Is providing AssetLedger to a client a rebate?

A compliance reference for insurance producers considering offering AssetLedger's home-inventory documentation to policyholders. Prepared by AssetLedger.

READ THIS FIRST
This is not legal advice and AssetLedger is not a law firm. Anti-rebating law is set state by state and is in active flux. Use this to frame the question for your own compliance officer or counsel, not as a substitute for their answer. Where this document is uncertain, it says so.

THE SHORT ANSWER

Probably, but do not rely on the exception alone

There is a well-drafted exception in the NAIC model act that a pre-loss documentation tool fits neatly. The complication is that **the exception has been adopted far less widely than vendors typically imply**. Published analysis from July 2025 states that no state had at that point fully adopted the NAIC's 2020 rebating amendments, with roughly ten states considering legislation.

So the practical recommendation in this document is not "rely on the exception". It is: understand the exception, check your own state, and where there is any doubt, use the structure on the final page that avoids the question entirely.

THE CONCERN

Why the question arises at all

Nearly every state has an anti-rebating statute descended from the same language: a producer may not give an insured *anything of value whatsoever not specified in the policy* as an inducement to buy insurance. The statutes were written to stop producers competing on kickbacks rather than on advice, and they are drawn broadly enough that a well-intentioned free service can fall inside them.

Regulators have said so directly. Kentucky's Department of Insurance has advised that offering administrative services at free or reduced cost in connection with an insurance transaction violates KRS 304.12-090, except to the extent provided for in an applicable filing with the commissioner.

THE EXCEPTION

NAIC Model Act #880, amended 9 December 2020

The NAIC Executive Committee adopted amendments to the Unfair Trade Practices Act (Model #880) creating an express exception for **value-added products and services offered at no or reduced cost that are not specified in the policy**. A value-added product or service falls within it when it:

— **Relates to the insurance coverage.**

— **Is primarily designed to serve a permitted purpose** — including to mitigate loss, reduce claims costs, or provide education about risk.

— **Costs an amount reasonable in comparison with the premium.** The NAIC drafting note suggests states consider a threshold such as the lesser of 5% of premium or a fixed amount like $250.

— **Is offered on a non-discriminatory basis** — to all insureds, or if not to all, based on documented objective criteria applied in a manner that is not unfairly discriminatory.

Model #880 was amended again in 2024, but those amendments addressed the improper marketing of health insurance and health-insurance lead generators — a different part of the model. The rebating exception described above is the 2020 work and has not been broadened since.

THE ANALYSIS

How AssetLedger maps onto each condition

CONDITION	HOW ASSETLEDGER ADDRESSES IT
Relates to the coverage	A home inventory documents the personal property that Coverage C insures. It has no purpose outside the insurance relationship it supports. **Strong.**
Serves a permitted purpose	It reduces claims cost and friction. A policyholder holding a pre-loss, itemised, timestamped record settles a contents claim faster and with fewer disputed line items than one reconstructing a list from memory after a fire. It also educates the insured about risk by surfacing the gap between what they own and what they have scheduled. **Strong.**
Reasonable versus premium	Weaker than it first appears, and worth being straight about. Published Florida average homeowners premiums range from roughly $3,700 on the state regulator's all-coverage data to $8,800–$10,400 in standard-policy comparisons. Against those figures a tool priced in the low hundreds is **not** automatically inside a 5%-of-premium threshold, and it exceeds the fixed $25 and $100 gift caps that several states apply. Price and structure matter here. **Depends on your state and your price.**
Non-discriminatory	This one is on the producer, not the tool. Offer it to every client in a defined class, write the class definition down before you start, and keep a record of who was offered it. That documented objective criterion is what the exception asks for. **Within your control.**

THE STATE CHECK

Where things actually stand

Adoption is thinner and more uneven than the model's existence suggests. The rows below reflect the position described in the cited sources at the dates given; several are legislative proposals rather than enacted law, and this is not a complete survey. **Treat every row as a prompt for your own state check, not as a conclusion.**

STATE	POSITION, AND WHAT IT MEANS HERE
All states (overview)	Analysis published July 2025 states that **no state had fully adopted the 2020 NAIC rebating amendments** at that date, with about ten states considering legislation — Michigan, Massachusetts, Texas, Illinois, Alaska and Kansas among them. Anything more recent than July 2025 is outside this document's sources.
California	Counter-intuitively the most permissive large state. Proposition 103 (1988) repealed most rebating prohibitions, and courts have allowed direct insurer-to-insured rebates. The Department of Insurance nonetheless opposes the NAIC amendments and has pursued enforcement. Insurance Code §750 separately criminalises consideration for claim or business referrals — relevant if a referral fee is ever contemplated, not to giving a client a tool. **Generally workable.**

STATE	POSITION, AND WHAT IT MEANS HERE
North Dakota	Has a codified value-added products and services exception at N.D.C.C. §26.1-04-03(8)(d), using "designed to satisfy" rather than the model's "primarily designed". A separate clause in the same subsection caps gifts, prizes and promotional items at $100 per person per year. **Confirm which clause your compliance officer is applying** — they carry different limits.
New Mexico	Has a live framework under §59A-16-17G. Bulletin 2025-006 requires a **Notification of Intent to Offer Value-Added Products and Services to be filed with the Office of Superintendent of Insurance before the service is offered.** No headline monetary cap, but a real procedural step.
New York	**Treat as restrictive for this product.** New York's value-added exception is scoped to wellness programmes, which a home-inventory tool is not. NY Insurance Law §4224(c) separately caps gifts at $25 per person. Use the client-purchase structure on the next page.
Massachusetts	**Treat as restrictive.** Mass. Gen. Laws c.176D §3(8) bars any "valuable consideration or inducement whatever not specified in the contract", with only narrow unrelated carve-outs. A Model-#880-style bill has been proposed but this document has no source confirming enactment.
Florida	Fla. Stat. §626.9541(1)(m)(1)(a) permits a de minimis gift or loss-mitigation service of up to **$100 per insured per calendar year**. Workable if the per-client cost stays under $100; otherwise use the client-purchase structure.
Washington	A general gift cap of $100 per person per year applies, and OIC guidance requires advertisements for non-insurance benefits to disclose insurer contact information, costs and participation requirements. **Workable with disclosure.**
Kentucky	**Treat as restrictive.** The regulator has advised that free or reduced-cost administrative services connected to an insurance transaction violate KRS 304.12-090 absent an applicable filing.

STRUCTURING THE OFFER

Five rules, in order of how much they protect you

1. In any restrictive or uncertain state, have the client buy it. This is the structure that sidesteps rebating entirely: the client purchases AssetLedger directly and shares the finished report with you for the coverage review. You get the same underwriting conversation with none of the exposure, and no cap, filing or exception applies. On current adoption, this should be the default rather than the fallback.

2. Never tie it to the sale. Offer it to existing clients as part of a coverage review, not as a closing inducement to a prospect choosing between quotes. The exception is about value-added service; the prohibition is about inducement.

3. Define the class before you offer it. "Every homeowners client at renewal" or "every client with a dwelling limit above $750,000" are documented objective criteria. "Clients I think might leave" is not.

4. Watch the fixed caps, not just the percentage. Several states apply a hard $25 or $100 per-client annual limit that no percentage-of-premium argument overrides. Know your state's number before you quote a per-client cost.

5. Keep the record. Who was offered it, on what basis, and what it cost per client. If a regulator ever asks, the file answers in a sentence.

WHAT ASSETLEDGER IS NOT — SUGGESTED DISCLAIMER LANGUAGE

AssetLedger produces a documentation record with estimated replacement value ranges. It is not a formal appraisal, not an insurance determination, and not an opinion on the adequacy of any policy's limits. Estimated values are informational and directional. Nothing in an AssetLedger report substitutes for a licensed appraiser's valuation or for the producer's own coverage review.

Carrying this language on the report and in the offer materially reduces the second question a compliance officer will ask: whether a software-generated value could be read as the producer's own coverage advice and support an errors-and-omissions claim for underinsurance.

SOURCES

· NAIC, *Unfair Trade Practices Act* (Model #880) and model-laws project history · content.naic.org/sites/default/files/model-law-880.pdf · model-laws-project-history-880.pdf

· Clyde & Co., "NAIC Adopts Amendments to the Unfair Trade Practices Model Law to Allow Certain Rebating", December 2020

· Faegre Drinker, "NAIC Amends Its Model Unfair Trade Practices Act", July 2025 — source for the statement that no state had fully adopted the 2020 amendments as at that date

· Carlton Fields, "The Gift of Giving: States Move to Amend Their Anti-Rebating Laws", Expect Focus 2021

· Cooley, "NAIC Adopts Amendment to Relax Restrictions on Rebates", December 2020

· Mass. Gen. Laws c.176D §3(8) · N.D.C.C. §26.1-04-03(8) · Fla. Stat. §626.9541(1)(m)(1)(a) · NY Ins. Law §4224(c) · Cal. Ins. Code §750 · NM §59A-16-17G and OSI Bulletin 2025-006

· Kentucky Department of Insurance advisory on free third-party administrative services · insurance.ky.gov/ppc/Documents/freetpaservices.pdf

· Washington Office of the Insurance Commissioner, guidance on rebating and illegal inducements

· California Insurance Wholesalers Association, "California Pushes Back on NAIC Rebate-Friendly Amendments"

· Premium figures: Florida Office of Insurance Regulation all-coverage data; MoneyGeek and Bankrate standard-policy comparisons, 2025