



UNICAMERAL UPDATE

February 8, 2016

Bob Hoppe, Legislative Committee Chairman * **Vince Christensen**, InsurPac/IIANPAC Chairman
Carol McClelland, CEO * **Jim Cavanaugh**, Legislative Representative

From: James P. Cavanaugh
RE: Nebraska 2015 Legislative Session, Week ending February 5, 2016

WEEK IN REVIEW

Last Friday, February 5, was the 21st day of the 60 day 2016 legislative session.

We have continue to add to our list of co-sponsors for **LB276** Last week Senators Coash, Gloor, Lindstrom, Johnson, and Watermeier formally signed on to the bill – joining Senators Harr, Kolterman, McCollister, Krist, Davis, and Schilz. bringing the total to 11 co-sponsors.

We continue to work with Senators Harr and McCollister and supporters of **LB276** (Harr – Exempt certified independent contractors from the Nebraska Workers' Compensation Act) on amendment language and with Speaker Hadley regarding a priority.

IIAN's Legislative committee is in the process of reviewing 19 new bills impacting agents and the insurance industry. **Refer to 2016 Bills of Interest section below.**

The following Bills of Interest have upcoming hearings:

Monday, February 8, 2016

Business and Labor Committee

- | | |
|--------------|--|
| LB743 Hansen | Clarify compensation for shoulder injuries under the Nebraska Workers' Compensation Act |
| LB1001 Ebke | Change provisions relating to a compensation schedule for injuries resulting in disability |
| LB1005 Harr | Provide for an evidence-based drug formulary under the Nebraska Workers' Compensation Act |

Tuesday, February 9, 2016

Banking, Commerce, and Insurance Committee

- | | |
|-------------|---|
| LB706 Coash | Define habilitative services for purposes of insurance |
| LB801 Bolz | Require educational material and a report relating to long-term care insurance |
| LB1060 Fox | Adopt the Pharmacy Benefit Fairness and Transparency Act and provide duties for the Director of Insurance |

Transportation and Telecommunications Committee

- | | |
|-------------|--|
| LB994 Davis | Change provisions under the Motor Vehicle Registration Act relating to financial responsibility as applied to nonresident owners |
|-------------|--|

Tuesday, February 16, 2016Banking, Commerce, and Insurance Committee

- LB740 Hansen Add an unfair claims settlement practice under the Unfair Insurance Claims Settlement Practices Act
- LB796 Harr Prohibit alterations to liability insurance coverage for claims under the Minor Alcoholic Liquor Liability Act
- LB856 Harr Change the Insured Homeowner's Protection Act
- LB1041 Cook Provide for disapproval of certain insurance rate filings if they use price Optimization

Monday, February 22, 2016Business and Labor Committee

- LB1045 Ebke Provide for the treatment of certain contractors as independent contractors as prescribed

To review the full text of bills, please look on the Unicameral website at:

<http://www.nebraskalegislature.gov>

The latest issue of the Unicameral Update can be found at: <http://update.legislature.ne.gov/>.

Please call or e-mail me at any time if you have any questions. My contact information is:
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2016 BILLS OF INTEREST

- LB706** Coash Define habitative services for purposes of insurance
1/6/2016 Introduced
1/7/2016 Referred to Banking, Commerce, and Insurance Committee
1/22/2016 **Hearing Scheduled for February 9, 2016**
- LB740** Hansen Add an unfair claims settlement practice under the Unfair Insurance Claims Settlement Practices Act
1/6/2016 Introduced
1/7/2016 Referred to Banking, Commerce, and Insurance Committee
1/25/2016 **Hearing Scheduled for February 16, 2016**
- LB743** Hansen Clarify compensation for shoulder injuries under the Nebraska **Workers' Compensation** Act
1/6/2016 Introduced
1/7/2016 Referred to Business and Labor Committee
1/25/2016 **Hearing Scheduled for February 8, 2016**
- LB758** Scheer Prohibit limited liability companies from operating as insurers
1/6/2016 Introduced – *Insurance Department Bill*
1/7/2016 Referred to Banking, Commerce, and Insurance Committee
1/19/2016 **Hearing Scheduled for January 26, 2016**
1/27/2016 **Placed on General File**
Would prevent insurers and special purpose financial captive insurers from forming limited liability companies.

- LB772** Schumacher Provide for group-wide supervisors and international insurance groups as prescribed
 1/6/2016 Introduced– *Insurance Department Bill*
 1/7/2016 Referred to Banking, Commerce, and Insurance Committee
 1/19/2016 **Hearing Scheduled for January 26, 2016**
 1/27/2016 **Placed on General File**
 Amends the Insurance Holding Company Systems Act regarding group-wide supervision of international insurance groups to enhance the Department of Insurance’s ability to remain the lead regulator of domestic insurers. This is based on an NAIC model and was supported by AFLAC, Pacific Life, NIF, and AIA.
- LB796** Harr Prohibit alterations to liability insurance coverage for claims under the Minor Alcoholic Liquor Liability Act
 1/7/2016 Introduced
 1/8/2016 Referred to Banking, Commerce, and Insurance Committee
 1/25/2016 Hearing Scheduled for **February 16, 2016**
- LB801** Bolz Require educational material and a report relating to long-term care insurance
 1/7/2016 Introduced
 1/8/2016 Referred to Banking, Commerce, and Insurance Committee
 1/22/2016 **Hearing Scheduled for February 9, 2016**
 2/3/2016 Fox name added
- LB819** Lindstrom Adopt the Corporate Governance Annual Disclosure Act
 1/8/2016 Introduced– *Insurance Department Bill*
 1/11/2016 Referred to Banking, Commerce, and Insurance Committee
 1/19/2016 **Hearing Scheduled for January 26, 2016**
 1/27/2016 **Placed on General File**
 Adapts an NAIC model requiring all domestic insurers to provide confidential disclosure of corporate governance practices and governing standards for Risk Retention Groups.
- LB837** Scheer Change provisions relating to premium taxes and quarterly statements under the Surplus Lines Insurance Act
 1/8/2016 Introduced
 1/11/2016 Referred to Banking, Commerce, and Insurance Committee
 1/22/2016 **Hearing Scheduled for February 1, 2016**
 2/3/2016 **Placed on General File**
- LB840** Fox Change provisions relating to time allowed for certain internal grievances under the Health Carrier External Review Act
 1/8/2016 Introduced– *Insurance Department Bill*
 1/11/2016 Referred to Banking, Commerce, and Insurance Committee
 1/19/2016 Hearing Scheduled for January 26, 2016
 1/27/2016 **Placed on General File**
 Extends the grievance practice under the Health Carrier External Review Act.
- LB856** Harr Change the Insured Homeowner’s Protection Act
 1/11/2016 Introduced
 1/12/2016 Referred to Banking, Commerce, and Insurance Committee
 1/25/2016 **Hearing Scheduled for February 16, 2016**

LB932 Crawford	Redefine not-for-profit organization for purposes of liability provisions Introduced 1/12/2016 1/14/2016 1/20/2016 Referred to Judiciary Committee Hearing Scheduled for January 28, 2016
LB994 Davis	Change provisions under the Motor Vehicle Registration Act relating to financial responsibility as applied to nonresident owners Attorney General Opinion 15-011 to Davis, 43 1/6/2016 1/15/2016 1/20/2016 1/22/2016 Introduced Referred to Transportation and Telecommunications Committee Hearing Scheduled for February 9, 2016
LB1001 Ebke	Change provisions relating to a compensation schedule for injuries resulting in disability <i>Workers Compensation</i> 1/15/2016 1/20/2016 1/25/2016 Introduced Referred to Business and Labor Committee Hearing Scheduled for February 8, 2016
LB1005 Harr	Provide for an evidence-based drug formulary under the Nebraska <i>Workers' Compensation</i> Act 1/15/2016 1/20/2016 1/25/2016 Introduced Referred to Business and Labor Committee Hearing Scheduled for February 8, 2016
LB1041 Cook	Provide for disapproval of certain insurance rate filings if they use price Optimization 1/20/2016 1/22/2016 1/25/2016 Introduced Referred to Banking, Commerce, and Insurance Committee Hearing Scheduled for February 16, 2016
LB1045 Ebke	Provide for the treatment of certain contractors as independent contractors as prescribed 1/20/2016 1/22/2016 2/1/2016 Introduced Referred to Business and Labor Committee Hearing Scheduled for February 22, 2016
LB1060 Fox	Adopt the Pharmacy Benefit Fairness and Transparency Act and provide duties for the Director of Insurance 1/20/2016 1/22/2016 1/22/2016 Introduced Referred to Banking, Commerce, and Insurance Committee Hearing Scheduled for February 9, 2016
LB1072 Haar	Adopt the Fair Repair Act and provide a penalty 1/20/2016 1/22/2016 Introduced Referred to Judiciary Committee
LR414 Chambers	Prohibit meals or beverages from being provided to legislators by lobbyists in the Capitol while the Legislature is in session 1/19/2016 1/19/2016 Introduced Laid over

2015 CARRYOVER BILLS OF SPECIAL INTEREST

LB276	Harr	Exempt certified independent contractors from the Nebraska Workers' Compensation Act
IIAN Position: Pro-Active Support		
1/14/2015		Introduced
1/15/2015		Referred to Business and Labor Committee
2/2/2015		Hearing Scheduled for February 23, 2015
2/18/2015		Kolterman name added
4/9/2015		Business and Labor Committee voted to advance to General File
4/14/2015		Placed on General File with AM1107
1/15/2016		Krist name added
1/15/2016		McCollister name added
1/19/2016		Davis name added
1/22/2016		Schilz name added
1/25/2016		Coash name added
1/27/2016		Gloor name added
1/27/2016		Lindstrom name added
1/28/2016		Johnson name added
1/28/2016		Watermeier name added

On Monday, February 23, 2015, IIAN members Tom Farrell, Andy Bassett, Gale Squier, and I testified in the Business and Labor Committee in **support of LB276** (Harr – Exempt certified independent contractors from the Nebraska Workers' Compensation Act). Also testifying in support were the PIA, the Nebraska Home Builders Association and the Nebraska Chamber of Commerce. Several letters of support from insurance companies were also submitted. Testifying opposed were the AFL-CIO, NATA, and the Nebraska Trucking Association. **After weeks of negotiation on a final committee amendment, and grassroots support from IIAN members, on April 9 the Business & Labor Committee advanced LB 276 to General File on a unanimous 6-0 vote.** In a compromise, the bill was amended to apply only to construction work.

LB48	Scheer	Change unfair insurance trade practices relating to casualty losses
1/8/2015		Introduced IIAN Position: Monitor
1/12/2015		Referred to Banking, Commerce, and Insurance Committee
2/3/2015		Hearing Scheduled for February 17, 2015

LB51	Scheer	Require disclosures prior to joining a risk management pool under the Intergovernmental Risk Management Act
IIAN Position: Support		
1/8/2015		Introduced
1/12/2015		Referred to Banking, Commerce, and Insurance Committee
2/3/2015		Hearing Scheduled for February 24, 2015

LB78	Gloor	Change provisions relating to the public agencies authorized to enter into agreements under the Intergovernmental Risk Management Act
IIAN Position: Monitor		
1/8/2015		Introduced
1/12/2015		Referred to Banking, Commerce, and Insurance Committee
1/30/2015		Hearing Scheduled for February 10, 2015

LB120	Schumacher	Provide for seizure of license plates of certain uninsured motor vehicles or trailers as prescribed
IIAN Position: Monitor		
1/9/2015		Introduced
1/12/2015		Referred to Judiciary Committee
1/20/2015		Hearing Scheduled for January 28, 2015

LB134 Johnson Change provisions relating to first injury reports under the Nebraska
IIAN Position: Monitor **Workers' Compensation Act**

1/9/2015 Introduced

1/12/2015 Referred to Business and Labor Committee

2/2/2015 **Hearing Scheduled for February 23, 2015**

Would make first injury reports relating to workplace injuries confidential, unless the employee waives confidentiality (opts out) to allow the report to be made available for public inspection, except as necessary for the Compensation Court to administer and enforce other provisions of the Nebraska Workers' Compensation Act. Similar versions of this bill have been offered in the Legislature recent years due to concerns that personal injury attorneys are using the injury reports to flood injured workers with mailed advertisements and phone calls. The bill contains several exceptions, including if the release of the report is ordered by a court of the competent jurisdiction. During the hearing, it was noted that the Workers' Compensation Court already informs injured workers how they can get legal help. The State Chamber testified in support of LB134.

LB223 Harr Change provisions of the Insured Homeowners Protection Act relating to contractor duties and prohibited acts and provide for a required notice

1/13/2015 Introduced

IIAN Position: Monitor/Research

1/15/2015 Referred to Banking, Commerce, and Insurance Committee

2/3/2015 **Hearing Scheduled for March 3, 2015**

3/10/2015 Placed on **General File with AM681**

LB388 Hansen Provide annual adjustments for total disability income benefits under the
IIAN Position: Monitor Nebraska **Workers' Compensation Act**

1/16/2015 Introduced

2/2/2015 **Hearing Scheduled for March 2, 2015**

LB429 Smith Provide for medical utilization and treatment guidelines under the
IIAN Position: Monitor Nebraska **Workers' Compensation Act**

1/16/2015 Introduced

1/20/2015 Referred to Business and Labor Committee

2/2/2015 **Hearing Scheduled for March 9, 2015**

Would provide medical utilization and treatment guidelines under the Workers' Compensation Act. Under LB429, medical, surgical and hospital services provided under the workers' compensation law – in accordance with the official disability guidelines published by the Work Loss Data Institute – would be presumed to be reasonable and necessary. No workers' compensation insurer, risk management pool, or self-insured employer would be responsible for services that fall outside the guidelines, unless prior authorization is obtained. LB429 would allow any party to request a finding by an independent medical examiner if a payment was denied for services on the basis that such services were outside the guidelines, or if prior authorization is denied. It would be a rebuttable presumption that the findings of the independent medical examiner were correct. The intent of the bill is to better ensure that an injured employee receives the appropriate and cost effective treatment for workplace injuries. State Chamber supports.

LB451 Hansen Change and eliminate provisions relating to stacking of insurance
IIAN Position: Monitor Coverage

1/20/2015 Introduced
 1/22/2015 Referred to Banking, Commerce, and Insurance Committee
 2/2/2015 **Hearing Scheduled for March 9, 2015**

LB531 Kolterman Provide requirements for publication of insurance information

IIAN Position: Support

1/21/2015 Introduced
 1/23/2015 Referred to Banking, Commerce, and Insurance Committee
 1/30/2015 **Hearing Scheduled for February 9, 2015**

LB556 Kolowski Waive **workers' compensation** as the exclusive remedy if an employer is
IIAN Position: Monitor/Watch Closely willfully negligent

1/21/2015 Introduced
 1/23/2015 Referred to Business and Labor Committee
 2/2/2015 **Hearing Scheduled for February 23, 2015**

Would, at the option of the employee, make the exclusive remedy protection for the employer inapplicable in cases where the Nebraska Workers' Compensation Court has made a determination that the injury is due to the willful negligence of the employer. Under the compromise of workers' compensation – agreed upon decades ago by both labor and employers – exclusive remedy provisions protect employers from common law suits by employees for work-related injuries. Employers trade liability, regardless of fault, for protection from large tort awards, and employees surrender a cause of action in return for swift financial benefits. All states have incorporated an exclusive remedy provision into their workers' compensation statute, but in recent years, exclusive remedy provisions have been challenged in several states as plaintiffs' attorneys see an opportunity to carve new exceptions into existing law. Challenges to exclusive remedy provisions are of concern for employers, who are subject to the whims of the court system, and labor law experts note that proposals such as LB556 could result in higher comp premiums for employers.

LB628 Schilz Provide for electronic posting of property and casualty insurance policies
 and notices related to such policies

IIAN Position: Support With Amendments

1/21/2015 Introduced
 1/23/2015 Referred to Banking, Commerce, and Insurance Committee
 2/3/2015 **Hearing Scheduled for February 17, 2015**

IIAN testified in support, with amendment protecting consumers and producers.

LB632 Scheer Prohibit employers and associations from precluding certain contracts
IIAN Position: Support relating to health benefit plans

1/23/2015 Referred to Banking, Commerce, and Insurance Committee
 1/30/2015 **Hearing Scheduled for February 9, 2015**
 3/10/2015 **Placed on General File with AM695**

POSSIBLE 2015 BILLS OF INTEREST

- LB79** Gloor Require insurance coverage for renewals of prescription eye drops
 1/8/2015 Introduced
 1/12/2015 Referred to Banking, Commerce, and Insurance Committee
 2/3/2015 **Hearing Scheduled for March 2, 2015**
- LB124** Nordquist Provide requirements relating to copayments, coinsurance, and
 Deductibles
 1/9/2015 Introduced
 1/12/2015 Referred to Banking, Commerce, and Insurance Committee
 2/3/2015 **Hearing Scheduled for March 2, 2015**
- LB396** Riepe Allow an income tax credit for certain long-term care insurance policy
 Premiums
 1/16/2015 Introduced
 1/27/2015 **Hearing Scheduled for February 25, 2015**
 2/26/2015 Kolterman name added
 2/26/2015 Coash name added
- LB433** Baker Create the offense of false presentation of proof of liability insurance and
 provide penalties
 1/20/2015 Introduced
 1/22/2015 Referred to Judiciary Committee
 2/6/2015 **Hearing Scheduled for February 27, 2015**
- LB553** Gloor Change insurance provisions relating to dental services
 1/21/2015 Introduced
 1/23/2015 Referred to Banking, Commerce, and Insurance Committee
 1/30/2015 **Hearing Scheduled for February 10, 2015**
- LB611** Kintner Require private employers to use the E-Verify Program
 1/21/2015 Introduced
 1/23/2015 Referred to Business and Labor Committee
 1/26/2015 **Hearing Scheduled for February 2, 2015**

REFERRED TO TRANSPORTATION & TELECOMMUNICATIONS COMMITTEE

- LB275** Frieson Change penalties for operating a motor vehicle during a revocation period
 1/14/2015 Introduced
 1/15/2015 Referred to Transportation and Telecommunications Committee
 1/20/2015 Hearing Scheduled for January 27, 2015
 2/23/2015 **Placed on General File**
 2/1/2016 **Placed on Select File with ER151**
- LB311** Transportation and Telecommunications Committee
 Change provisions relating to CLP-learner's permit issuance and
 applications for commercial drivers' licenses
 1/15/2015 Introduced
 1/16/2015 Referred to Transportation and Telecommunications Committee
 1/29/2013 **Hearing Scheduled for February 17, 2015**

2/3/2016 Transportation and Telecommunications AM386 adopted
2/3/2016 Friesen AM1967 adopted
2/5/2016 **Placed on Select File with ER161**

LB568 Brasch Change certain administrative license revocation provisions relating to commercial drivers' licenses

1/21/2015 Introduced
1/23/2015 Referred to Transportation and Telecommunications Committee
1/29/2015 **Hearing Scheduled for February 17, 2015**

LB579 Murante Change traffic accident reporting requirements as prescribed and authorize a fee for a copy of a peace officer report

1/21/2015 Introduced
1/23/2015 Referred to Transportation and Telecommunications Committee
1/29/2015 **Hearing Scheduled for February 17, 2015**