

ONE HUNDRED FIFTH LEGISLATURE - SECOND SESSION - 2018
COMMITTEE STATEMENT
LB1012

Hearing Date: Tuesday January 30, 2018
Committee On: Banking, Commerce and Insurance
Introducer: Harr
One Liner: Authorize self-service storage facility operator insurance producer licenses

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

Vote Results:

Aye: 8 Senators Baker, Brewer, Harr, Kolterman, Lindstrom, McCollister, Schumacher, Williams
Nay:
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:

Senator Burke Harr
Joseph Doherty
Bill Lange

Representing:

Introducer
Self Storage Assn.
NE Self Storage Owners Assn.

Opponents:

Representing:

Neutral:

Director Bruce Ramage

Representing:

NE Dept. of Insurance

Summary of purpose and/or changes:

This bill would enact a new section in the Insurance Producers Licensing Act to provide that the Director of Insurance may issue to the operator of a self-service storage facility a limited license to act as an insurance producer to provide insurance coverage for the loss of, or damage to, tangible personal property that is contained in storage space or in transit during a rental agreement period.

The bill would require a license issued by the director, payment of application and renewal fees, maintenance with the director of an updated list of all self-service storage facilities and of all employees of the limited licensee who may act on behalf and under the supervision of the limited licensee, and establishment by the limited licensee of an employee training program meeting minimum standards set out in the bill. The bill would provide that a limited licensee shall not offer or sell the insurance specified in the bill except in conjunction with and incidental to a rental agreement; advertise itself or its employees as insurers or licensed producers; pay any additional compensation, fee, or commission dependent on placement of insurance; or require the purchase of insurance from the limited licensee as a condition of rental of leased space at a self-service storage facility.

The bill would provide that limited licensees are not subject to requirements for insurance producer pre-licensing education, examination, licensing, and continuing education.

Explanation of amendments:

The committee amendments would strike provisions which would exempt limited licensees from the requirements of sections 44-4053 and 44-4054 regarding applications for and issuance of licenses.

The committee amendments would provide that a limited licensee shall provide the Director of Insurance with an updated list of facilities and employees "quarterly" rather than "annually".

The committee amendments would provide that required written disclosures provided by a limited licensee to an occupant must include the identity of any third-party administrator or supervising entity authorized to act on behalf of the insurer. The required written disclosure that insurance offered by a limited licensee may duplicate an occupant's homeowner's policy must be prominently displayed in at least twelve-point bold type. Disclosures must include statements that insurance offered by limited licensees in not automobile liability coverage and that a limited licensee's employee, if not a licensed producer, may not evaluate or interpret the technical terms, benefits, or conditions of insurance offered by limited licensees and may not evaluate or provide advice concerning an occupant's existing insurance coverage.

The committee amendments would provide that the employee training program required by the bill must be submitted by the limited licensee to the Director of Insurance for approval.

The committee amendments would provide for a delayed operative date of October 1, 2018.

Brett Lindstrom, Chairperson