brokerages, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Nebraska, unless the payment would qualify as an illegal rebate. NEB. REV. STAT. § 44-4060.</p> <p><i>Referral Fees. Nebraska law does not appear to address referral fees.</i></p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
	<p>REV. STAT. § 44-2631. To charge fees for consulting services, a producer must be licensed as consultant, see NEB. REV. STAT. § 44-2615.</p>		
<p><i>Nevada</i></p>	<p>A person is prohibited from willfully collecting as a premium or charging for insurance any sum in excess of the premium or charge applicable to the insurance and as specified in the policy, in accordance with the applicable classifications and rates filed with/approved by the Commissioner. In cases where classifications, premiums, or rates are not required to be so filed and approved, the premiums and charges must not exceed those specified in the policy and as fixed by the insurer. NEV. REV. STAT. § 686A.230. There are two limited exceptions applicable to surplus lines brokers and life insurers.</p> <p>The Division provided guidance in April 2017 that—with few exceptions—“any fee being charged to a customer for the procurement of an insurance product is part of premium which must be filed by the relevant insurer and receive prior approval by the Division.”</p> <p>An agent or broker who provides consultation or related advice may charge a fee in addition to or in lieu of a commission provided it is done pursuant to a written contract specifying the compensation the agent or broker will receive. NEV. REV. STAT. § 686A.230; NEV. ADMIN. CODE § 686A.335.</p>	<p>If an agent and a client enter into an agreement for consultation or related advice that provides for the agent to receive a fee, the agreement must be expressed in the form of a written contract and must:</p> <ul style="list-style-type: none"> • Set forth the full amount of compensation that the agent will receive pursuant to the agreement; • Be signed by the agent and the client before the completion of any transaction that will, pursuant to the agreement, entitle the agent to receive compensation; and • Be retained by the agent for not less than 5 years. NEV. REV. STAT. § 686A.230; NEV. ADMIN. CODE § 686A.330, 335. 	<p><i>Compensation Sharing.</i> An insurance producer may pay compensation to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Nevada, unless the payment would violate provisions of Nevada’s insurance law concerning rebating with respect to life insurance, annuities, and health insurance. Nev. Rev. Stat. § 683A.361.</p> <p><i>Referral Fees.</i> <i>Nevada law does not appear to address referral fees.</i></p>
<p><i>New Hampshire</i></p>	<p>Insurance companies are permitted to pay—and producers are permitted to receive—compensation for the sale, solicitation, or negotiation of insurance by way of a commission, service fee, brokerage, or other valuable consideration. N.H. REV. STAT. § 402-J:13. The Department has interpreted this provision as allowing only one form of compensation for each sale, solicitation, or negotiation of an insurance contract in the state (i.e., if a producer receives a commission for the sale, solicitation, or negotiation of an insurance contract, the producer would be precluded from also charging a service fee for the sale, solicitation, or negotiation activity). Bulletin 15-003-AB.</p> <p><i>Consultants</i> that hold a valid producer license may receive a fee to examine any policy of insurance for the purpose of giving advice, counsel, recommendation, or information in respect to the terms, conditions,</p>	<p><i>New Hampshire law does not address producer compensation disclosure.</i></p> <p>Any contract or agreement with an <i>insurance consultant</i> must be in writing, specifying the amount of the fee paid or payable and the services to be rendered by the consultant. N.H. REV. STAT. ANN. § 405:44-d. Other disclosures may also be required. <i>E.g.</i>, N.H. REV. STAT. ANN. §§ 405:44-e (disclosure specifying the advice, counsel, recommendation or information given); 405:44-f (disclosure containing information relative to the consultant’s background and business practices).</p>	<p><i>Compensation Sharing.</i> An insurance producer may pay or assign commissions, service fees, brokerages, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in New Hampshire, unless the payment would violate the Unfair Trade Practices law. N.H. REV. STAT. ANN. § 402-J:13.</p> <p><i>Referral Fees.</i> An unlicensed person may refer a party to an appointed producer, if the person making such referral is compensated for such referral in an amount that does not exceed a nominal amount and such amount is not based on or related to the party’s purchase of insurance. N.H. REV. STAT. ANN. § 402:16-b.</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
	<p>benefits, coverage, or premium of any such policy or contract, provided it is based on a written agreement/contract. N.H. REV. STAT. ANN. §§ 405:44-a; 405:44-d.</p> <p><i>Incidental Services.</i> Producers may enter into producer agreements that provide for services that are incidental to the sale, negotiation, or solicitation of an insurance contract. A producer may <u>not</u>, however, receive compensation from the insurance company for such incidental services while also seeking compensation from the insured for the service. Bulletin 15-003-AB.</p> <p><i>Non-Insurer Compensated Services.</i> A producer may seek compensation from an insured for services that are not directly associated with the sale, solicitation, or negotiation of an insurance contract and for which the producer is not receiving compensation from an insurance company. Producers may enter into separate written contracts with insureds for such services, which could include a separate fee. Bulletin 15-003-AB.</p>		
<p><i>New Jersey</i></p>	<p>Insurance producers (including brokers, agents, consultants, etc.) may charge a fee for services rendered in the sale of personal lines property/casualty or personal lines surplus lines insurance, subject to disclosure requirements. N.J. ADMIN. CODE § 11.17B-3.1. Insurance producers acting as agents for an insurance company for personal lines insurance, however, are prohibited from charging or receiving any fee on a policy to/from a policyholder or insured for services rendered as an insurance producer, <u>except</u> for reimbursement of actual out-of-pocket expenses incurred obtaining documents and other materials related to the underwriting process for new automobile applications. N.J. ADMIN. CODE § 11.17B-3.1.</p> <p>Insurance producers selling, soliciting or negotiating commercial lines insurance may charge and receive fees for services rendered to an insured or prospective insured, subject to the following requirements:</p> <ul style="list-style-type: none"> • An insurance producer must obtain a written agreement from the insured that complies with disclosure obligations; • Any fee charged by an insurance producer must bear a reasonable relationship to the services provided and may not be discriminatory; 	<p>Insurance producers charging a fee to an insured or prospective insured must first obtain a written agreement—separate and apart from all other agreements and applications—that contains the following provisions and <u>no other provisions</u>:</p> <ul style="list-style-type: none"> • A clear statement of the amount of the fee to be charged and the nature of the service to be provided therefor; • A statement that such fees are not a part of the premium charged by the insurance company and that such fees can be charged only if the insured or prospective insured so consents in writing; • A clear statement as to whether a commission will be received from the purchase of insurance; and • The signature of the insured or prospective insured and the licensed insurance producer and the date of execution of the agreement. N.J. ADMIN. CODE § 11.17B-3.1. 	<p><i>Compensation Sharing.</i> An insurance producer may pay or assign commissions, service fees, brokerages, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in New Jersey, unless the payment would qualify as an illegal rebate or inducement or otherwise violate the Unfair Trade Practices law. N.J. STAT. ANN. § 17:22A-41; N.J. ADMIN. CODE § 11.17B-2.1.</p> <p><i>Referral Fees.</i> New Jersey law does not appear to address referral fees.</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
	<ul style="list-style-type: none"> No insurance producer may pay or return, or offer to pay or return, all or part of a fee charged as an inducement to purchase a specific policy, or coverage within a policy, or coverage from a particular insurer; No insurance producer may charge a fee for services not actually performed; and No insurance producer, except a duly authorized producer employed by and acting on behalf of his or her employer, may execute a written fee agreement on behalf of any other insurance producer or premium finance company. N.J. ADMIN. CODE § 11.17B-3.1; Bulletin 04-20. 	<p>Note that a new written agreement must be entered into for each fee charged and each time a fee is charged (i.e., an initial agreement cannot be used as the sole basis to charge a fee for a renewal policy). N.J. ADMIN. CODE § 11.17B-3.1; Bulletin 04-20.</p> <p>Additional disclosure obligations apply to insurance producers who sell, solicit, or negotiate health insurance policies or contracts. N.J. STAT. ANN. § 17:22A-41.1; Bulletin 08-16.</p>	
<p><i>New Mexico</i></p>	<p>A person is prohibited from willfully collecting as premium, administration fee, or other charge for insurance/coverage any sum in excess of the premium or charge as specified in the policy, in accordance with the insurer’s applicable classifications and rates then in effect. This does not prohibit:</p> <ul style="list-style-type: none"> The charging/collecting by a surplus lines broker of the amount of applicable taxes (if any) and policy fee (if any), in addition to the premium required by the insurer; or The charging/collection by a life insurer of amounts actually to be expended for medical examination of an applicant for life insurance. N.M. STAT. ANN. § 59A-16-24. <p>Insurance agents licensed as <i>insurance consultants</i> may charge a fee for services, provided certain disclosure obligations are met. They may not, however, receive commissions or compensation paid by any insurer/insurance producer in connection with the sale or writing of insurance that is within the subject matter of any such service. N.M. STAT. ANN. § 59A-11A-7. An agent must be licensed as a consultant to charge fees for consulting services, see N.M. STAT. ANN. § 59A-11A-1.</p>	<p><i>New Mexico law does not address producer compensation disclosure.</i></p> <p>An <i>insurance consultant</i> may charge a fee only under the terms of a contract or agreement that meets the following requirements:</p> <ul style="list-style-type: none"> It is in writing and executed in duplicate by the person to be charged or their legal representative; The duplicate is delivered to/retained by the person to be charged when it is signed by him; and It plainly specifies the amount of the fee paid or payable by the person to be charged and the services to be rendered by the insurance consultant. N.M. STAT. ANN. § 59A-11A-5. <p>If a consultant does not enter into a contract prior to providing services, the consultant must—upon furnishing advice, counsel, recommendation, or information—provide a statement in writing, signed by the consultant, specifying the advice, counsel, recommendation, or information given <u>and</u> the fee paid to the consultant. N.M. STAT. ANN. § 59A-11A-6.</p>	<p><i>Compensation Sharing.</i> An insurance producer may not pay or assign commissions, service fees, brokerages, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in New Mexico. N.M. STAT. ANN. § 59A-12-28.</p> <p><i>Referral Fees.</i> <i>New Mexico law does not appear to address referral fees.</i></p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
<p><i>New York</i></p>	<p>Insurance producers (i.e., agents, brokers, or consultants) are prohibited from receiving fees, commissions, or other things of value for</p> <ul style="list-style-type: none"> Examining, appraising, reviewing, or evaluating any insurance policy; Making recommendations as to a policy; or Giving advice with regard to a policy, <p><u>unless</u> such compensation is based upon a written memorandum signed by the party to be charged and specifying/clearly defining the amount or extent of such compensation.</p> <p>Insurance producers are prohibited from receiving any compensation for the sale of insurance to an insured for whom the producer provided consulting services (and received a fee for such services) within the preceding 12 months, <u>unless</u> such compensation is provided for in the memorandum described above. N.Y. INS. LAW § 2119.</p>	<p>Insurance producers are required to make an initial compensation disclosure to a purchaser, including:</p> <ul style="list-style-type: none"> A description of the role of the insurance producer in the sale; A statement as to whether the insurance producer will receive compensation from the selling insurer or other third party based on the insurance contract the producer sells; A statement that the compensation paid to the insurance producer may vary depending on a number of factors, including the insurance contract and the insurer that the purchaser selects, the volume of business the producer provides to the insurer, or the profitability of the insurance contracts that the producer provides to the insurer; and A statement that the purchaser may obtain information about the compensation expected to be received by the producer based in whole or in part on the sale, and the compensation expected to be received based on any alternative quotes presented by the producer. 11 NYCRR § 30.3; FAQs; OGC Opinion No. 10-06-01; OGC Opinion No. 10-09-06; Circular Letter No. 18. <p>If the purchaser requests more information about the producer’s compensation prior to the issuance of the insurance contract, the producer must disclose supplemental information to the purchaser. 11 NYCRR § 30.3.</p>	<p><i>Compensation Sharing.</i> Licensed agents may share commissions or other compensation with similarly licensed and appointed agents and brokers. N.Y. Ins. Law §§ 2114, 2115.</p> <p><i>Referral Fees.</i> New York’s Insurance Code allows an insurance agent or broker to compensate a person in return for a referral pursuant to N.Y. Ins. Law §§ 2114, 2115. However, as currently enacted, the referral may not include a discussion of specific insurance policy terms and conditions, and the compensation for the referral may not be based on the sale of insurance. The Insurance Code does not limit the amount of compensation that may be given to a non-licensee for such referrals. N.Y. Ins. Law §§ 2114, 2115; OGC Opinion (2008), OGC Opinion (2007), OGC Opinion (2006), OGC Opinion (2001).</p>
<p><i>North Carolina</i></p>	<p>No insurer, agent, or broker is permitted to knowingly charge to or receive from an applicant for insurance any money or other consideration in return for the processing of applications or for the rendering of services associated with a contract of insurance (i.e., so-called <i>service or policy fees</i>), which money or other consideration is in addition to the premium for such</p>	<p>An agent or broker who intends to charge a <i>policy or service fee</i> may not do so, <u>unless</u> he complies with the following:</p> <ul style="list-style-type: none"> A sign that informs the applicant in large bold print that a policy or service fee of [amount] will 	<p><i>Compensation Sharing.</i> Commissions, fees, or other valuable consideration for the sale, solicitation, or negotiation of insurance may be assigned or directed to be paid in the following circumstances:</p>

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	<p>contract, <u>unless</u> the applicant consents in writing before any services are rendered. N.C. GEN. STAT. § 58-33-85; 11 N.C. ADMIN. CODE § 04.0120.</p> <p>No licensed property and casualty insurer that has control of a broker may accept insurance from the broker in any transaction in which the broker, when the insurance is placed, is acting on behalf of the insured for any compensation, commission, or thing of value, <u>unless</u> the broker, before the effective date of coverage, delivers written notice to the prospective insured and otherwise complies with the disclosure requirements. N.C. Gen. Stat. § 58-33-155.</p>	<p>be charge must be displayed in a prominent place so as to be seen/read from any part of the office lobby.</p> <ul style="list-style-type: none"> • The applicant’s consent in writing is obtained on a separate form each time a policy or service fee is charged (including the date and amount of each fee charged). • A date for the payment of a policy or service fee must be issued either separately from the policy premium receipt or stated separately on the receipt issued for the policy premium. N.C. GEN. STAT. § 58-33-85; 11 N.C. ADMIN. CODE § 04.0120. 	<ul style="list-style-type: none"> • To a business entity by a person who is an owner, shareholder, member, partner, director, employee, or agent of that business entity. • To a producer in connection with renewals of insurance business originally sold by or through the licensed person or for other deferred compensation. • In connection with the indirect receipt of commissions in circumstances in which a license is not required under North Carolina law. N.C. GEN. STAT. § 58-33-82. <p>Otherwise, only agents who are duly licensed with appropriate company appointments, licensed brokers, licensed limit lines producers, or licensed limited representatives may accept any commission, fee, or other valuable consideration for the sale, solicitation, or negotiation of insurance. N.C. GEN. STAT. § 58-33-82.</p> <p><i>Referral Fees.</i> North Carolina law does not directly address referral fees. The Department of Insurance, however, has addressed referral fees in the context of compensation sharing between producers. It advises that whether or not a referral fee may be paid to a potential or existing customer by a licensed insurance producer for the referral of insurance business will depend on the facts of each specific situation and the applicable laws. It further advises that in addition to reviewing the commissions statute, licensed producers should also review the rebating statutes when considering payment of a referral fee to a potential or existing client. Referral Fee FAQs.</p>
<p><i>North Dakota</i></p>	<p>Insurance producers may charge a fee for any services rendered in connection with the sale, solicitation, negotiation, placement, or servicing of an insurance product, if the following conditions are met:</p> <ul style="list-style-type: none"> • The fees may <u>not</u> be charged on a personal lines account (e.g., personal homeowners and automobile, personal life, and health insurance). • Before rendering the services and accepting any payment, a written disclosure must be provided to the party to be charged on a form approved by the commissioner disclosing: 	<p>Before accepting a fee for rendering services in connection with the sale, solicitation, negotiation, etc. of an insurance product, a producer must provide a written disclosure that discloses:</p> <ul style="list-style-type: none"> • The nature of the services for which the fees will be charged along with a separate itemization of the amount of the fees; 	<p><i>Compensation Sharing.</i> An insurance producer may pay or assign commission, service fees, brokerages, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in North Dakota, unless the payment would qualify as a prohibited practice under North Dakota law. N.D. CENT. CODE § 26.1-26-04.</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
	<ul style="list-style-type: none"> The disclosure required by this section must be signed and dated by both the producer and the party to be charged. The producer shall retain the signed disclosure required by this section for not less than five years following the completion of the service. A copy of the signed disclosure must be available to the commissioner for inspection upon request. The insurance producer may not pay or return, or offer to pay or return, all or part of a fee charged as an inducement to purchase a specific policy, or coverage within a policy, or coverage from a particular insurer. Any fee charged under this section must bear a reasonable relationship to the services provided and may not be discriminatory. HB 1144. <p>If insurance producers charge a fee for rendering <i>consulting services</i>, they must comply with the provisions and requirements of the consultant’s agreement. N.D. ADMIN. CODE § 45-02-02-10. Note, licensed insurance producers are exempt from licensing as consultants and are specifically prohibited from concurrently holding a consultant’s license and a license as an insurance producer in any line. Rather, licensed insurance producers may perform consulting services in the ordinary course of their business, provided they enter into a written agreement if they choose to charge a separate fee for such services. N.D. ADMIN. CODE § 45-02-02-10.</p>	<ul style="list-style-type: none"> That the fees are charged in addition to any premiums paid; That if the insurance producer is also an appointed agent of an insurer with which coverage is being considered for placement, a statement that the insurance producer also represents the insurer in the transaction and owes a duty of loyalty to the insurer; and That if the insurance producer is to receive a commission from the sale of an insurance policy related to the services rendered, a statement clearly and completely disclosing that the: <ul style="list-style-type: none"> Insurance producer will receive a commission from the insurer which is paid from the premiums owed for the insurance; and Amount of commission received by the insurance producer may differ depending on the product sold and the insurer. HB 1144. <p>If a producer charges a fee for <i>consulting services</i>, the fee must be disclosed in a written agreement that outlines the nature of the work to be performed by the consultant and states the fee for the work. Both the consultant and the client must sign the agreement. N.D. ADMIN. CODE §§ 45-02-02-09, 45-02-02-10; N.D. CENT. CODE § 26.1-26-35.</p>	<p><i>Referral Fees.</i> North Dakota law does not appear to address referral fees.</p>
Ohio	<p>An agent may charge a fee if all of the following conditions are met:</p> <ul style="list-style-type: none"> The fee is disclosed to the consumer in a manner that separately identifies the fee and the premium. The fee is not calculated as a percentage of the premium. The fee is not refunded, forgiven, waived, offset, or reduced by any commission earned or received for any policy or coverage sold. The amount of the fee, and the consumer’s obligation to pay the fee, are not conditioned upon the occurrence of a future event or condition. 	<p>An agent may charge a fee if the following disclosure obligations are met:</p> <ul style="list-style-type: none"> The fee is disclosed to the consumer in a manner that separately identifies the fee and the premium; The agent discloses that the fee is being charged by the agent not by the insurance company; and The consumer consents to the fee. OHIO REV. CODE ANN. § 3905.55. 	<p><i>Compensation Sharing.</i> An agent may pay or assign a commission, service fee, brokerage fee, or other type of consideration to an insurance agency or person who does not sell, solicit, or negotiate insurance in Ohio, unless the payment or assignment qualifies as an unlawful rebate or Ohio’s law governing unfair and deceptive acts. OHIO REV. CODE ANN. § 3905.18.</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
	<ul style="list-style-type: none"> The agent discloses to the consumer that the fee is being charged by the agent and not by the insurance company, that neither state law nor the insurance company requires the agent to charge the fee, and that the fee is not refundable. The consumer consents to the fee. The agent does not charge the fee on a discriminatory basis. OHIO REV. CODE ANN. § 3905.55(A). <p>There are, however, situations in which an agent may not charge a fee in connection with certain personal lines policies sold on a commission basis. OHIO REV. CODE ANN. § 3905.55(B). Notwithstanding those situations, an agent may charge a fee in connection with a personal lines policy sold on a no-commission basis, as long as the agent discloses the fee and the services to be provided. Ohio Rev. Code Ann. § 3905.55(C).</p>	<p>Ohio law, however, does not specify that the agreement must be in writing.</p>	<p><i>Referral Fees.</i> An insurance agent is prohibited from paying a commission, referral fee, or other compensation to an unlicensed person for any referral, <u>unless</u> the compensation is a fixed dollar amount for each referral and does not depend on whether the person referred purchases an insurance product. OHIO REV. CODE ANN. § 3905.18.</p>
<i>Oklahoma</i>	<p>Oklahoma does not appear to address the ability of a producer to receive fees in addition to/in lieu of commissions, unless they are also licensed as consultants.</p> <p>Licensed insurance producers may charge fees in addition to commissions for consulting services. OKLA. STAT. tit. 36 § 1435.30.</p> <p>Insurance producers are not required to obtain a separate consultant’s license, but they may not concurrently hold a consultant’s license and a license as an insurance producer. OKLA. STAT. tit. 36, § 1435.30.</p>	<p><i>Oklahoma law does not address producer compensation disclosure.</i></p> <p>In advance of rendering any service as an insurance consultant, the consultant must prepare a written agreement to be signed by both the consultant and the client. The agreement must outline the nature of the work to be performed by the consultant and state the fee for the work. OKLA. STAT. tit. 36, § 1435.30.</p>	<p><i>Compensation Sharing.</i> An insurance producer may pay or assign commissions, service fees, brokerages, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Oklahoma, unless the payment would qualify as an unfair method of competition or an unfair or deceptive act or practice under Oklahoma law. OKA. STAT. tit. 36, § 1435.14(D).</p> <p><i>Referral Fees.</i> <i>Oklahoma law does not appear to address referral fees.</i></p>
<i>Oregon</i>	<p>An insurance producer who is licensed as an insurance consultant may charge fees in addition to commissions. Insurance producers who are not licensed as insurance consultants may charge fees only in limited circumstances. OR. REV. STAT. § 744.077.</p> <p><i>Insurance producers</i> may charge a commission, a <i>service fee</i> (i.e., a charge from the producer with respect to an insurance transaction to a party <u>other than the insurer</u> that is <u>not</u> a part of the insurer’s rate filing), or a combination of the two when transacting insurance in <i>other than</i> the following categories of insurance:</p>	<p>To charge a service fee in addition to the commission for the remaining lines of insurance, <i>insurance producers</i> must, prior to the purchase of insurance:</p> <ul style="list-style-type: none"> Obtain the prospective insured’s documented acknowledgment that the compensation will be received by the insurance producer or affiliate; Disclose the amount of compensation from the insurer; and Disclose the nature of the work that the insurance producer will perform. OR. ADMIN. R. §§ 836- 	<p><i>Compensation Sharing.</i> An insurer or insurance producer may pay commissions or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in the state, unless the payment would qualify as an unlawful rebate. OR. REV. STAT. § 744.076; Commissions and Gifts.</p> <p><i>Referral Fees.</i> <i>Oregon law does not appear to address referral fees.</i></p>

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	<ul style="list-style-type: none"> Insurance that covers an individual’s person, property, or liability (i.e., producers may <u>not</u> charge service fees in connection with personal lines policies); Life or health insurance for groups of fewer than 51 lives; or Insurance on a commercial or public entity paying combined annual premiums of less than \$100,000 for the insurance. OR. REV. STAT. § 744.091; OR. ADMIN. R. § 836-071-0274. <p>With respect to service fees on commercial lines, service fees may only be charged in those instances where the producer has provided service additional to what is the “usual and customary practice” of producers under similar circumstances. OR. ADMIN. R. § 836-071-0277.</p> <p>Insurance consultants are prohibited from accepting or receiving a commission from the insurer in addition to a fee paid by the prospective insured, <u>unless</u> the consultant discloses certain information prior to the transaction. OR. ADMIN. R. § 836-071-0263.</p>	<p>071-0260, 836-071-0263; OR. REV. STAT. § 744.650.</p> <p>In the commercial lines context, in particular, the producer must give a written explanation of the charge and the reason for it to the person charged. OR. ADMIN. R. § 836-071-0277.</p> <p>Insurance consultants seeking to charge fees in addition to commissions must have:</p> <ul style="list-style-type: none"> Obtained the prospective insured’s documented acknowledgement that the compensation will be received by the consultant; and Disclosed the amount of compensation from the insurer for that placement. OR. ADMIN. R. § 836-071-0263. 	<p>Wholesale Producers. Additional limitations are placed on fee arrangements between retail and wholesale producers. OR. REV. STAT. § 744.093.</p>
<p>Pennsylvania</p>	<p>Producers may charge a fee in addition to a commission to a person for the sale, solicitation, or negotiation of a contract of insurance for commercial business, provided the fee is disclosed in writing and is “reasonable in relationship to the services provided.” 40 PA. STAT. ANN. § 310.74.</p> <p>Producers acting as financial advisors may not charge fees for services customarily associated with the sale, solicitation or servicing of policies. 40 PA. STAT. ANN. § 625-3.</p>	<p>Fees charged by a producer for commercial lines coverage must be disclosed in advance in writing and must be reasonable for the services provided. 40 PA. STAT. ANN. § 310.74.</p>	<p>Compensation Sharing & Referral Fees. A producer may share commissions, service fees, or other valuable consideration with licensed insurance producers for selling, soliciting, or negotiating insurance.</p> <p>A person who is not licensed may <u>not</u> accept a commission, brokerage fee, service fee, or other compensation from an insurance entity, <u>unless</u> the compensation is:</p> <ul style="list-style-type: none"> A renewal or other deferred commission for selling, soliciting, or negotiating a contract of insurance, if the person was licensed at the time of the sale, solicitation, or negotiation; <u>or</u> A fee for referring persons to a licensed entity that are interested in purchasing insurance, provided the unlicensed person does not discuss specific terms and conditions of a contract of insurance and, <u>in the case of referrals for insurance that is primarily for personal use</u>, the unlicensed person does not receive more than a one-time, nominal fee of a fixed dollar amount for each

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<p><i>Rhode Island</i></p>	<p>An insurance producer who receives a commission from a licensed property and casualty insurer for placing coverage <u>cannot</u> also charge a fee to the insured for services that are customarily associated with the selling, soliciting or negotiation of the insurance. The Rhode Island Department of Business Regulation reasoned that “Commission expenses of the insurer are included within the operating expenses of the insurer and are considered in the rate making process. Any additional charges imposed on the insured are, therefore, in violation of the rate filing statutes.” Bulletin 2002-11.</p> <p>Contracts which are “net of commission” do not include commission expenses in rates and, therefore, a separate fee may be charged to the insured by the producer. The fee, however, must be fully disclosed to the purchaser in writing prior to sale. Bulletin 2002-11.</p> <p>Producers may <u>not</u> impose an additional charge based on method of payment. Property and casualty insurance producers may allow payments by credit card but may not charge the insured the merchant fee assessed. If a producer chooses to accept credit card payments such merchant fees are a cost of doing business which must be absorbed by the producer. Producers may not charge a fee for acceptance of cash payments. Bulletin 2002-11.</p>	<p>Before the purchase of insurance, an insurance producer (excluding insurance intermediaries, placement of insurance in secondary/residual markets, and producers whose sole compensation is derived from the insurer) must (1) obtain the customer’s documented acknowledgment that the compensation will be received by the producer and (2) provide a description of the method and factors utilized for calculating the compensation to be received. R.I. GEN. LAWS § 27-2.4-15.1; R.I. Dep’t of Ins. Bulletin 2006-2; Bulletin 2002-11.</p> <p>Additionally, any fee for commission expenses—in a contract that is net of commission—must be fully disclosed in writing prior to sale. Bulletin 2002-11.</p>	<p>referral that does not depend on whether the referral results in a sale. 40 PA. STAT. ANN. §§ 310.72, 310.73.</p> <p><i>Compensation Sharing.</i> An insurance producer may pay or assign commissions, service fees, brokerages, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Rhode Island, <u>unless</u> the payment would qualify as a rebate or otherwise violate the state’s laws governing unfair methods of competition. R.I. GEN. LAWS § 27-2.4-15.</p> <p><i>Referral Fees.</i> <i>Rhode Island law does not appear to address referral fees.</i></p>
<p><i>South Carolina</i></p>	<p>A <i>broker</i> is not permitted to charge policy fees <u>unless</u>:</p> <ul style="list-style-type: none"> • It is a reasonable fee; • It is made part of the contract; and • The broker’s premium tax rate is paid upon the policy fee. S.C. CODE ANN. § 38-45-160. <p>When, pursuant to the written or oral request of an insured, a producer or agency advances all or part of the premium for a policy to the insurer on behalf of the insured, the producer is entitled to recover from the insured—in addition to the amount advanced—a service charge equal to the greater of 1.5% or \$1.50 per month on any unpaid balance. S.C. CODE ANN. § 38-43-410; S.C. CODE ANN. § 38-43-420; S.C. CODE ANN. § 38-43-430.</p>	<p>A broker’s policy fee must be made part of the contract with the insured. S.C. CODE ANN. § 38-45-160.</p>	<p><i>Compensation Sharing.</i> An insurance producer may pay or assign service fees or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in South Carolina, unless the payment would violate another provision of the Insurance Code. Such a payment must not be based on completion of the sale of the insurance policy. S.C. CODE ANN. § 38-43-200.</p> <p>A licensed insurance broker may divide commissions with producers or brokers in other states or with a producer licensed in South Carolina for an insurer doing the particular</p>

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			<p>class of insurance desired to be placed through the broker. S.C. CODE ANN. § 38-45-100.</p> <p><i>Referral Fees.</i> The Department of Insurance has interpreted the state’s law to permit an agency to pay a finder’s fee or referral fee to an unlicensed individual. Business Entity FAQs; S.C. CODE ANN. § 38-43-200.</p>
<p>South Dakota</p>	<p>A producer is <u>permitted</u> to:</p> <ul style="list-style-type: none"> • Collect only a commission on a product; • Collect only a consultant fee concerning a product; and • Collect a consulting fee on one distinct product and then collect a commission on a dissimilar product with the same consumer. Bulletin 13-04. <p>A producer is <u>prohibited</u> from:</p> <ul style="list-style-type: none"> • Negotiating commissions with consumers under any circumstances (e.g., writing policies “net of commission”); and • Charging any fees not specified in the insurance product/in accordance with the applicable classifications and rates filed with/approved by the Director of the South Dakota Department of Labor and Regulation, with the exception of a <u>consulting fee</u>. S.D. COD. LAWS §§ 58-33-36, 58-11-1, 58-30-144.1; Bulletin 13-04. <p>A consultant may collect a fee from an insurance customer:</p> <ul style="list-style-type: none"> • For services provided as a consultant; and • Receive a commission for insurance sold, solicited, or negotiated with that same insurance customer provided that the fee and commission are for separate and distinct insurance products. <p>A consultant may <u>not</u>, however, collect a fee for any insurance placed with that insurance customer if a commission is payable to that consultant (i.e., collect a consulting fee and commission on the same product with the same consumer). S.D. COD. LAWS §§ 58-30-144.1, 58-30-171.1; Bulletin 13-04.</p> <p>Note, any person acting as a consultant must also be licensed as an agent under South Dakota’s insurance laws.</p>	<p>South Dakota law does not address producer compensation disclosure.</p> <p>Any consultant collecting a fee from an insurance customer must set forth the fee to be charged to that insurance customer and the terms and conditions of the services provided to that insurance customer in the form of a written agreement with the insurance customer. S.D. COD. LAWS § 58-30-144.1.</p>	<p><i>Compensation Sharing.</i> An insurance producer may pay or assign a commission, service fee, brokerage fee, or other valuable consideration with other insurance producers if those producers are licensed in the line of business for which the original commission was received. S.D. COD. LAWS § 58-30-174.</p> <p><i>Referral Fees.</i> An insurer or insurance producer may not pay or assign a commission, service fee, brokerage fee, or any other valuable consideration for a referral to any person not appropriately licensed, <u>unless</u> the payment is:</p> <ul style="list-style-type: none"> • A fixed dollar amount; • Unrelated to the amount of commission or premium for an insurance transaction; and • Not dependent upon whether the referral results in a transaction. S.D. COD. LAWS § 58-30-174.

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<p><i>Tennessee</i></p>	<p>It is an unfair trade practice for an insurance producer to charge fees for the sale, solicitation, or negotiation of insurance not authorized by a written agreement with an insurer, and, where applicable, incorporated in the insurer’s rate filing.</p> <p>The Tennessee Department of Commerce and Insurance considers any money paid for a specific policy of insurance by the consumer to be a part of the premium. TENN. CODE ANN. § 56-6-125; 1983 Bulletin.</p> <p>An insurance producer may charge fees for services <u>not connected</u> with the sale, solicitation, and negotiation of insurance if the fees are based upon a qualified written agreement, signed by the party to be charged in advance of the performance of the services under the agreement. TENN. CODE ANN. § 56-6-125.</p>	<p>An insurance producer may charge fees for services <u>not connected</u> with the sale, solicitation, and negotiation of insurance if the fees are based upon a qualified written agreement, signed by the party to be charged in advance of the performance of the services under the agreement. The agreement must include:</p> <ul style="list-style-type: none"> • The services for which the fee is to be charged; • The amount of the fee to be charged or how it will be determined or calculated; and • A disclosure stating that the client is under no obligation to purchase any insurance product through the insurance producer. TENN. CODE ANN. § 56-6-125. 	<p><i>Compensation Sharing.</i> An insurer or insurance producer may pay or assign commissions, service fees, brokerages, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Tennessee, unless the payment would violation certain provisions of the Unfair Trade Practices Act. TENN. CODE ANN. § 56-6-113.</p> <p><i>Referral Fees.</i> An unlicensed person may make a referral to a licensed producer, provided that:</p> <ul style="list-style-type: none"> • The person does not discuss the specific insurance policy terms and conditions; and • The referral compensation does not depend on whether the referred customer purchases an insurance product from the licensed producer. <p>Unless prohibited by federal law, the unlicensed person—who is neither employed by nor affiliated with the insurance producer—may be compensated for the referral <u>only</u> if the compensation is a fixed dollar amount of at most \$25. If the unlicensed person <u>is</u> employed by or affiliated with the insurance producer, then the person may be compensated only if the compensation is a fixed nominal dollar amount. TENN. CODE ANN. § 56-6-113(e); Interpretive Opinion 05-13.</p>
<p><i>Texas</i></p>	<p>A person who holds an insurance license and receives a commission or other consideration for services as an agent may <u>not</u> receive an additional fee for those services provided to the same client, <u>except</u> for a fee:</p> <ul style="list-style-type: none"> • That is a premium; a tax; a finance charge; a policy fee; an agent fee; a service fee; an inspection fee; membership dues in a sponsoring organization; or certain fees charged by property and casualty agents (i.e., those associated with costs incurred in obtaining a motor vehicle record, photograph, or property); <u>and</u> • That meets certain disclosure requirements. TEX. INS. CODE ANN. § 4005.054. <p>General property and casualty agents and personal lines property and casualty agents may charge a client a fee to reimburse the agent for costs</p>	<p>If an agent receives compensation from a customer for the placement or renewal of an insurance product—other than a service fee, an application fee, or an inspection fee—the agent may <u>not</u> accept or receive any compensation from an insurer or other third party for that placement or renewal <u>unless</u> the agent has, before the customer’s purchase of insurance:</p> <ul style="list-style-type: none"> • Obtained the customer’s documented acknowledgment that the compensation will be received by the agent; and • Provided a description of the method and factors used to compute the compensation to be received form the insurer or other third party for that 	<p><i>Compensation Sharing.</i> Texas law does not appear to address compensation sharing. TEX. INS. CODE ANN. § 4005.053</p> <p><i>Referral Fees.</i> An agent may not pay, permit, or give to any person who does not hold a license as an agent:</p> <ul style="list-style-type: none"> • A rebate of premiums payable, a commission, employment, a contract for service, or any other valuable consideration or inducement that is not specified in the insurance policy or contract for/on account of the solicitation or negotiation of an insurance contract; <u>or</u> • A fee or other valuable consideration for referring a customer who seeks to purchase an insurance product or

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	<p>incurred in obtaining a motor vehicle record or photograph of property (e.g., special delivery or postal charges, printing or reproduction costs, electronic mail costs, etc.). An agent may charge such a fee <u>only</u> if, before the agent incurs an expense for the client, the agent:</p> <ul style="list-style-type: none"> • Notifies the client of the agent’s fee; and • Obtains the client’s written consent for each fee to be charged. TEX. INS. CODE ANN. § 4005.003. 	<p>placement. TEX. INS. CODE ANN. §§ 4005.003, 4005.004, 4005.054.</p>	<p>seeks an opinion on/advice regarding an insurance product, based on that customer’s purchase of insurance. This does <u>not</u> prohibit an agent from—in connection with an offer or sale of insurance—giving, providing, or allowing an item that is a promotional advertising/educational item of \$25 or less. TEX. INS. CODE ANN. § 4005.053</p>
<p><i>Utah</i></p>	<p>Producers may not act as to the same client as both a producer for the insurer and a producer for the insured without the client’s prior written consent based on full disclosure. UTAH CODE ANN. § 31A-23a-401.</p> <p>Insurance producers may receive from an insured noncommission compensation—i.e., all funds paid to or credited for the benefit of a producer <u>other than</u>:</p> <ul style="list-style-type: none"> • Commission amounts deducted from insurance premiums on insurance sold by or placed through the licensee; • Commission amounts received from an insurer or another licensee as a result of the sale or placement of insurance; or • Overrides, bonuses, contingent bonuses, or contingent commissions received from an insurer or another licensee as a result of the sale or placement of insurance— <p>if the noncommission compensation is stated on a separate, written disclosure. UTAH CODE ANN. §§ 31A-23a-401, 31A-23a-501.</p> <p>Generally, a producer/consultant may <u>not</u> recommend or encourage the purchase of insurance from/through an insurer or other producer where a conflict of interest is present. This prohibition does <u>not</u> apply if the following conditions are <u>all</u> met:</p> <ul style="list-style-type: none"> • Prior to performing consulting services, a producer/consultant discloses to the client, prominently, in writing the conflict of interest <u>and</u> that as a result of those interests, the recommendations should be given appropriate scrutiny; • The producer’s/consultant’s fee is agreed upon after the required disclosure and before performing the requested services; <u>and</u> 	<p>Producers may not act as to the same client as both a producer for the insurer and a producer for the insured without the client’s prior written consent based on full disclosure. UTAH CODE ANN. § 31A-23a-401.</p> <p>The disclosure of any noncommission compensation must be stated on a separate, written disclosure that:</p> <ul style="list-style-type: none"> • Includes the signature of the insured acknowledging the noncommission compensation; • Clearly specifies the amount of any known noncommission compensation and the type and amount, if known, of any potential and contingent noncommission compensation; <u>and</u> • Is provided to the insured before the performance of the service. UTAH CODE ANN. § 31A-23a-501. 	<p>Compensation Sharing & Referral Fees. Producers and consultants may only pay consideration or reimburse out-of-pocket expenses to a person if the licensee knows that the person is licensed to act as—among other things—a producer or consultant. This does not, however, prohibit:</p> <ul style="list-style-type: none"> • The payment of renewal commissions to former licensees or their successors in interest under a deferred compensation or agency sales agreement; • Compensation paid to or received by a person for referral of a potential customer that seeks to purchase or obtain an opinion or advice on an insurance product if the person is not licensed to sell insurance, the person does not sell or provide opinions or advice on the product, and the compensation does not depend on whether the referral results in a purchase or sale; or • The payment or assignment of a commission, service fee, brokerage, or other valuable consideration to an agency or a person who does not sell, solicit, or negotiate insurance in this state, unless the payment would constitute an inducement or commission rebate. Utah Code Ann. § 31A-23a-504.

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	<ul style="list-style-type: none"> Any report resulting from the requested services contains a copy of the required disclosure. UTAH CODE ANN. § 31A-23a-401. 		
<p><i>Vermont</i></p>	<p>Vermont classifies that failure of any agent or broker to obtain a prior written agreement with a client concerning fees or charges made by that agent or broker directly to the client for their procuring, servicing, or providing advice on insurance contracts as an unfair or deceptive act or practice. This does <u>not</u> apply to commissions, expense allowances, bonuses, fees, or any other compensation received directly by agents and brokers from legal entities engaged in the insurance business. VT. STAT. ANN. tit. 8, § 4724 (14).</p> <p>In advance of rendering any services as a consultant, a written agreement must be prepared by the consultant to be signed by both the consultant and the client. VT. STAT. ANN. tit. 8, § 4802.</p> <p>Note, however, that no person may concurrently hold a consultant’s license and an insurance producer’s license, surplus lines insurance broker’s license, or limited lines producer’s license in any line. VT. STAT. ANN. tit. 8, § 4802.</p>	<p>An agent or broker must enter into a prior written agreement with a client in order to charge a fee to be paid by the client. VT. STAT. ANN. tit. 8, § 4724 (14).</p> <p>Written agreements with insurance consultants must outline the nature of the work to be performed by the consultant and state their fee for the work. VT. STAT. ANN. tit. 8, § 4802.</p>	<p><i>Compensation Sharing.</i> An insurance producer may pay or assign commissions, service fees, brokerages, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Vermont, unless the payment would qualify as an unlawful rebate. VT. STAT. ANN. tit. 8, § 4796.</p> <p><i>Referral Fees.</i> <i>Vermont law does not appear to address referral fees.</i></p>
<p><i>Virginia</i></p>	<p>All fees, charges, premiums, or other consideration charged for the insurance or for the procurement of insurance must be stated in the policy, except for consulting services (i.e., no person may charge or receive any fee, compensation, or consideration for insurance or for the procurement of insurance that is not included in the premium or stated in the policy). VA. CODE ANN. § 38.2-310.</p> <p>Licensed insurance consultants may charge fees for consulting services. VA. CODE ANN. § 38.2-1837, et seq.</p> <p>Notwithstanding these provisions, agents are prohibited from charging a policyholder any consideration in return for rendering services associated with a contract of insurance, when the consideration is in addition to the premium for such contract, <u>unless</u> disclosure and consent requirements are met. VA. CODE ANN. § 38.2-1812.2.</p>	<p>Agents are prohibited from charging a policyholder any consideration in return for rendering services associated with a contract of insurance, when the consideration is in addition to the premium for such contract, <u>unless</u> the policyholder consents in writing before any services are rendered. The consent must be provided on a form that includes:</p> <ul style="list-style-type: none"> The policyholder’s signature, The duration of services, The amount of fees to be charged, The services for which the fees are charged, and A statement that the agent is entitled to receive a commission from the insurer for selling, soliciting, or negotiating the insurance. VA. CODE 	<p><i>Compensation Sharing.</i> Agents are not permitted to share commissions or other compensation received on account of a transaction with any person that is not also licensed for the class of insurance involved in the transaction. VA. CODE ANN. § 38.2-1812(F).</p> <p><i>Referral Fees.</i> Referral fees are allowed provided:</p> <ul style="list-style-type: none"> The referral does not include a discussion of specific insurance policy terms and conditions; The compensation is in the form of a one-time nominal fee of a fixed dollar amount for each referral; and The compensation does not depend on whether the referral results in the purchase of insurance by the customer. VA. CODE ANN. § 38.2-1821.1.

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		<p>ANN. § 38.2-1812.2; VA. CODE ANN. § 38.2-1838.</p> <p>Licensed insurance consultants that sell, solicit, or negotiate insurance as part of their services must enter into a written contract with their clients prior to the purchase of any insurance. The contract must include the amount and basis of any consulting fee and the duration of employment. If the insurance consultant also receives commissions, incentives, bonuses, overrides, or any other form of remuneration as a result of their services for selling, soliciting, or negotiating insurance <u>in addition to a consulting fee</u>, such information must be disclosed in the contract. VA. CODE ANN. § 38.2-1839.</p>	
<p>Washington</p>	<p>Unless the agency-insurer agreement provides otherwise, an insurance producer may receive the following compensation:</p> <ul style="list-style-type: none"> • A commission paid by the insurer; • A fee paid by the insured; or • A combination of commission paid by the insurer and a fee paid by the insured from which a producer may offset or reimburse the insured for all or part of the fee. <p>If the compensation received by the producer who is dealing directly with the insured includes a fee, for each policy, the producer must disclose certain information in writing that must then be signed by the insured. WASH. REV. CODE § 48.17.270.</p> <p>The Office of the Insurance Commissioner may permit an insurance producer to enter into reasonable arrangements with insureds to charge a reduced fee in situations where services are provided beyond the scope of services customarily provided in connection with the solicitation and procurement of insurance, so that an overall charge to an insured is reasonable taking into account receipt of commissions and fees and their relation, proportionally, to the value of the total work performed. WASH. REV. CODE § 48.30.157.</p>	<p>If a producer receives a fee from the insured, for each policy the producer must disclose the following in writing to the insured:</p> <ul style="list-style-type: none"> • The full amount of the fee to be paid; • The amount of commission paid to the producer by the insurer (if there is a commission); a • An explanation of any offset or reimbursement of fees or commissions; • When the producer may receive additional commission, notice that states the producer may receive additional commission in the form of future incentive compensation from the insurer (e.g., contingent commissions, awards/bonuses, etc.), including specific compensation information upon the insured’s request; and • The full name of the insurer that may pay any commission to the producer. <p>The written disclosure must be signed by both the producer and the insured. WASH. REV. CODE § 48.17.270.</p>	<p>Compensation Sharing. An insurance producer may pay or assign commissions, service fees, or other valuable consideration to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Washington, <u>unless</u> the payment would violate Washington laws on rebating, illegal inducements, or charges for extra services. WASH. REV. CODE § 48.17.490.</p> <p>Referral Fees. In Washington, referrals involve two different categories: (1) compensation (i.e., gifts) and (2) fees. WASH. REV. CODE § 48.30.133.</p> <p>An insurance producer may pay a referral fee to an unlicensed individual conditioned on the submission of an application, provided that the insurance producer is not in violation of Washington’s anti-rebating rules. This payment may be in cash (or other valuable consideration) and is not limited as to amount. Such a payment may not, however, be given to any unlicensed person who “sells, solicits, or negotiates” insurance. Washington Insurance Commission’s Referrals Guidance.</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
		<p>Insurance producers involved in the procuring or issuance of an insurance contract are required to report to the insurer the exact amount of consideration charged as premium for such contract. WASH. REV. CODE § 48.17.480.</p>	<p><i>Referral Compensation:</i> An insurance producer may give “gifts” (prizes, goods, wares, gift cards, gift certificates, or merchandise) not to exceed \$100 per person per year for the referral of insurance business, provided that the gift is not conditioned upon the referred person applying for or obtaining insurance through the insurance producer. Additionally, the payment for the referral must not be in cash. Washington Insurance Commission’s Referrals Guidance.</p> <p>Per the Washington Administrative Code, an unlicensed individual who receives either referral compensation or a referral fee is not “selling, soliciting, or negotiating” insurance if all of the following conditions are met:</p> <ul style="list-style-type: none"> • The referral compensation or fee does not depend upon whether the referral results in a purchase or sale. • If insurance is purchased, the purchase is not a factor in determining the value of the referral compensation or the amount of the referral fee. • The recipient of the referral compensation or fee does not make representations to the prospective insured about the terms of or specific need for a policy. WASH. ADMIN. CODE § 284-17-825.
<p><i>West Virginia</i></p>	<p>The West Virginia Insurance Commission has concluded that any and all charges made by an agent in the taking of an application, the issuance of a policy, and any service rendered in connection therewith, are “premiums.”</p> <p>It is the position of the Commission that the charging by an agent of any extra consideration or fee to defray expenses customarily allocated to and included in the policy premium, amounts to an overcharge of premium and constitutes an unfair discrimination against any insured so charged. W. Va. Dep’t of Ins., Informational Letter #6 (1971).</p>	<p><i>West Virginia law does not address producer compensation disclosure.</i></p>	<p><i>Compensation Sharing.</i> An insurance producer may pay compensation to a business entity licensed as an insurance producer, provided certain requirements are met. W. VA. CODE § 33-12-23(b).</p> <p><i>Referral Fees.</i> A person who is not licensed to sell insurance may refer a customer who seeks to purchase any insurance product to a person who sells such product, <u>only</u> if the person making the referral receives no fee or only a nominal fee for such referral and such fee is not based on the customer’s application for or purchase of insurance. W. VA. CODE § 33-11A-7.</p>

State	Fee + Commission	Compensation Disclosure	Miscellaneous
<i>Wisconsin</i>	<p>Insurance marketing intermediaries (i.e., insurance agents or brokers) may <u>not</u> accept compensation from an insured or from both an insured and another source due to the insured’s purchase of insurance, <u>unless</u> the intermediary, before the insured incurs an obligation to pay compensation, clearly and conspicuously complies with the disclosure requirements. Wis. STAT. ANN. § 628.32; 02-05 Wisconsin Bulletin.</p>	<p>To accept compensation from an insured or from both an insured and another source, an insurance marketing intermediary must, before the insured incurs an obligation to pay compensation, clearly and conspicuously and in writing disclose to the insured:</p> <ul style="list-style-type: none"> • The amount of the compensation to be paid by the insured, excluding commissions paid by the insurer to the intermediary; <u>and</u> • If compensation will be paid by another source, the fact that the intermediary will also receive compensation from the other source. <p>The Wisconsin Office of the Commissioner of Insurance further encourages intermediaries, in accordance with industry best practices, to provide:</p> <ul style="list-style-type: none"> • A description of the nature of the compensation arrangements with the insurer, including, but not limited to, any commission or contingent commission arrangements; and • A description of how the customer may request additional information. WIS. STAT. ANN. § 628.32; 02-05 Wisconsin Bulletin. 	<p><i>Compensation Sharing.</i> No insurance marketing intermediary or insurer may pay any consideration—no reimburse out-of-pocket expenses—to any natural person for services performed as an intermediary if he or she knows that the recipient is not licensed under Wisconsin law. Wis. Stat. Ann. § 628.61.</p> <p><i>Referral Fees.</i> <i>Wisconsin law does not appear to address referral fees.</i></p>
<i>Wyoming</i>	<p>Wyoming does not appear to address the ability of an agent or broker to receive fees in addition to/in lieu of commissions, unless they are also licensed as consultants.</p> <p>An insurance producer who is also licensed as a consultant may not act in the dual capacity of an insurance producer and a consultant in the same transaction. Wyo. Stat. Ann. § 26-9-220; Wyo. Stat. Ann. § 26-9-224; Wyo. Stat. Ann. § 26-13-121. Consultants, however, may receive compensation for fee or commission for investigating and negotiating settlement of claims arising under insurance contracts or for advising insureds with respect to the benefits or advantages promised under insurance contracts that could be or have been issued. Wyo. Ins. Reg. ch. 18 § 044.0002.18.01272016.</p>	<p><i>Wyoming law does not address producer compensation disclosure.</i></p>	<p><i>Compensation Sharing.</i> An insurance producer may pay compensation to an insurance agency or to persons who do not sell, solicit, or negotiate insurance in Wyoming, unless the payment would violate Wyoming law governing rebates. Wyo. Stat. Ann. § 26-9-212.</p> <p><i>Referral Fees.</i> <i>Wyoming law does not appear to address referral fees.</i></p>

<i>State</i>	<i>Fee + Commission</i>	<i>Compensation Disclosure</i>	<i>Miscellaneous</i>
	To charge a fee for consulting services, a producer must have a consultant's license, the requirements for which can be found at Wyo. Stat. Ann. § 26-9-220 .		