

## OKLAHOMA INSURANCE DEPARTMENT

### NOTICE

To: All Life and Health Insurance Companies and Health Maintenance Organizations

Re: 36 O.S. 1204.8 -- Rebates

Date: June 14, 2018

Recently the Oklahoma Insurance Department received several inquiries from the industry dealing with rebating questions resulting in the need to issue this notice in reference to the statutory requirements governing permitted and prohibited practices as outlined in 36 O.S. 1204.

Rebating is a prohibited practice as outlined in Section 1204.8(a) where "Except as otherwise expressly provided by law, knowingly permitting or offering to make or making any contract of insurance or agreement as to such contract other than as plainly expressed in the contract issued thereon; or paying or allowing, or giving or offering to pay, allow or give, directly or indirectly as inducement to any contract of insurance, any rebate of premiums payable on the contract, or any special favor or advantage in the dividends or other benefits therein, or any valuable consideration or inducement whatever not specified in the contract; except in accordance with an applicable rate filing, rating plan or rating system filed with and approved by the Insurance Commissioner...".

Where a financial arrangement or agreement between the insured and insurance company is bound by any contract of insurance or agreement or other applicable measure as prescribed by the statute the arrangement or agreement is permitted.

This advisory notice directs all life and health carriers and HMO's to refer to and abide by all provisions set out in 36 O.S 1204 that addresses Unfair Methods of Competition and Unfair or Deceptive Act or Practices. .

Inquiries regarding this notice may be directed to Mike Rhoads, [mike.rhoads@oid.ok.gov](mailto:mike.rhoads@oid.ok.gov) or Gordon Amini, [gordon.amini@oid.ok.gov](mailto:gordon.amini@oid.ok.gov).