

## LEGISLATIVE BILL 1014

Approved by the Governor March 19, 1974

Introduced by Banking, Commerce and Insurance Committee,  
F. Carstens, 30, Chmn.; Duis, 39; Snyder, 14;  
Hasebroock, 18; Moylan, 6; Stroger, 36;  
Wiltse, 1

AN ACT to amend sections 44-2403, 44-2404, and 44-2418,  
Revised Statutes Supplement, 1972, relating to  
insurance; to clarify terms; and to repeal the  
original sections.

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

Section 1. That section 44-2403, Revised  
Statutes Supplement, 1972, be amended to read as follows:

44-2403. As used in sections 44-2401 to 44-2418,  
unless the context otherwise requires:

(1) Account shall mean any one of the three  
accounts created by the provisions of section 44-2404;

(2) Director shall mean the Director of Insurance  
or his duly authorized representative;

(3) Association shall mean the Nebraska Property  
and Liability Insurance Guaranty Association created by  
the provisions of section 44-2404;

(4) Covered claim shall mean an unpaid claim,  
excluding one for unearned premiums, which has been  
timely filed with the liquidator as provided for in  
section 44-127.01, and which arises out of and is within  
the coverage of an insurance policy to which sections  
44-2401 to 44-2418 apply issued by a member insurer that  
becomes insolvent after May 26, 1971, and (a) the  
claimant or insured is a resident of this state at the  
time of the insured event; or (b) the property from which  
the claim arises is permanently located in this state.  
Covered claim shall not include any amount due any  
reinsurer, insurer, insurance pool, or underwriting  
association, as subrogation recoveries or otherwise;

(5) Insolvent insurer shall mean a member insurer  
licensed to transact the business of insurance in this  
state, either at the time the policy was issued or when  
the insured event occurred, and determined to be  
insolvent and ordered liquidated by a court of competent  
jurisdiction;

(6) Member insurer shall mean any person writing any kind of insurance to which sections 44-2401 to 44-2418 apply by the provisions of section 44-2402, including the exchange of reciprocal or interinsurance contracts, that is licensed to transact insurance in this state, except assessment associations operating under the provisions of Chapter 44, article 8, and also excepting unincorporated mutuals and an insurer which was in fact insolvent on May 26, 1971;

(7) Net direct written premiums shall mean direct gross premiums written in this state on insurance policies to which sections 44-2401 to 44-2418 apply, less return premiums thereon and dividends paid or credited to policyholders on such direct business. Net direct written premiums shall not include premiums on contracts between insurers or reinsurers;

(8) Person shall mean any individual, corporation, partnership, association, voluntary organization, or reciprocal insurance exchange; and

(9) Insurance shall mean those contracts defined in section 44-102.

Sec. 2. That section 44-2404, Revised Statutes Supplement, 1972, be amended to read as follows:

44-2404. There is hereby created a nonprofit unincorporated legal entity to be known as the Nebraska Property and Liability Insurance Guaranty Association. All insurers defined as member insurers in subdivision (6) of section 44-2403 shall be and remain members of the association as a condition of their authority to transact insurance in this state. The association shall perform its functions under a plan of operation established and approved by the provisions of section 44-2408, and shall exercise its powers through a board of directors established by the provisions of section 44-2405. For purposes of administration and assessment, the association shall be divided into three separate accounts: (a) The workmen's compensation insurance account; (b) the automobile insurance account; and (c) the account for all other insurance to which sections 44-2401 to 44-2418 apply.

Sec. 3. That section 44-2418, Revised Statutes Supplement, 1972, be amended to read as follows:

44-2418. Sections 44-2401 to 44-2418 shall be known and may be cited as the Nebraska Property and Liability Insurance Guaranty Association Act.

Sec. 4. That original sections 44-2403, 44-2404, and 44-2418, Revised Statutes Supplement, 1972, are repealed.