

LEGISLATURE OF NEBRASKA  
ONE HUNDRED FIFTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 799**

FINAL READING

Introduced by Kolterman, 24.

Read first time January 04, 2018

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to the Surplus Lines Insurance Act; to amend
- 2 section 44-5512, Reissue Revised Statutes of Nebraska, and section
- 3 44-5511, Revised Statutes Cumulative Supplement, 2016; to change
- 4 filing deadlines; to change procedures related to sanctions; and to
- 5 repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-5511, Revised Statutes Cumulative Supplement,  
2 2016, is amended to read:

3 44-5511 On or before March 1 ~~February 15~~ for the quarter ending the  
4 preceding December 31, June 1 ~~May 15~~ for the quarter ending the preceding  
5 March 31, September 1 ~~August 15~~ for the quarter ending the preceding June  
6 30, and December 1 ~~November 15~~ for the quarter ending the preceding  
7 September 30 of each year, every surplus lines licensee shall file with  
8 the department a report containing such information as the department may  
9 require, including: (1) The name of the nonadmitted insurer; (2) the name  
10 of the licensee; (3) the number of policies issued by each nonadmitted  
11 insurer; (4) except for insurance placed or procured on behalf of an  
12 exempt commercial purchaser, a sworn statement by the licensee with  
13 regard to the coverages described in the quarterly report that, to the  
14 best of the licensee's knowledge and belief, the licensee could not  
15 reasonably procure such coverages from an admitted insurer; and (5) the  
16 premium volume for each nonadmitted insurer by line of business.

17 Sec. 2. Section 44-5512, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 44-5512 (1) Whenever the director has reason to believe that any  
20 person has engaged in any activities in violation of the Surplus Lines  
21 Insurance Act, the director ~~he or she~~ may:

22 (a) Issue ~~issue~~ an order and notice of hearing directing such person  
23 to cease and desist from engaging in such activities; or -

24 (b) Issue a statement of the charges of violation and a notice of  
25 hearing to ~~A hearing shall~~ be held within thirty days to determine  
26 whether or not such violation occurred.

27 (2) Any such hearing held pursuant to subsection (1) of this  
28 section, and any appeal therefrom, shall be in accordance with the  
29 Administrative Procedure Act.

30 (3) If, after any such hearing held pursuant to subsection (1) of  
31 this section, the director finds that the person charged has committed a

1 violation as alleged, he or she shall reduce his or her findings to  
2 writing and serve a copy of the findings on the person charged and, in  
3 addition, the director may order any one or more of the following:

4 (a) That such person cease and desist from engaging in such  
5 activities;

6 (b) Payment of a fine of not more than five thousand dollars; and

7 (c) Suspension or revocation of any surplus lines license held by  
8 such person for such period of time as the director determines.

9 (4) Any person who violates a cease and desist order may, after  
10 notice and hearing and upon order of the director, be subject to:

11 (a) Payment of a fine of not more than ten thousand dollars; and

12 (b) Suspension or revocation of each insurance license held by such  
13 person for such period of time as the director determines.

14 (5) For purposes of this section, person shall include a nonadmitted  
15 insurer.

16 Sec. 3. Original section 44-5512, Reissue Revised Statutes of  
17 Nebraska, and section 44-5511, Revised Statutes Cumulative Supplement,  
18 2016, are repealed.