



UNICAMERAL UPDATE

May 30, 2017

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

FROM: James P. Cavanaugh
RE: Nebraska 2017 Legislative Session, Week ending May 26, 2017

WEEK IN REVIEW

The Legislature adjourned sine die on May 23, 2017 on Day 86 of the scheduled 90-day session. This 2017 session was relatively short (86 of 90 days) and unproductive (26% of bills passed vs. the usual 33%) by historical standards. The need to pass an \$8.8 billion two-year budget hung over the session from the first day to the last.

There were 17 new lawmakers this session, as first-year senators filled more than one-third of the Legislature's 49 seats. Roughly 70% of this year's senators have two years of experience or less, due mostly to Nebraska's term limits. The freshman class of largely conservative members set the tone early on by sweeping the Speaker's office and all but one of the coveted committee chairmanships. Committees are often referred to as "the other house" in Nebraska's Unicameral, so the leadership of these committees is highly sought after and influential.

IAN took positions on or monitored 28 bills affecting the insurance industry this session. Of the five bills IAN supported this year, two were passed, and three were held over to the 2018 "short session".

Three Insurance Department bills passed:

LB 137 to adopt the Unclaimed Life Insurance Benefits Act;

LB 231 to authorize disciplinary action under the Insurance Producers Licensing Act for failing to maintain a license in good standing (**IAN supported**);

LB 241 to provide an exception to the annual privacy notice requirement under the Privacy of Insurance Consumer Information Act (**IAN supported**).

Also passed: **LB 406**, which would allow notice of cancellation of policies by first class mail, in addition to certified or registered mail, also advanced for second round consideration.

IAN's two major issues were not advanced for debate this year by their respective committees of jurisdiction:

LB 553, to address the continuing problem of independent contractors who do not insure themselves for workers' compensation (Business & Labor Committee). IAN developed a compromise amendment to address specific concerns expressed by insurance company groups; however, they have indicated they will not drop their opposition and will not offer alternative amendment language that would be acceptable to them; we will work to have LB 553 advanced to the floor early in the 2018 session; and **LB 643**, which would double the current minimum auto financial responsibility limits (Banking, Commerce & Insurance Committee).

2017 BILLS OF INTEREST – HELD OVER TO 2018 SESSION

The following bills have been held over until the 2018 “short session”, except for LB 244, which was killed by the Business & Labor Committee (see description below).

LB553	Lowe	Provide for a nonelection of coverage under the Nebraska Workers' Compensation Act
	IIAN Position:	Pro-Active Support
	1/18/17	Introduced
	1/19/17	Kolterman name added
	1/20/17	Referred to Business and Labor Committee
	1/23/17	Lindstrom name added
	1/27/17	Krist name added
	1/31/17	Harr name added
	1/31/17	McCollister name added
	2/2/17	Hearing scheduled for February 27, 2017
	2/24/17	Brewer name added

[LB553](#) was heard by the Business and Labor Committee on **February 27, 2017**. IIAN members **Andy Bassett** and **Tom Champoux** testified in **support**.

Insurance industry associations PCI and AIA testified in opposition, along with the Nebraska Trial Attorneys.

Would require an individual employer, partner, limited liability company member, or self-employed person who is actually engaged in his/her business and does not elect to bring himself or herself under the Workers' Compensation Act, including an individual independent contractor, who does not insure him/herself for workers' compensation, to acknowledge to the Workers' Compensation Court that he/she is not electing to be covered under the Nebraska Workers' Compensation Act. The individual would not be entitled to any benefits under a workers' compensation policy. The individual could elect to be covered under the Act at any time by submitting a request to the Workers' Compensation Court to remove their non-election of coverage, or purchasing a valid workers' compensation policy that includes her/him for coverage. LB553 would bring more clarity to the workers' compensation insurance market. It will create a more certain legal status for these individual employers and independent contractors in relation to workers' compensation benefits. In addition, it will allow them to decide whether or not to secure workers' compensation coverage in the future.

LB643	Krist	Change automobile liability insurance and financial responsibility requirements
	IIAN Position:	Pro-Active Support
	1/18/17	Introduced
	1/20/17	Referred to Banking, Commerce and Insurance Committee
	2/2/17	Hearing scheduled for February 28, 2017

[LB643](#) was heard by the Banking, Commerce and Insurance Committee on **February 28, 2017**. IIAN member **Steve Mason** testified in **support**. Several insurance industry associations testified in opposition.

Would double the current financial responsibility limits for auto insurance. Current minimum limits are \$25,000 per person and \$50,000 per occurrence for bodily injury and \$25,000 for property damage. LB643 would increase minimum limits to \$50,000 per person and \$100,000 per occurrence for bodily injury and \$50,000 for property damage. These financial responsibility limits have not been raised since 1988.

- LB21 Riepe Change provisions relating to [motor vehicle insurance](#) coverage for loaned vehicles
IIAN Position: Monitor
1/5/17 Introduced
1/9/17 Referred to Banking, Commerce and Insurance Committee
1/10/17 Hearing Scheduled for January 17, 2017
- LB66 Hansen Change provisions relating to stacking of coverage under the [Uninsured and Underinsured Motorist Insurance](#) Coverage Act
IIAN Position: Monitor
1/5/17 Introduced
1/9/17 Referred to Banking, Commerce and Insurance Committee
2/2/17 Hearing scheduled for February 28, 2017
- LB67 Brasch Adopt the [Fair Repair Act](#)
IIAN Position: Monitor
1/5/17 Introduced
1/9/17 Referred to Judiciary Committee
1/30/17 Hearing scheduled for March 8, 2017
2/1/17 March 8, 2017 hearing cancelled
2/1/17 Hearing rescheduled for March 9, 2017
- LB116 Harr Redefine [automobile liability policy](#) and change coverage provisions
IIAN Position: Monitor
1/6/17 Introduced
1/10/17 Referred to Banking, Commerce and Insurance Committee
2/2/17 Hearing scheduled for February 28, 2017
- LB147 Hansen Change [workers' compensation](#) provisions relating to waiting time, termination of compensation, and attorney's fees
1/9/17 Introduced
1/10/17 Referred to Business and Labor Committee
2/2/17 Hearing scheduled for March 6, 2017
Would change workers' compensation provisions relating to waiting time, termination of compensation, and attorney's fees.
- LB168 Ebke Change provisions relating to rights of subrogation of medical payments with respect to [automobile liability policies](#)
IIAN Position: To Be Determined
1/10/17 Introduced
1/12/17 Referred to Banking, Commerce and Insurance Committee
1/24/17 Rereferred to Judiciary Committee
1/30/17 Hearing scheduled for February 15, 2017
- LB 181 Quick Provide for reimbursement to employees for certain medical examinations under the Nebraska [Workers' Compensation Act](#)
IIAN Position: Monitor
1/10/17 Introduced
1/12/17 Referred to Business and Labor Committee
1/13/17 Hearing Scheduled for January 23rd, 2017

- 2/9/17 **Placed on General File**
 2/23/17 **Quick priority bill**
 3/6/17 Quick MO50 Unanimous consent to **bracket until January 10, 2018** filed
 Would provide for reimbursement to employees for certain medical examinations under the Nebraska Workers' Compensation Act. If a doctor selected by the employer or its workers' compensation insurer renders medical findings on the medical condition of the employee or related issues – and the employee disputes the medical findings – the employee would be able to be reimbursed by the employer for a subsequent report and examination by a physician chosen by the employee, plus other expenses.
- LB213 Hansen Add an unfair claims settlement practice under the **Unfair Insurance Claims Settlement Practices Act**
IIAN Position: To Be Determined
 1/10/17 Introduced
 1/12/17 Referred to Banking, Commerce and Insurance Committee
1/30/17 Hearing scheduled for February 28, 2017
- LB 220 Harr Adopt the Insured Homeowners Protection Act
IIAN Position: Monitor
 1/10/17 Introduced
 1/12/17 Referred to Banking, Commerce and Insurance Committee
1/30/17 Hearing scheduled for February 6, 2017
4/4/17 Placed on General File with AM567
- LB226 Wishart Provide for purchase of **motor vehicles and insurance** by certain juveniles, change foster care transition proposal provisions, and provide immunity from liability for caregivers
IIAN Position: To Be Determined
 1/10/17 Introduced
 1/12/17 Referred to Judiciary Committee
2/7/17 Hearing scheduled for March 9, 2017
- LB 244 Bolz Change provisions relating to mental injury and mental illness **for workers' compensation**
IIAN Position: To Be Determined
 1/11/17 Introduced
 1/13/17 Referred to Business and Labor Committee
2/2/17 Hearing scheduled for February 27, 2017
 3/3/17 Placed on **General File with AM460**
 4/13/17 Hilkemann name added
 4/19/17 Watermeier name added
5/23/17 Indefinitely postponed
 Would have changed provisions of the Workers' Compensation Act relating to mental injury and mental illness compensation. The bill would expand coverage to Frontline state employees – defined to mean an employee of the Department of Correctional Services or the Department of Health and Human Services whose duties involve regular and direct interaction with high-risk individuals.
- LB 305 Crawford Adopt the Paid Family Medical Leave Insurance Act

- 1/12/17 Introduced
1/17/17 Referred to Business and Labor Committee
1/27/17 Hearing scheduled for February 6, 2017
- LB 319 Halloran Provide for confidentiality of and access to certain injury reports under the Nebraska **Workers' Compensation Act**
IIAN Position: To Be Determined
1/12/17 Introduced
1/17/17 Referred to Business and Labor Committee
2/2/17 Hearing scheduled for March 6, 2017
Would provide for confidentiality of and access to certain injury reports under the Nebraska Workers' Compensation Act.
- LB 353 Baker Change claim, award, and judgment payment provisions under the Political Subdivisions Tort Claims Act
1/12/17 Introduced
1/17/17 Referred to Judiciary Committee
1/17/17 Chambers MO11 Rerefer to Government, Military and Veterans Affairs Committee filed
1/18/17 Chambers MO11 failed
1/24/17 Hearing scheduled for February 1, 2017
- LB 362 Riepe Adopt the Health Savings Account Act and provide an income tax deduction
1/13/17 Introduced
3/1/17 **Hearing scheduled for March 22, 2017**
- LB 388 Lindstrom Authorize remote electronic notarial acts
1/13/17 Introduced
1/17/17 Referred to Government, Military and Veterans Affairs Committee
1/18/17 Hearing scheduled for January 25, 2017
- LB 408 Lowe Provide for a drug formulary under the Nebraska **Workers' Compensation Act**
IIAN Position: Monitor
1/13/17 Introduced
1/17/17 Referred to Business and Labor Committee
2/2/17 Hearing scheduled for March 6, 2017
- LB486 Kolterman Change continuing education requirements for insurance licensees
IIAN Position: Support
1/17/17 Introduced
1/19/17 Referred to Banking, Commerce and Insurance Committee
1/23/17 Hearing scheduled for January 31, 2017
3/8/17 Placed on **General File with AM208**
On Tuesday, January 31, IIAN testified in support of [LB 486](#), which is also supported by the Nebraska Insurance Department. LB 486 would allow up to 6 CEUs (out of 24 every 2 years in Nebraska) for "active participation in a professional insurance association" - by attending a formal meeting of the association; active service on a board or committee; or participation in industry, regulatory, or legislative meetings.

- LB517 Pansing-Brooks Change provisions regarding transfer of property upon death
1/18/17 Introduced
1/20/17 Referred to Judiciary Committee
1/24/17 Hearing scheduled for February 10, 2017
5/2/17 Pansing Brooks AM1221 adopted
5/8/17 Passed on **Final Reading 47-0-2**
5/9/17 Presented to Governor May 8, 2017
- LB550 Lindstrom Change provisions relating to the Comprehensive Health Insurance Pool
IIAN Position: Monitor
1/18/17 Introduced
1/20/17 Referred to Banking, Commerce and Insurance Committee
2/2/17 Hearing scheduled for March 7, 2017
- LB609 Linehan Provide fee schedules under the Nebraska **Workers' Compensation Act**
IIAN Position: To be determined
1/18/17 Introduced
1/20/17 Referred to Business and Labor Committee
2/2/17 Hearing scheduled for March 7, 2017