

LEGISLATIVE BILL 799

Approved by the Governor April 11, 2018

Introduced by Kolterman, 24.

A BILL FOR AN ACT relating to the Surplus Lines Insurance Act; to amend section 44-5512, Reissue Revised Statutes of Nebraska, and section 44-5511, Revised Statutes Cumulative Supplement, 2016; to change filing deadlines; to change procedures related to sanctions; and to repeal the original sections.

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

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

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

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

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

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

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

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

(3) If, after any such hearing held pursuant to subsection (1) of this section, the director finds that the person charged has committed a violation as alleged, he or she shall reduce his or her findings to writing and serve a copy of the findings on the person charged and, in addition, the director may order any one or more of the following:

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

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

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

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

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

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

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

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