

Insurance Bulletin 222 (Revised)

Guidance for Value-Added Products and Services

06/13/2023

Act 139 of 2022 amended 8 V.S.A. § 4724(8) to allow insurers to offer value-added products and services if they meet the requirements of 8 V.S.A. § 4724(8)(C)(iv).

Such products and services are not construed as discrimination or rebates if they meet the requirements of 8 V.S.A. § 4724(8)(C)(iv).

Rebating is a prohibited trade practice under 8 V.S.A. § 4723 and § 4724. Any activity falling outside of the exceptions provided under 8 V.S.A. § 4724(8)(C)(iv) and existing statute will be considered rebating.

Within 10 days after first offering or providing a product or service to their insureds, insurers must submit a description of the value-added product and service, accompanied by documentation as specified by the Department. These submissions must be filed via the System for Electronic Rate & Form Filing (SERFF) under the relevant T.O.I., and the filer should select “Value-Added Products and Services” as the filing type. A questionnaire and certification will be provided under the Supporting Documentation tab in SERFF. The insurer must complete the questionnaire and certify the validity of the information and compliance with 8 V.S.A. §4724(8)(C)(iv). Each filing will be subject to the fees associated with the type of insurance; please refer to SERFF for guidance. If the insurer plans to issue a policy form associated with the value-added product or service, then the proposed form should be submitted for approval in a separate SERFF form filing.

Filings are not required for products or services that are part of the insurer's underwriting process (e.g., a roof inspection prior to issuing a homeowner's policy, a kitchen walk-through prior to issuing a BOP to a restaurant, etc.). Filings are required

for each type of product or service offered not for each insured to whom a product or service is offered.

The department recommends that insurers contact the Director of Rates and Forms for the relevant line of insurance prior to offering a product or service to their insureds.

Insurers that currently provide value-added products and services must submit filings to bring their products and services into compliance with Act 139, 2022.



Kevin J. Gaffney, Commissioner

06/13/2023

Date

