

Commission Reduction

Commission reduction has the potential to violate the provisions of North Carolina General Statute 58-33-80 if not uniformly applied by insurance producers, agencies, or insurers. Additionally, G.S. 58-33-85(a) and 58-63-15(8) prohibits insurance producers, agencies, and insurers from offering any rebate, discount, abatement, credit, or reduction of the premium not specified in the contract of insurance. Please be advised that commission reduction is considered to be a reduction in the premium. The Property and Casualty Division requires all insurers who offer commission reduction plans to submit the criteria that will be used as part of a schedule rating plan or as part of the company's existing schedule rating plan.