

One Hundred Seventh Legislature - Second Session - 2022

Introducer's Statement of Intent

LB966

Chairperson: Senator Matt Williams

Committee: Banking, Commerce and Insurance

Date of Hearing: February 01, 2022

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

The purpose of Legislative Bill 966 is to adopt the Discretionary Clause Prohibition Act. The purpose of the Act is to assure that health insurance benefits and disability income protection coverage are contractually guaranteed and to avoid the conflict of interest that occurs when the health carrier or insurer responsible for providing benefits has discretionary authority to decide what benefits are due. This is based on model legislation promoted by the National Association of Insurance Commissioners (NAIC) since 2006. NAIC reports that 26 states currently prohibit or place limitations on the use of discretionary clauses.

Principal Introducer: _____

Senator Steve Lathrop