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LEGISLATURE OF NEBRASKA

ONE HUNDRED NINTH LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1062

Introduced by Bostar, 29.

Read first time January 14, 2026

Committee: Banking, Commerce and Insurance

A BILL FOR AN ACT relating to insurance; to amend sections 44-150, 44-4055, 44-4059, and 44-4064, Reissue Revised Statutes of Nebraska, and section 44-4605, Revised Statutes Cumulative Supplement, 2024; to change provisions relating to reciprocal licenses and retaliatory measures; to change provisions relating to nonresident license requirements and the process for issuance, verification, and termination of such licenses under the Insurance Producers Licensing Act; to change fees under the Insurance Producers Licensing Act; to provide certain penalties and require notification of certain material changes under the Pharmacy Benefit Manager Licensure and Regulation Act; and to repeal the original sections.

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

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Section 1. Section 44-150, Reissue Revised Statutes of Nebraska, is amended to read:

44-150 (1) When by or pursuant to the laws of any other state or foreign country any taxes, licenses and other fees, in the aggregate, or any fines, penalties, deposit requirements, or other material obligations, prohibitions, or restrictions, are or would be imposed upon Nebraska insurers, or upon the agents or representatives of such insurers, which are in excess of such taxes, licenses and other fees, in the aggregate, or which are in excess of the fines, penalties, deposit requirements, or other obligations, prohibitions, or restrictions directly imposed upon similar insurers, or upon the agents or representatives of such insurers, of such other state or country under the statutes of this state, so long as such laws of such other state or country continue in force or are so applied, the same taxes, licenses and other fees, in the aggregate, or fines, penalties, deposit requirements, or other material obligations, prohibitions, or restrictions of whatever kind shall be imposed by the Director of Insurance upon the insurers, or upon the agents or representatives of such insurers, of such other state or country doing business or seeking to do business in Nebraska. Any tax, license or other fee, or other obligation imposed by any city, county, or other political subdivision or agency of such other state or country on Nebraska insurers or their agents or representatives shall be deemed to be imposed by such state or country within the meaning of this section.

(2) This section shall not apply as to personal income taxes, nor as to ad valorem taxes on real or personal property nor as to special-purpose obligations or assessments heretofore imposed by another state in connection with particular kinds of insurance, other than property insurance; except that deductions, from premium taxes or other taxes otherwise payable, allowed on account of real estate or personal property taxes paid shall be taken into consideration by the Director of Insurance in determining the propriety and extent of retaliatory action under this

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section.

~~(3) Nothing in this section shall require retaliatory action because of fees, obligations, or prohibitions imposed on Nebraska insurance producers licensed pursuant to the Insurance Producers Licensing Act.~~

(3) ~~(4)~~ For the purposes of this section the domicile of an alien insurer, other than insurers formed under the laws of Canada, shall be that state designated by the insurer in writing filed with the Director of Insurance at time of admission to this state or within twelve months after September 28, 1959, whichever date is the later, and may be any one of the following states: (a) That in which the insurer was first authorized to transact insurance; (b) that in which is located the insurer's principal place of business in the United States; or (c) that in which is held the larger deposit of trusteed assets of the insurer for the protection of its policyholders and creditors in the United States.

If the insurer makes no such designation its domicile shall be deemed to be that state in which is located its principal place of business in the United States.

In the case of an insurer formed under the laws of Canada or a province thereof, its domicile shall be deemed to be that province in which its head office is situated.

Sec. 2. Section 44-4055, Reissue Revised Statutes of Nebraska, is amended to read:

44-4055 (1) Unless denied licensure pursuant to section 44-4059, a nonresident person shall receive a nonresident insurance producer license if:

(a) The person is currently licensed as a resident and in good standing in his or her home state;

(b) The person has submitted the proper request for licensure and has paid the fees required by section 44-4064;

(c) The person has submitted or transmitted to the director the application for licensure that the person submitted to his or her home

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state, or in lieu of the same, a completed uniform application; and

(d) The person's home state awards nonresident producer licenses to residents of this state on the same basis.

(2) The director may verify the insurance producer's licensing status through the producer database maintained by the National Association of Insurance Commissioners, ~~or~~ its affiliates or subsidiaries, or any successor, or by contacting the person's home state regulator.

(3) A nonresident insurance producer who moves from one state to another state or a resident producer who moves from this state to another state shall file a change of address and provide certification from the new resident state within thirty days of the change of legal residence. No fee or license application is required for the filing of the change of address.

(4) Notwithstanding any other provision of the Insurance Producers Licensing Act, a person licensed as a surplus lines insurance producer in his or her home state shall receive a nonresident surplus lines producer license pursuant to subsection (1) of this section. Except as to subsection (1) of this section, nothing in this section otherwise amends or supersedes any provision of the Surplus Lines Insurance Act.

(5) Notwithstanding any other provisions of the Insurance Producers Licensing Act, a person licensed as a limited line credit insurance producer, a limited line pre-need funeral insurance producer, or other type of limited lines producer in his or her home state shall receive a nonresident limited lines insurance producer license, pursuant to subsection (1) of this section, granting the same scope of authority as granted under the license issued by the producer's home state.

(6) If a nonresident licensee's license or authority in the licensee's home state is no longer active, whether as a result of suspension, revocation, termination, lapse, voluntary surrender, or other action by the home state regulator, the director may cancel the

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nonresident licensee's license or authority granted in this state by sending an order of license revocation to the licensee. The licensee may make written demand upon the director within thirty days after receiving such order of license revocation for a hearing before the director to (a) provide proof the licensee is currently licensed as a resident and in good standing in his or her home state or (b) provide proof of a license granted in accordance with subsection (3) of this section. Such hearing shall be held within thirty days after the date a request for hearing is received and shall be held pursuant to the Administrative Procedure Act. If no hearing is requested within thirty days after receipt of an order of license revocation, the order of license revocation shall become a final order.

Sec. 3. Section 44-4059, Reissue Revised Statutes of Nebraska, is amended to read:

44-4059 (1) The director may suspend, revoke, or refuse to issue or renew an insurance producer's license or may levy an administrative fine in accordance with subsection (5) ~~(4)~~ of this section, or any combination of actions, for any one or more of the following causes:

(a) Providing incorrect, misleading, incomplete, or materially untrue information in the license application;

(b) Violating any insurance law or violating any rule, regulation, subpoena, or order of the director or of another state's insurance commissioner or director;

(c) Obtaining or attempting to obtain a license through misrepresentation or fraud;

(d) Improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business;

(e) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance;

(f) Having been convicted of a felony or a Class I, II, or III misdemeanor;

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(g) Having admitted or been found to have committed any insurance unfair trade practice, any unfair claims settlement practice, or fraud;

(h) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere;

(i) Having an insurance producer license, or its equivalent, denied, suspended, placed on probation, or revoked in Nebraska or in any other state, province, district, or territory;

(j) Forging another's name to an application for insurance or to any document related to an insurance transaction;

(k) Improperly using notes or any other reference material to complete an examination for an insurance license;

(l) Knowingly accepting insurance business from an individual who is not licensed;

(m) Failing to comply with an administrative or court order imposing a child support obligation pursuant to the License Suspension Act; and

(n) Failing to pay state income tax or comply with any administrative or court order directing payment of state income tax. ~~; and~~

(2) If the director has notice that a nonresident licensee failed to maintain, in good standing, a resident license in the insurance producer's home state, the nonresident license shall be automatically revoked by the director and the director shall not be required to issue an order of license revocation in accordance with subsection (6) of section 44-4055 or renew such license.

~~(o) Failing to maintain in good standing a resident license in the insurance producer's home state.~~

(3) ~~(2)~~ If the director does not renew or denies an application for a license, the director shall notify the applicant or licensee and advise, in writing, the applicant or licensee of the reason for the denial or nonrenewal of the applicant's or licensee's license. The

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applicant or licensee may make written demand upon the director within thirty days for a hearing before the director to determine the reasonableness of the director's action. The hearing shall be held within thirty days and shall be held pursuant to the Administrative Procedure Act.

(4) ~~(3)~~ The license of a business entity may be suspended, revoked, or refused if the director finds, after notice and hearing, that an individual licensee's violation was known or should have been known by one or more of the partners, officers, or managers acting on behalf of the business entity and the violation was neither reported to the director nor corrective action taken.

(5) ~~(4)~~ In addition to or in lieu of any applicable denial, suspension, or revocation of a license, any person violating the Insurance Producers Licensing Act may, after notice and hearing, be subject to an administrative fine of not more than one thousand dollars per violation. Such fine may be enforced in the same manner as civil judgments. Any person charged with a violation of the act may waive his or her right to a hearing and consent to such discipline as the director determines is appropriate. The Administrative Procedure Act shall govern all hearings held pursuant to such act.

(6) ~~(5)~~ The director shall retain the authority to enforce the provisions of and impose any penalty or remedy authorized by the Insurance Producers Licensing Act against any person who is under investigation for or charged with a violation of the act even if the person's license or registration has been surrendered or has lapsed by operation of law. No disciplinary proceeding shall be instituted against any licensed person after the expiration of three years from the termination of such license.

Sec. 4. Section 44-4064, Reissue Revised Statutes of Nebraska, is amended to read:

44-4064 (1) Before any license or appointment is issued or renewed

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under the Insurance Producers Licensing Act or before any appointment is terminated, the person requesting such license shall pay or cause to be paid to the director the following fee or fees, if applicable, as established by the director:

(a) For each insurance producer license, a fee not to exceed one hundred dollars, except that if any other state imposes additional or greater fees, obligations, or prohibitions on Nebraska resident insurance producers, then such additional greater fees, obligations, or prohibitions shall be imposed upon similar insurance producers of such other state applying for a license in Nebraska;

(b) For each annual appointment, a fee not to exceed ten dollars;

(c) For each termination of an appointment, a fee not to exceed ten dollars;

(d) A late renewal fee not to exceed one hundred twenty-five dollars;

(e) A reinstatement fee not to exceed one hundred seventy-five dollars; and

(f) For each business entity license, a fee not to exceed fifty dollars, except that if any other state imposes additional or greater fees, obligations, or prohibitions on Nebraska business entities, then such additional greater fees, obligations, or prohibitions shall be imposed upon similar business entities of such other state applying for a license in Nebraska.

(2) If a licensed person (a) desires to add a line or lines of insurance to his or her existing license, (b) seeks to change any other information contained in the license for any reason, or (c) applies for a duplicate license, such person shall pay to the director a fee established by the director to cover the expense of replacing the license.

(3) The director shall not prorate fees imposed pursuant to subsection (1) of this section and shall not refund fees to any person in

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the event of a license denial. The director may refund fees paid pursuant to this section if the payment has been made in error.

Sec. 5. Section 44-4605, Revised Statutes Cumulative Supplement, 2024, is amended to read:

44-4605 (1) A person shall not establish or operate as a pharmacy benefit manager in this state for a health benefit plan without first obtaining a license from the director under the Pharmacy Benefit Manager Licensure and Regulation Act.

(2) The director may adopt and promulgate rules and regulations establishing the licensing application, financial, and reporting requirements for pharmacy benefit managers under the act.

(3) A person applying for a pharmacy benefit manager license shall submit an application for licensure in the form and manner prescribed by the director.

(4) A person submitting an application for a pharmacy benefit manager license shall include with the application a nonrefundable application fee. The director shall establish the nonrefundable application fee in an amount not to exceed five hundred dollars.

(5) The director may refuse to issue or renew a license if the director determines that the applicant or any individual responsible for the conduct of affairs of the applicant is not competent, trustworthy, financially responsible, or of good personal and business reputation, has been found to have violated the insurance laws of this state or any other jurisdiction, or has had an insurance or other certificate of authority or license denied or revoked for cause by any jurisdiction.

(6)(a) Unless surrendered, suspended, or revoked by the director, a license issued under this section is valid as long as the pharmacy benefit manager continues to do business in this state and remains in compliance with the provisions of the act and any applicable rules and regulations, including the completion of a renewal application on a form prescribed by the director and payment of an annual license renewal fee.

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The director shall establish the annual license renewal fee in an amount not to exceed two hundred fifty dollars.

(b) Such application and renewal fee shall be received by the director on or before thirty days prior to the anniversary of the effective date of the pharmacy benefit manager's initial or most recent license.

(c) Subject to subdivision (6)(d) of this section, if a pharmacy benefit manager fails to comply with subdivision (6)(b) of this section:

(i) Such pharmacy benefit manager shall pay a fine of one hundred dollars for each day such failure continues and the pharmacy benefit manager continues to transact any business in this state; and

(ii) In addition to the fine required under subdivision (6)(c)(i) of this section, if the renewal application and fee are not received prior to the anniversary of the effective date of the pharmacy benefit manager's initial or most recent license, the pharmacy benefit manager's license shall be suspended until the pharmacy benefit manager has complied with subdivision (6)(b) of this section, any rules and regulations adopted and promulgated under this section, and any orders issued under this section. The director shall remit all such fines to the State Treasurer for distribution in accordance with Article VII, section 5, of the Constitution of Nebraska.

(d) For good and sufficient cause shown, the director may grant a reasonable extension of time not to exceed thirty days within which the renewal application and fee may be filed as required under subdivision (6)(b) of this section without the fine required under subdivision (6)(c)(i) of this section and without any suspension authorized under subdivision (6)(c)(ii) of this section.

(7) A pharmacy benefit manager shall immediately notify the director of any material change in its ownership or control or other fact or circumstance affecting its qualification for a license as a pharmacy benefit manager in this state.

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Sec. 6. Original sections 44-150, 44-4055, 44-4059, and 44-4064, Reissue Revised Statutes of Nebraska, and section 44-4605, Revised Statutes Cumulative Supplement, 2024, are repealed.