

ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019
COMMITTEE STATEMENT
LB116

Hearing Date: Tuesday February 12, 2019
Committee On: Banking, Commerce and Insurance
Introducer: Kolterman
One Liner: Authorize electronic delivery of insurance policies and billing information to insureds

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye:	7	Senators Gragert, Kolterman, La Grone, Lindstrom, McCollister, Quick, Williams
Nay:		
Absent:	1	Senator Howard
Present Not Voting:		

Oral Testimony:

Proponents:

Senator Mark Kolterman
Korby Gilbertson
Coleen Nielsen

Robert Bell

Opponents:

Neutral:

Representing:

Introducer
American Property Casualty Insurance Association
State Farm Insurance Companies, NE Insurance Information Service
NE Insurance Federation

Representing:

Representing:

Summary of purpose and/or changes:

This bill would enact two sections to authorize electronic mailing, delivery, or posting by insurers of notices or documents.

Section 1 would provide that (1) any notice to a party or (2) any document required in an insurance transaction or that serves as evidence of coverage may be delivered, stored, and presented by electronic means. "Party" would be defined as a recipient of a notice or document required as part of a first-party insurance transaction, such as an applicant, an insured, or a policyholder. Delivery of a notice or document in accordance with this section would be equivalent to any delivery method required by law, including delivery by first-class mail, registered mail, certified mail, or a commercial mail delivery service. The electronic delivery method used must provide for verification or acknowledgment of receipt in instances in which proof of receipt is required for a mailing. A notice or document may be delivered by electronic means by an insurer to a party if the party has affirmatively consented to such method of delivery and has not withdrawn the consent. This section would provide that an insurer shall not be subject to civil liability for any harm or injury that occurs as a result of a party's election to receive any notice or document by electronic means or by the insurer's failure to deliver a notice or document by electronic means.

Section 2 would provide that property and casualty insurance policies and endorsements that do not contain personally identifiable financial information may be mailed, delivered, or posted on the insurer's web site. This section would

provide that a policy and endorsements must be accessible to the insured and the insurer. Expired policies and endorsements must be archived and available for five years. Policies and endorsements must be printable. A paper policy and endorsements must be mailed without charge by the insurer to the insured upon request.

Explanation of amendments:

The bill provides that delivery of a notice or document in accordance with it shall be considered equivalent to any delivery method required under applicable law, including delivery by first-class mail, registered mail, certified mail, or a commercial mail delivery service. The committee amendments would add delivery by certificate of mailing to these methods. The committee amendments would strike provisions stating that a certificate of mailing shall be filed with the court.

The committee amendments would insert references to "producer" in addition to or in substitution of references to "insurer" where appropriate. In the insurance statutes, agents and brokers are producers.

The committee amendments would provide that the bill applies to life insurance policies and annuity contracts as well as property and casualty insurance policies.

Matt Williams, Chairperson