

LEGISLATIVE BILL 767

Approved by the Governor May 19, 1971

Introduced by Herbert J. Duis, 39th District

AN ACT to amend sections 44-201, 44-203, 44-203.01, and 44-1402, Reissue Revised Statutes of Nebraska, 1943, relating to insurance; to reclassify kinds of insurance as prescribed; to provide an operative date; and to repeal the original sections.

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

Section 1. That section 44-201, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-201. An insurance corporation may be formed for the following purposes:

(1) FIRE MARINE--(a) To make insurance upon property, or any valuable interest therein, against loss or damage caused by fire, lightning or other electrical disturbances, earthquake, windstorm, cyclone, tornado, tempest, hail, frost, snow, ice, sleet, weather, or climatic condition, including excess or deficiency of moisture, flood, rain, or drought; a rising of the waters of the ocean or its tributaries; bombardment, invasion, insurrection, riot, civil war or commotion, military or usurped power, explosion, other than the explosion of steam boilers, or the breaking of engines, turbines, flywheels or electrical machinery on the premises insured; against loss or damage from any cause to trees, crops, and farm products; (b) to make insurance against loss or damage to property and against the liability of the insured for loss or damage to the property of others caused by smoke and smudge, or by water entering through leaks or openings in buildings or from the breakage or leakage of sprinklers, pumps, water pipes, plumbing, and all tanks, apparatus, conduits, and containers designed to bring water into buildings or for its storage or utilization therein, or caused by the falling of a tank, tank platform or supports, and against loss or damage from any cause to such sprinklers, pumps, water pipes, plumbing, tanks, apparatus, conduits, or containers; (c) to make insurance upon teams, ~~automobiles and all vehicles~~ farm tractors, farm machinery, and other equipment, airplanes, seaplanes, dirigibles, and other aircraft (i) against all loss or damage to the same, their fittings

and contents, from any cause, including the hazards of burglary, theft, or other criminal act, vandalism or malicious mischief, or (ii) against loss or damage to property, including legal liability therefor, caused by the operation, maintenance, and use of the same; (d) to make insurance against loss or damage to vessels, craft, aircraft, automobiles, and vehicles of every kind as well as goods, freights, cargoes, merchandise, effects, disbursements, profits, money, bullion, precious stones, securities, choses in action, evidences of debt, valuable papers, bottomry, and respondentia interests, and all kinds of property and interests therein in respect to, pertaining to, or in connection with any or all risks or perils of navigation, transit, or transportation, including war risks, on or under any seas, or waters, on land or in the air, or while being assembled, packed, crated, baled, compressed, or similarly prepared for shipment or while awaiting the same, or during any delays, storage, transshipment, or reshipment incidental thereto; including marine builders' risks and war risks; and from loss or damage to persons or property in connection with or appertaining to marine, inland marine, transit or transportation insurance, including loss or damage to either, arising out of or in connection with the construction, repair, operation, maintenance or use of the subject matter of such primary insurance, but not including life insurance or surety bonds; but, except as herein specified, shall not mean insurance against loss by reason of bodily injury to the person; (e) ~~against loss or damage to property from any casualty, power to insure against which is not prohibited by the laws of this state;~~ (f) against consequential loss or damage arising from any of the causes above enumerated; (g) (f) against loss or damage to horses, cattle, other livestock, and domestic animals, by accident, theft, or death, or against any known or contingent event whatever, which may lawfully be the subject of insurance; and (h) (g) against other loss or damage to property not prohibited by law or contrary to public policy to be determined by the Department of Insurance;

(2) LIFE INSURANCE--Upon lives of persons, including endowments and annuities, and every insurance pertaining thereto and disability benefits;

(3) SICKNESS AND ACCIDENT INSURANCE--Against loss or expense resulting from the sickness of the insured, or from bodily injury or death of the insured by accident, or both, and every insurance pertaining thereto, including quarantine;

(4) FIDELITY INSURANCE--Guaranteeing the fidelity of persons holding places of public or private trust; guaranteeing the performance of contracts other than insurance policies; or guaranteeing and executing all bonds, undertakings, and contracts of suretyship;

(5) LIABILITY INSURANCE--Against loss or damage resulting from accident to, or injury, fatal or nonfatal, suffered by an employee or other person for which the insured is liable;

(6) PLATE GLASS INSURANCE--Against breakage of glass, whether local or in transit;

(7) BOILER AND MACHINE INSURANCE--Upon steam boilers and upon pipes, engines, and machinery connected therewith and operated thereby, against explosion and accident, and against loss or damage to life, person, or property resulting therefrom;

(8) BURGLARY INSURANCE--Against loss by burglary, housebreaking, or theft;

(9) ~~WATER-OR-OTHER-LIQUID-DAMAGE--AND--SPRINKLER INSURANCE--Against--loss--or--damage--to--property--and against--the--liability--of--the--insured--for--loss--or--damage to--the--property--of--others--caused--by--water--or--other liquid--entering--through--leaks--or--openings--in--buildings or--from--the--breakage--or--leakage--of--sprinklers;--pumps; pipes;--plumbing;--and--all--tanks;--apparatus;--conduits;--and containers--designed--to--bring--water--or--other--liquid--into buildings;--or--caused--by--the--falling--of--a--tank;--tank platform--or--supports;--and--against--loss--or--damage--from any--cause--to--such--sprinklers;--pumps;--pipes;--plumbing; tanks;--apparatus;--conduits;--or--containers; VARIABLE ANNUITIES--Policies issued on an individual or group basis by which an insurer promises to pay a variable sum of money either in a lump sum, or periodically for life or for some other specified period;~~

(10) CREDIT INSURANCE--Guaranteeing either by agreement to purchase uncollectible debts, or otherwise to insure against loss or damage from the failure of persons indebted to or to become indebted to the insured, or to meet existing or contemplated liabilities;

(11) TITLE INSURANCE--Insuring, guaranteeing or indemnifying owners of real property or others interested therein against loss or damage suffered by reason of liens, encumbrances upon, defects in or the unmarketability of title to such real property, or

adverse claim to title in real property with reasonable examination of title guaranteeing, warranting or otherwise insuring by a title insurance company the correctness of searches relating to the title to real property;

(12) AUTOMOBILE, ENGINE, ELEVATOR INSURANCE--Against any hazard resulting from the ownership, operation, maintenance or use of any automobile, and against loss or legal liability for loss resulting from accident or injury to person or persons, fatal or nonfatal, because of damage to property caused by the use of teams or vehicles, whether by fire, accident, collision, or by the explosion of any engine, tank, boiler, pipe, or tire of any vehicle, and including insurance against theft of the whole or any part of the vehicle against all loss or damage to vehicles, their fittings and contents, from any cause, including the hazards of burglary, theft or other criminal act, vandalism or malicious mischief: and the term vehicle, as herein used, includes in addition to its ordinary meaning, elevators, automobiles, traction engines, motorcycles and bicycles, but does not include ships, vessels, boats, or railroad rolling stock; or

~~(13) DOMESTIC ANIMALS--Against loss, death, or damage to domestic animals, and to furnish the service of a veterinary surgeon for such animals; or~~

~~(14)~~ (13) MISCELLANEOUS INSURANCE--Upon any risk not included within any of the foregoing classes and which is a proper subject for insurance, not prohibited by law or contrary to sound public policy, to be determined by the Department of Insurance.

Sec. 2. That section 44-203, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-203. A company may be formed or an existing company may be authorized to transact any one or more of the kinds of insurance specified in section 44-201 except that any company formed or authorized for the purposes specified in subdivision (2) of section 44-201 shall transact no other kinds of insurance except that specified in subdivision subdivisions (3) and (9) thereof. Any company formed or authorized for the purposes specified in subdivision (11) of section 44-201 shall transact no other kinds of insurance.

Sec. 3. That section 44-203.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read

as follows:

44-203.01. Unless in each case an insurance company maintains a reserve in an amount equal to one hundred per cent of the unearned premiums on all policies in force after deducting reinsurance in reputable solvent companies, an insurance company (1) transacting the kinds of insurance specified in subdivision (1) of section 44-201, shall not transact any other kinds of insurance except that specified in subdivision (12) of such section, and (2) transacting one or more of the kinds of insurance specified in subdivisions (3), (4), (5), (6), (7), (8), ~~(9)~~, (10), (12), and (13), ~~and (14)~~, of section 44-201, shall not transact the kinds of insurance specified in subdivision (1) of such section.

Sec. 4. That section 44-1402, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-1402. Sections 44-1401 to 44-1442 apply to all kinds of insurance, authorized under subdivisions (4), (5), (6), (7), (8), ~~(9)~~, (10), (12), and ~~(14)~~ (13) of section 44-201, and to all forms of motor vehicle insurance and insurance on farm tractors, farm machinery, and other equipment authorized under subdivision (1) of section 44-201, including such insurance written by the exchange of reciprocal or interinsurance contracts, on risks or operations in this state, except:

(1) Reinsurance, other than joint reinsurance to the extent stated in sections 44-1429 and 44-1430;

(2) Accident and health insurance; and

(3) Insurance against loss of or damage to aircraft or against liability, other than workmen's compensation and employers' liability, arising out of the ownership, maintenance or use of aircraft.

If any kind of insurance, subdivision or combination thereof, or type of coverage, subject to sections 44-1401 to 44-1442, is also subject to regulation by another rate regulatory act of this state, an insurer to which both acts are otherwise applicable shall file with the Director of Insurance, hereinafter referred to as director, a designation as to which rate regulatory act shall be applicable to it with respect to such kind of insurance, subdivision or combination thereof, or type of coverage.

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Sec. 5. This act shall become operative on May 1, 1972.

Sec. 6. That original sections 44-201, 44-203, 44-203.01, and 44-1402, Reissue Revised Statutes of Nebraska, 1943, are repealed.