



## **UNICAMERAL UPDATE**

**February 26, 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 February 23, 2018**

### **WEEK IN REVIEW**

Last Friday was the 32<sup>nd</sup> day of the 60-day 2018 Legislative Session. Last week the Legislature conducted half-day floor debate, passed 13 bills, and continued half-day committee hearings. Committee hearings will end Tuesday, February 27. Full day floor debate will begin Wednesday February 28.

**IIAN now opposes LB299** - "Adopt the Occupational Board Reform Act and change procedures for rules and regulations", and we have been working closely with the Department of Insurance on this bill. As written, the bill would have prevented the Department from taking a person's criminal history into consideration during the insurance producer's license application process. On February 21, the bill failed to advance from General File, and is unlikely to reappear for debate this session.

**LB 486 (IIAN Supports) was passed on Final Reading on February 23<sup>rd</sup>**. LB 486 will 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.

On Thursday February 22<sup>nd</sup>, we met with Labor Department Director John Albin and his staff to discuss Workers' Compensation issues related to **LB 553** - "Provide for a nonelection of coverage under the Nebraska Workers' Compensation Act". The Director expressed interest in the idea of adding fields to the existing Labor Department website for contractor registration, that would deal with individual independent contractors' Workers' Compensation insurance status.

**On February 22nd, LB 743 (IIAN Supports)** was advanced to Final Reading with an amendment including provisions from LB 220 (to adopt the Insured Homeowners Protection Act), regarding assignment of rights to a contractor following a loss. See report from the Unicameral news office: <http://update.legislature.ne.gov/?p=23379>

As advanced, LB 743 would adopt the Public Adjusters Licensing Act, 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.

Two Workers' Compensation bills – **LB 953 and LB 957** – have been designated as priorities, and were placed on General File on February 22<sup>nd</sup>.

**On February 7, LB 1012 (IAN Neutral)**, was placed on General File (first round of voting), with Amendment 691. IAN worked with the Department of Insurance and Senator Burke Harr, the bill's sponsor, on the amendment to include more stringent education requirements and consumer protections. The bill would exempt owners of self-storage units from having to qualify as a licensed producer in order to sell insurance on their customers' property while it is stored or in transit; instead it provides for a "limited license".

Refer to the Nebraska Legislature home page <http://www.nebraskalegislature.gov> for links to particular bills. You'll also find current committee assignment listings, and an updated list of senators and their contact information. The latest issue of the legislature's weekly 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: James P. Cavanaugh - [Cavanaughlawfirm@aol.com](mailto:Cavanaughlawfirm@aol.com) - O: (402) 341-2020 C: (402) 301-9675

### **IAN 2018 BILLS OF INTEREST**

**IAN Position Key: Pro=Support, M=Monitor (Neutral)**

**Committee Assignment:** BCI=Banking, Commerce & Insurance

Bus&Lab=Business & Labor, T&T= Transportation and Telecommunications

<b>LB726</b> Wayne	<b>M</b> BCI	Require insurance coverage for in vitro fertilization procedures
	1/3/2018	Bill introduced
	1/8/2018	Referred to Banking, Commerce and Insurance Cmte
	1/23/2018	<b>NOTICE OF HEARING FOR 2/5/2018</b>
<b>LB743</b> Lindstrom	<b>Pro</b> BCI	Adopt the Public Adjusters Licensing Act and change continuing education and pre-licensing education provisions ( <i>Insurance Dept. Bill</i> ).
	1/3/2018	Bill introduced
	1/8/2018	Referred to BCI
	1/9/2018	Notice of Hearing for 1/16/2018
	1/18/2018	Placed on <b>General File</b>
	1/30/2018	<b>BCI Priority Bill</b>
	2/1/2018	Kolterman AM1702 Adopted
	2/5/2018	Placed on <b>Select File</b> with ER107
	2/22/2018	Lindstrom AM1875 Adopted
	2/22/2018	Harr AM2066 Filed and Adopted
	2/22/2018	Advanced to <b>Final Reading</b>

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. IAN testified in favor at the bill's hearing, along with PIA, NAIFA, NIIS (Nebraska insurance companies), and the Platte Institute. Testifying opposed was the American Association of Public Insurance Adjusters. Harr amendment 2066 added provisions from LB 220, regarding assignment of rights to a contractor following a loss.

<b>LB799</b>	Kolterman	M	BCI	Modify deadlines and sanctions in the Surplus Lines Insurance Act (Insurance Dept. Bill)
	1/4/2018			Bill introduced
	1/8/2018			Referred to Banking, Commerce and Insurance Cmte
	1/9/2018			Notice of Hearing for 1/16/2018
	1/18/2018			Placed on <b>General File</b>
<b>LB815</b>	Schumacher	M	BCI	Provide regulatory authority regarding reinsurance (Insurance Dept. Bill)
	1/4/2018			Bill introduced
	1/8/2018			Referred to BCI Committee
	1/9/2018			Notice of Hearing for 1/16/2018
	1/18/2018			Placed on <b>General File</b>
<b>LB858</b>	Hansen	M	Bus&Labor	Provide annual adjustments for total disability income benefits under the Nebraska Workers' Compensation Act
	1/5/2018			Bill introduced
	1/8/2018			Referred to Business and Labor Committee
	1/9/2018			Notice of Hearing for 1/22/2018
<b>LB881</b>	Schumacher	M	Revenue	Change inheritance tax provisions relating to life insurance proceeds
	1/8/2018			Bill introduced
	1/9/2018			Referred to Revenue Committee
	1/10/2018			Notice of Hearing for 1/18/2018
	1/24/2018			Placed on <b>General File</b>
<b>LB895</b>	Geist	M	T&T	Change lien and flood-damaged brand provisions relating to motor vehicle certificates of title and change duties and requirements of the Department of Motor Vehicles as prescribed
	1/8/2018			Bill introduced
	1/9/2018			Referred to Transportation and Telecommunications Cmte
	1/10/2018			Notice of Hearing for 1/22/2018
	1/25/2018			Placed on <b>General File</b>
<b>LB896</b>	Geist	M	T&T	Change provisions relating to electronic certificates of title, salvage vehicles, and the electronic dealer services system and Vehicle Title and Registration System maintained by the Department of Motor Vehicles
	1/8/2018			Bill introduced
	1/9/2018			Referred to Transportation&Telecommunications Cmte
	1/10/2018			Notice of Hearing for 1/22/2018
	1/25/2018			Placed on <b>General File</b>
<b>LB899</b>	Erdman	M	Revenue	Provide for an adjustment to the assessed value of destroyed real property
	1/8/2018			Bill introduced
	1/9/2018			Referred to Revenue Committee
	1/18/2018			Notice of Hearing for 1/25/2018

<b>LB909</b>	Bostelman	M	T&T	Change motor vehicle titling and registration provisions, assembled and kit vehicle provisions, and the branding of certificates of title as reconstructed or replica
				1/8/2018 Bill introduced
				1/9/2018 Referred to Trans & Telecom
				1/19/2018 <b>NOTICE OF HEARING FOR 1/30/2018</b>
				<b>2/20/2018 Transportation and Telecommunications Priority Bill</b>
<b>LB928</b>	McDonnell	M	Closely	Bus&Labor Change provisions relating to compensation paid upon the death of an employee under the Nebraska <b>Workers' Compensation Act</b>
				1/9/2018 Bill introduced
				1/10/2018 Referred to Business and Labor Committee
				1/26/2018 <b>NOTICE OF HEARING FOR 2/5/201</b>
<b>LB952</b>	Albrecht	M	Bus&Lab	Change provisions relating to dismissals of actions under the Nebraska <b>Workers' Compensation Act</b>
				1/10/2018 Bill introduced
				1/11/2018 Referred to Business&Labor Cmte
				1/26/2018 <b>NOTICE OF HEARING FOR 2/5/2018</b>
<b>LB953</b>	Albrecht	M	Bus&Lab	Change provisions relating to lump-sum settlements under the Nebraska <b>Workers' Compensation Act</b>
				1/10/2018 bill introduced
				1/11/2018 Referred to Business&Labor Committee
				1/26/2018 <b>NOTICE OF HEARING FOR 2/5/2018</b>
				<b>2/20/2018 Business and labor Priority Bill</b>
				2/22/2018 B&L AM1779 Filed
				2/22/2018 Placed on <b>General File</b> with AM1779
<b>LB957</b>	Lowe	M	Bus&Lab	Provide procedures for choosing a method of payment for payments under the Nebraska <b>Workers' Compensation Act</b>
				1/10/2018 Bill introduced
				1/11/2018 Referred to Business and Labor Cmte
				1/26/2018 <b>NOTICE OF HEARING FOR 2/5/2018</b>
				<b>2/21/2018 Speaker Priority Bill</b>
				2/22/2018 B&L AM1952 Filed
				2/22/2018 Placed on <b>General File</b> with AM1952
<b>LB989</b>	Wishart	M	T&T	Authorize testing of autonomous vehicles by a city of the primary class on its roadways
				1/11/2018 Bill introduced
				1/16/2018 Geist and Hansen added
				1/17/2018 Referred to Transportation and Telecommunications Comte
				2/1/2018 Notice of Hearing for 2/13/2018
				<b>2/20/2018 Wishart Priority Bill</b>

<b>LR281CA</b>	Morfeld	M	HHS	Amendment to Neb. Constitution. Affordable health care is a right and expand eligibility under medical assistance program.
	1/11/2018			Bill introduced
	1/17/2018			Referred to Health & Human Services Committee
	1/30/2018			<b>NOTICE OF HEARING FOR 2/21/2018</b>
<b>LB1012</b>	Harr	M	BCI	Authorize self-service storage facility operator insurance producer licenses
	1/16/2018			Bill introduced
	1/18/2018			Referred to Banking Commerce and Insurance Cmte
	1/23/2018			<b>NOTICE OF HARING FOR 1/30/2018</b>
	2/7/2018			B,C & I AM1691 Filed
	2/7/2018			Placed on <b>General File</b> with AM1691

Would exempt owners of self-storage units from having to qualify as a licensed producer in order to sell insurance on their customers' property while it is stored or in transit; instead it provides for a "limited license". IIAN worked with the Department of Insurance to amend the bill to include more stringent education requirements and consumer protections - Amendment 1691, offered by Senator Harr. Representatives of the Self Storage Association testified in support at the hearing, and Director of Insurance Bruce Ramge testified neutral.

<b>LB1015</b>	Briese	M	GMVA	Allow withholding from public of reports of injury under the Nebraska <b>Workers' Compensation</b> Act that reveal an employee's identity
	1/16/2018			Bill introduced
	1/18/2018			Referred to Government, Military & Veterans Affairs Cmte
	2/6/2018			Notice of Hearing for 2/14/2018
	<b>2/20/2018</b>			<b>GMVA Priority Bill</b>

(NOTE: **LB319**, carried over from the 2017 session, providing exclusion from public records reports to the Workers' Compensation Court, has resurfaced as LB1015.)

### **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**). 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.

Also passed: **LB 406**, which amends certain statutes to provide that certain notices (for automobile liability policies) 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 for the 2018 “short session.

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.

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**

**LB299** Ebke Adopt the Occupational Board Reform Act and change procedures for rules and regulations

**IIAN Position:** Opposed

1/12/2017 Date of Introduction

1/17/2017 Referred to Government, Military and Veterans Affairs committee

2/8/2017 Notice of Hearing for 2/24/2017

2/24/2017 Brewer name added

1/3/2018 Title printed. Carryover Bill

1/4/2018 McCollister name added

1/26/2018 Wayne name added

1/26/2018 Watermeier name added

1/30/2018 Kolterman name added

1/30/2018 Govt, Military, Veterans Affairs AM1665 Filed

1/30/2018 **Placed on General File with AM1665**

1/31/2018 Ebke Priority Bill

2/5/2018 Stinner name added

2/6/2018 Lindstrom name added

2/15/2018 Briese name added

2/15/2018 Lowe name added

2/20/2018 GMVA AM1665 Pending

2/20/2018 Crawford AM1993 Withdrawn

2/20/2018 Crawford AM2013 Lost

2/21/2018 Hilgers FA102 Filed

2/21/2018 Ebke AM2028 Filed

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. **NOTE:** Reintroduced in 2018 – LB 1015.

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**  
**1/24/18 Placed on Select File**

**On Tuesday, January 31, IAN 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.