

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT
LB21

Hearing Date: Monday January 25, 2021
Committee On: Banking, Commerce and Insurance
Introducer: Williams
One Liner: Change insurance provisions regarding administrative penalties, health maintenance organizations, and continuing education

Roll Call Vote - Final Committee Action:

Advanced to General File

Vote Results:

Aye: 8 Senators Aguilar, Bostar, Flood, Lindstrom, McCollister, Pahls, Slama, Williams

Nay:

Absent:

Present Not Voting:

Oral Testimony:

Proponents:

Senator Matt Williams
Bruce Ramage
Robert Bell

Representing:

Introducer
Department of Insurance
Nebraska Insurance Federation

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

This bill, introduced at the request of the Director of Insurance, would make clean-up changes in three areas of the insurance statutes. It would (a) correct provisions, in contravention of the state constitution, prescribing the distribution of administration penalties; (b) eliminate confusion regarding continuing education requirements for insurance agents operating under their initial license; and (c) remove a superfluous requirement regarding approval of certain HMO applications. The bill would provide, section by section, as follows:

Section 1 would amend section 44-322 to correct provisions prescribing where fines collected by the Department of Insurance for failure by insurance companies to file an annual statement shall be remitted.

Section 2 would amend section 44-3,127 to correct provisions prescribing where all fines and penalties collected by the Department of Insurance shall be remitted.

Section 3 would amend section 44-32,119 to eliminate a superfluous requirement that a particular type of HMO receive prior Department of Health and Human Services approval before a certificate of authority can be issued by the Director of

Insurance.

Section 4 would amend section 44-3902 of the agent continuing education statutes to revise the definition of "two-year period" to clarify that it means the period commencing on the date of licensing and ending on the date of expiration of the agent's first license and each succeeding twenty-four-month period beginning on the date of expiration of the agent's first license regardless of the time period such license is in effect.

Section 5 would amend section 44-3903 of the agent continuing education statutes to provide that those statutes shall not apply to agents in their first license period if that license expires less than one year after the date of licensing.

Section 6 would amend section 44-5814 of the Third-Party Administrator Act to correct provisions prescribing where fines collected by the Director of Insurance for failure by a third-party administrator to file an annual report shall be remitted.

Section 7 would provide for repealers.

Matt Williams, Chairperson