



UNICAMERAL UPDATE

March 5, 2018

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

FROM: James P. Cavanaugh
RE: Nebraska 2018 Legislative Session, Week ending March 2, 2018

WEEK IN REVIEW

Thursday March 1st was the 36th day of the 60-day 2018 Legislative Session. Committee hearings ended Tuesday, February 27, and full day floor debate began Wednesday February 28th

Two Workers' Compensation bills – LB 953 and LB 957 – have been designated as priorities, and were placed on General File on February 22nd. Among other provisions, **LB 953** would change provisions relating to lump-sum settlements, in cases in which the employee at the time of settlement was eligible for Medicare. **LB 957** would modernize and clarify the payment methods available under the Nebraska Workers' Compensation Act. Another bill – **LB 1015** – has been named a committee priority, and was placed on General File on February 28th. It would provide that reports of injury under the Nebraska Workers' Compensation Act that reveal the identity of the employee who is the subject of the report are not public records. Currently, 37 other states have laws similar to the concepts contained in the bill.

LB 486 (IIAN Supports) was signed by the Governor on February 28th. 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 February 27th, **LB 743 (IIAN Supports)** was placed on 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 Unciameral 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.

IIAN opposes LB 299 - "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.

On February 7, LB 1012 (IIAN Neutral), was placed on General File (first round of voting), with Amendment 691. IIAN 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 - O: (402) 341-2020 C: (402) 301-9675

IIAN 2018 BILLS OF INTEREST

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

Committee Assignment: BCI=Banking, Commerce & Insurance
Bus&Lab=Business & Labor, T&T= Transportation and Telecommunications

| | | |
|------------------------|----------------|--|
| LB726 Wayne | M 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 | NOTICE OF HEARING FOR 2/5/2018 |
| LB743 Lindstrom | Pro 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 General File |
| | 1/30/2018 | BCI Priority Bill |
| | 2/1/2018 | Kolterman AM1702 Adopted |
| | 2/5/2018 | Placed on Select File with ER107 |
| | 2/22/2018 | Lindstrom AM1875 Adopted |
| | 2/22/2018 | Harr AM2066 Filed and Adopted |
| | 2/22/2018 | Advanced to E&R for Engrossment |
| | 2/27/2018 | Placed on Final Reading |

IIAN 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. IIAN 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.

| | | | | |
|--------------|------------|---|-----------|--|
| LB799 | 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 General File |
| LB815 | 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 General File |
| LB858 | 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 |
| LB881 | 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 General File |
| LB895 | 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 General File |
| LB896 | 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 General File |
| LB899 | 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

LB909 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 **NOTICE OF HEARING FOR 1/30/2018**

2/20/2018 Transportation and Telecommunications Priority Bill

LB928 McDonnell **M Closely** Bus&Labor Change provisions relating to compensation paid upon the death of an employee under the Nebraska **Workers' Compensation Act**

1/9/2018 Bill introduced

1/10/2018 Referred to Business and Labor Committee

1/26/2018 **NOTICE OF HEARING FOR 2/5/201**

The burial expense would increase from the current maximum amount of \$10,000, to an amount not exceeding fourteen times the state average weekly wage. (As of January 1, 2018, the state average weekly wage was \$831, so the maximum burial expense under LB928 would be increased to \$11,634.) The bill also provides that if there is no spouse, child, or other dependent entitled to benefits, the personal representative of the estate of the deceased would receive \$25,000.

LB952 Albrecht **M** Bus&Lab Change provisions relating to dismissals of actions under the Nebraska **Workers' Compensation Act**

1/10/2018 Bill introduced

1/11/2018 Referred to Business&Labor Cmte

1/26/2018 **NOTICE OF HEARING FOR 2/5/2018**

The bill seeks to help prevent duplicate filings by plaintiffs whose cases were previously dismissed. While opposed by the trial attorneys, the bill received support from business groups.

LB953 Albrecht **M** Bus&Lab Change provisions relating to lump-sum settlements under the Nebraska **Workers' Compensation Act**

1/10/2018 bill introduced

1/11/2018 Referred to Business&Labor Committee

1/26/2018 **NOTICE OF HEARING FOR 2/5/2018**

2/20/2018 Business and labor Priority Bill

2/22/2018 B&L AM1779 Filed

2/22/2018 Placed on **General File** with AM1779

The bill would require the Workers' Compensation Court to approve a lump-sum settlement in cases in which the employee at the time of settlement was eligible for Medicare, was a Medicare beneficiary, or had a reasonable expectation of becoming eligible for Medicare within 30 months; or if medical, surgical, or hospital expenses incurred for treatment of the injury would not be fully paid as part of the settlement, if the employee's attorney affirms that the settlement is in conformity with the compensation schedule and for the best interests of the employee or his or her dependents, under all the circumstances. LB953 would also address a recent court decision regarding the enforceability of late payment penalties – making the entry of an order of dismissal a prerequisite to the discharge of a defendant from liability.

LB957 Lowe **M** Bus&Lab Provide procedures for choosing a method of payment for payments under the Nebraska **Workers' Compensation** Act

1/10/2018 Bill introduced
1/11/2018 Referred to Business and Labor Cmte
1/26/2018 **NOTICE OF HEARING FOR 2/5/2018**
2/21/2018 **Speaker Priority Bill**
2/22/2018 B&L AM1952 Filed
2/22/2018 Placed on **General File** with AM1952

Under the bill – if agreed to by the employer, workers' compensation insurer or risk management pool and the employee or other person entitled to compensation – a payment could be made by direct deposit, prepaid card, or similar electronic payment system.

LB989 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
2/20/2018 **Wishart Priority Bill**

LR281CA 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 **NOTICE OF HEARING FOR 2/21/2018**

LB1012 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 **NOTICE OF HARING FOR 1/30/2018**
2/7/2018 B,C & I AM1691 Filed
2/7/2018 Placed on **General File** 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.

LB1015 Briese **M** GMVA Allow withholding from public of reports of injury under the Nebraska **Workers' Compensation** 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
2/20/2018 GMVA Priority Bill
2/28/2018 Placed on General File with AM1927

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

Would provide that reports of injury under the Nebraska Workers' Compensation Act that reveal the identity of the employee who is the subject of the report are not public records. Currently, 37 other states currently have laws similar to the concepts contained in the bill

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

NOTE: Provisions of LB 220 have been amended onto LB 743, which is ready for Final Reading as of 2/27/18.

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**
 2/20/2018 Placed on Final Reading
2/23/2018 Passed on Final Reading
2/28/2108 Signed by Governor

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.