

COMMITTEE STATEMENT

LB 260

HEARING DATE: January 25, 1999

COMMITTEE ON: Banking, Commerce, and Insurance

TITLE: (Landis) Change insurance agent, broker, and agency licensing provisions

ROLL CALL VOTE – FINAL COMMITTEE ACTION

X Advanced to General File

Advanced to General File with Amendments

Indefinitely Postponed

Vote Results:

7	Yes	Senators Landis, Tyson, Bourne, Byars, Jensen, Kremer, Schmitt
	No	
	Present, not voting	
1	Absent	Senator Bruning

PROPOSERS

Senator David Landis
Tim Wagner, Director
Marcia Merrill

REPRESENTING

Introducer
NE Department of Insurance
Independent Insurance Agents of NE

OPPOSERS

REPRESENTING

NEUTRAL

Joe Elliott

REPRESENTING

Professional Insurance Agents Association

SUMMARY OF PURPOSE AND/OR CHANGES:

LB 260 (Landis) would amend various sections of statute regarding insurance agents, brokers, and consultants. The bill was developed by the Department of Insurance with the assistance of a task force assembled by the Director of Insurance pursuant to legislative study resolution LR 416 (Landis).

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The bill, section by section:

RETALIATION

Section 1. would amend section 44-150 to provide that retaliatory action shall not be required because of fees, obligations, or prohibitions imposed on Nebraska resident agents, brokers, or agencies licensed under the Insurance Producers Licensing Act (sections 44-4001 to 44-4045);

INSURANCE CONSULTANTS

Sections 2 and 3. would amend sections 44-2627 and 44-2628 of the insurance consultants statutes to establish a procedure for reissuance of individual consultant licenses within the thirty-day period after their expiration dates upon payment of a “late” reissuance fee as established by the Director of Insurance not to exceed one hundred twenty-five dollars in addition to the regular reissuance fee;

CONTINUING EDUCATION

Section 4. would amend section 44-3902 of the insurance licensees (agents, brokers, consultants) continuing education statutes to repeal obsolete language;

Section 5. would amend section 44-3904 of the insurance licensees (agents, brokers, consultants) continuing education statutes to:

(1) reduce the continuing education requirement for property and casualty licensees and for licensees who are neither agents nor brokers from twenty-four hours to twenty-one hours in each two-year period; and

(2) reduce the continuing education requirement for licensees for insurance industry ethics from six hours to three hours in each two-year period (The continuing education requirement for insurance industry ethics for licensees qualified to solicit only crop insurance, only fidelity and surety insurance, or only title insurance under current law is already only three hours in each two-year period.);

Section 6. would amend section 44-3905 of the insurance licensees (agents, brokers, consultants) continuing education statutes to provide that the Director of Insurance shall refuse to certify as approved any continuing education activity if sponsors associated with such continuing education activity are not on a list of approved continuing education sponsors maintained by the director. The director shall require a nonrefundable fee as established by the director not to exceed two hundred dollars for approval of any continuing education sponsor. The director may impose an administrative penalty not to exceed two hundred dollars per violation, and may remove a continuing education sponsor from the approved continuing education sponsor list if the director determines that the continuing education sponsor has committed a violation enumerated in this section;

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PRODUCERS LICENSING

Section 7. would amend section 44-4005.01 of the Insurance Producers Licensing Act to reduce the pre-licensing education requirement for an individual seeking a life insurance and annuities license or for an individual seeking a sickness, accident, and health insurance license from twenty-four hours to fourteen hours of education in the particular subject area;

Section 8. would amend section 44-4005.04 of the Insurance Producers Licensing Act to require applicants for a license to submit an application within one year after the date of obtaining a certificate of completion of the pre-licensing education requirements;

Section 9. would amend section 44-4010 of the Insurance Producers Licensing Act to require payment of a reinstatement fee (as established by the Director of Insurance not to exceed one hundred seventy-five dollars) for issuance without examination to an applicant for an agent's license covering the same line or lines of insurance for which the applicant was licensed under a like license in this state within the thirty-six months preceding the date of application;

Section 10. would amend section 40-4013 of the Insurance Producers Licensing Act to repeal authority for retaliatory countersignature of policies;

Section 11. would amend section 40-4015 of the Insurance Producers Licensing to establish a procedure for renewal of individual agent and broker licenses within the thirty-day period after their expiration dates upon payment of a "late" renewal fee (as established by the Director of Insurance not to exceed one hundred twenty-five dollars) in addition to the regular renewal fee;

Section 12. would amend section 44-4019 of the Insurance Producers Licensing Act to (1) add to this section's fee schedule a late renewal fee and a reinstatement fee; and (2) repeal provisions which require retaliatory producer fees;

Section 13. would amend section 44-4028 of the Insurance Producers Licensing Act to authorize the Director of Insurance to revoke or suspend a person's license or place a licensed person on probation if the director determines such person has obtained a loan from an insurance client that is not a financial institution and who is not related to the licensed person by birth, marriage, or adoption;

Section 14. would amend section 44-4041 of the Insurance Producers Act to repeal provisions which require retaliatory countersignature of policies;

SURPLUS LINES LICENSES

Section 15. would amend section 44-5504 of the Surplus Lines Insurance Act to establish a procedure for renewal of individual surplus lines licenses within the thirty-day period after their expiration dates upon payment of a "late" renewal fee as established by

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the Director of Insurance not to exceed two hundred dollars in addition to the regular renewal fee;

TECHNICAL

Section 16. would provide repealers; and

OUTRIGHT REPEALER

Section 17. would outright repeal section 44-4415 of the Risk Retention Act regarding countersignature of policies of insurance issued to risk retention groups.

EXPLANATION OF AMENDMENTS, IF ANY:

Senator David Landis