

## LEGISLATIVE BILL 425

Approved by the Governor April 7, 1973

Introduced by R. Lewis, 38

AN ACT relating to insurance; to provide for unauthorized transactions; and to provide penalties.  
Be it enacted by the people of the State of Nebraska,

Section 1. No domestic insurer shall enter into any contract of insurance upon the life or person of a resident of a reciprocal state, or covering property or risks located in a reciprocal state, unless the insurer is authorized pursuant to the laws of such reciprocal state to do business therein, except that a domestic insurer may:

(a) Enter into a contract when the prospective insured is personally present in the state in which the insurer is authorized to do business when he signs the application;

(b) Issue a certificate under any lawfully transacted group life or group disability policy, when the master policy is entered into in a state in which the insurer is authorized to do business;

(c) Make a contract pursuant to a pension or retirement plan of an employer when such contract is applied for in a state where the employer is personally present or doing business and the insurer is authorized to do business; and

(d) Renew, reinstate, convert, or continue in force, with or without modification, any contract otherwise lawfully entered into and which was not originally entered into in violation of this section.

Sec. 2. Reciprocal state as used in this act shall mean any state, the laws of which prohibit an insurer organized under the laws of that state from insuring the lives or property of persons resident or located in Nebraska, unless such insurer is authorized pursuant to the laws of this state to do business in this state.

Sec. 3. The department shall annually mail to every domestic insurer a notice specifying the several reciprocal states.

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Sec. 4. Any domestic insurer who transacts any unauthorized act of insurance business as regulated by this act shall be guilty of a misdemeanor and shall, upon conviction thereof, be fined not more than ten thousand dollars.