

## LEGISLATIVE BILL 1094

Approved by the Governor March 21, 1990

Introduced by Haberman, 44

AN ACT relating to installment loans; to amend section 45-139, Reissue Revised Statutes of Nebraska, 1943; to change provisions relating to insurance in connection with loan contracts; and to repeal the original section.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 45-139, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

45-139. (1) The following types of insurance or one or more of the same may be written in connection with loans made by licensees under sections 45-114 to 45-155:

(a) Fire, theft, windstorm, or comprehensive, including fire, theft, and windstorm, fifty dollars or more deductible collision, and bodily injury liability and property damage liability upon motor vehicles;

(b) ~~fire~~ Fire and extended-coverage insurance upon real and tangible personal property; and

(c) ~~involuntary~~ Involuntary unemployment or job protection insurance. In the event of a renewal of a loan contract, this type of insurance shall be canceled and a refund of the unearned premium credited or made before new insurance of this type may be rewritten. Such insurance shall not be required as a condition precedent to the making of such loan; and

(d) Life, health, and accident insurance or any of them, except that the amount of such insurance shall not exceed may also be written upon or in connection with any loan, but life, health, and accident insurance shall be restricted to an amount not exceeding the total amount to be repaid under the loan contract and the term shall not extend for a term not extending beyond the final maturity date of the loan contract. In the event of a renewal of a loan contract, this type of insurance shall be canceled and a refund of the unearned premium credited or made before new insurance of this type may be written in connection with such loan. Such insurance shall not be required as a condition precedent to the making of such loan.

(2) In addition to the types of insurance

written under subsection (1) of this section by licensees under sections 45-114 to 45-155, any other type of insurance may be written for a licensee's borrower or the borrower's immediate family whether or not in connection with a loan, except that such insurance shall not be required as a condition precedent to the making of any loan. Nothing in this subsection shall alter or eliminate any insurance licensing requirements.

(3) Notwithstanding the provisions of sections 45-137 and 45-138, any gain or advantage, in the form of commission or otherwise, to the licensee or to any employee, affiliate, or associate of the licensee from such insurance or its sale shall not be deemed to be an additional or further charge in connection with the loan contract. The insurance premium for such insurance may be collected from the borrower or included in the loan contract at the time the loan is made.

~~(3)~~ (4) Insurance permitted under this section shall be obtained through a duly licensed insurance agent, agency, or broker. Premiums shall not exceed those fixed by law or current applicable manual rates. Insurance written, as authorized by this section, may contain a mortgage clause or other appropriate provision to protect the insurable interest of the licensee.

Sec. 2. That original section 45-139, Reissue Revised Statutes of Nebraska, 1943, is repealed.