



UNICAMERAL UPDATE

January 8, 2018

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

FROM: James P. Cavanaugh
RE: Nebraska 2018 Legislative Session, Week ending January 5, 2018

WEEK IN REVIEW

The 2018 Legislative Session began Wednesday, January 3rd. Today is the third day of the 60 day “short” session. The Legislature is conducting half day floor sessions dedicated to bill introduction and 2017 carry over legislation. **Bill introduction ends on Thursday January 18th.** To date, a total of 207 new bills have been introduced this year. New legislation will be added to the pool of 410 carry-over bills remaining from last year’s regular session. In addition, 8 legislative resolutions have been introduced in 2018.

Refer to the Nebraska Legislature home page <http://www.nebraskalegislature.gov>. for links to one-liners for the introduced legislation so far this session. You’ll also find current committee assignment listings, and an updated list of senators and their contact information.

IAN’s Legislative committee will meet on January 22 in Lincoln, to determine positions on bills introduced this year, and plan for bill hearings. Our Day at the Capitol and Senators Luncheon at the Mansion will be held January 31, and looks like another “sell out”! We are continuing to recruit co-sponsors for [LB 553](#), IAN’s bill to address the problem of independent contractors who do not insure themselves for workers’ compensation.

2018 BILLS OF POTENTIAL INTEREST

LB726 (Wayne) Require insurance coverage for in vitro fertilization procedures.

[LB743](#) (Lindstrom) Adopt the Public Adjusters Licensing Act and change continuing education and pre-licensing education provisions ([Insurance Dept. Bill](#)).

NOTE: IAN leaders met with Insurance Department officials in November to provide input on the provisions of LB 743, which would eliminate the pre-licensing education requirement for insurance producers, and require course providers to file for re-approval of approved continuing education courses every four years.

LB799 (Kolterman) Modify deadlines and sanctions in Surplus Lines Insurance Act.

LB815 (Schumacher) Provide regulatory authority regarding reinsurance.

LB858 (Hansen) Provide annual adjustments for total disability income benefits under the Nebraska **Workers Compensation** Act.

The latest issue of the legislature's weeklyUpdate 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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2017 SESSION WRAP-UP

IIAN took positions on or monitored 28 bills affecting the insurance industry last year. Of the five bills IIAN supported, 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 (**IIAN supported**);

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

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

IIAN's two major issues were not advanced for debate last 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). IIAN 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).

IIAN also supports [LB 486](#), which was advanced for first-round floor consideration (General File) by the Banking, Commerce & Insurance Committee on March 8, and was held over to the 2018 session. 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.

BILLS PASSED IN 2017

LB137 Lindstrom Adopt the Unclaimed Life Insurance Benefits Act (**Insurance Dept. Bill**)
IIAN Position: Monitor **Approved by Governor April 27, 2017**

Adopts the Unclaimed Life Insurance Benefits Act to require life insurers to perform a comparison of in-force policies and retained asset accounts against the Death Master File of the United States Social Security Administration, or similar database, to identify possible matches and determine whether or not benefits are due.

LB231 Kolterman Authorize disciplinary action under the Insurance Producers Licensing Act for failing to maintain a license in good standing (**Insurance Dept. Bill**)

IIAN Position: Support**Approved by Governor on May 10, 2017**

Clarifies that the Insurance Director can take action against non-resident agents who do not maintain a resident license in good standing in their home state.

LB 241 Craighead Provide an exception to the annual privacy notice requirement under the Privacy of Insurance Consumer Information Act ([Insurance Dept. Bill](#))

IIAN Position: Support**Approved by Governor May 10, 2017**

Provides an exception to the requirement that licensees of the Department are to provide an annual privacy statement. Current Nebraska law requires licensees to provide annual privacy notices and closely follows the federal Gramm-Leach-Bliley Act. However, in late 2015 Congress amended Gramm-Leach-Bliley to provide an exception to the annual notice requirement if a company provides personal information with non-affiliated third parties only as outlined in law and has not changed its policies disclosed in the most recent disclosure to the consumer. LB241 amends Nebraska law to relax the annual disclosure requirement if the licensee meets the criteria outlined in the Gramm-Leach-Bliley Act.

LB 306 Lindstrom Change provisions relating to the scope of coverage of and notice required under the Portable Electronics Insurance Act

IIAN Position: Monitor**Approved by Governor May 10, 2017**

Amends the Portable Electronics Insurance Act to redefine portable electronics and shorten the notice period for termination or change of the terms and conditions of a policy from sixty to thirty days.

LB 406 Kolterman Change provisions relating to notice of cancellation, nonrenewal, or nonpayment of a premium for [automobile liability policies](#)

IIAN Position: Monitor**Approved by Governor on May 12, 2017**

Amends certain statutes to provide that certain notices of cancellation or nonrenewal may be mailed by first-class mail using intelligent mail barcode or similar tracking method, in addition to registered or certified mail.

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