

ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019
COMMITTEE STATEMENT
LB469

Hearing Date: Tuesday February 05, 2019
Committee On: Banking, Commerce and Insurance
Introducer: Lindstrom
One Liner: Change provisions of the Surplus Lines Insurance Act

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators Gragert, Howard, Kolterman, La Grone, Lindstrom,
McCollister, Quick, Williams

Nay:

Absent:

Present Not Voting:

Oral Testimony:

Proponents:

Senator Brett Lindstrom
Bruce Ramge
Korby Gilbertson
Brennon Neville
Robert Bell
Coleen Nielsen

Representing:

Introducer
NE Department of Insurance
American Property Casualty Insurers Association
National Indemnity Company
NE Insurance Federation
NE Insurance Information Service

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

Legislative Bill 469, introduced on behalf of the Director of Insurance, amends the Surplus Lines Insurance Act, Neb. Rev. Stat. Sec. 44-5501 et seq., to add provisions to allow for domestic surplus lines insurers in Nebraska, eliminates obsolete provisions of the Insurance Code, and makes necessary statutory amendments to allow the elimination of unneeded rules and regulations of the Department of Insurance. The legislation would provide, section by section, as follows:

Section 1 amends section 44-5501 to include portions of LB 469 in the Surplus Lines Insurance Act.

Section 2 amends section 44-5502 to add the new definition of "domestic surplus lines insurer" to the act.

Section 3 creates new law granting the Director of Insurance the authority to grant a certificate of authority to an insurer to operate a domestic surplus lines insurer if the insurer: (1) possess a policyholder surplus of at least \$15,000,000; (2) is an eligible surplus lines insurer in at least one other state; and (3) is acting pursuant to a resolution passed by its board of directors; Additionally, Section 3 provides that a domestic surplus lines insurer will be subject to all financial and solvency laws of the Insurance Code unless specifically exempted, and specifically exempts domestic surplus lines insurers from the protection of the guaranty funds.

Section 4 amends 44-5507 to change the word transacting to accepting to harmonize language in the act.

Section 5 amend section 44-5508 to allow a surplus lines licensee to place business with a domestic surplus lines insurer and changes the word transact to accept in two places to harmonize language of the act.

Section 6 amends section 44-7508.02 to change references to rules and regulations that will be eliminated.

Section 7 amends section 44-7513 to change references to rules and regulations that will be eliminated.

Section 8 amends section 44-7514 to eliminate a duty of the Department to issue rules and regulations for qualifying multistate commercial policyholders. It adds to the section language from the rule and regulation related to qualifying multistate commercial policyholder qualifications.

Section 9 provides the amendatory repealer.

Section 10 provides for the outright repeal of sections 44-213.01, 44-213.02, 44-213.03, 44-213.04, 44-213.05, 44-213.06, 44-213.07, and 44-7512.

Matt Williams, Chairperson