

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 486

FINAL READING

Introduced by Kolterman, 24.

Read first time January 17, 2017

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to insurance; to amend sections 44-3902 and
- 2 44-3905, Reissue Revised Statutes of Nebraska, and section 44-3904,
- 3 Revised Statutes Cumulative Supplement, 2016; to define terms; to
- 4 change continuing education requirements; to provide powers and
- 5 duties; and to repeal the original sections.
- 6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-3902, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 44-3902 For purposes of sections 44-3901 to 44-3908, unless the
4 context otherwise requires:

5 (1) Active participation means either (a) attendance at formal
6 meetings of a professional insurance association where a formal business
7 program is presented, (b) service on the board of directors or a formal
8 committee of a professional insurance association and involvement in the
9 activities of such board or committee, or (c) participation in industry,
10 regulatory, or legislative meetings held by or on behalf of a
11 professional insurance association;

12 (2) Department means the Department of Insurance;

13 (3) Director means the Director of Insurance;

14 (4) ~~(1)~~ Licensee means shall mean a natural person who is licensed
15 by the department as a resident insurance producer or consultant;

16 ~~(2) Director shall mean the Director of Insurance;~~

17 ~~(3) Department shall mean the Department of Insurance; and~~

18 (5) Professional insurance association means a state or national
19 membership organization that offers courses, lectures, seminars, or other
20 instructional programs certified by the director as approved continuing
21 education activities pursuant to section 44-3905, is organized as an
22 association or corporation for the express purpose of promoting the
23 interests of insurance licensees in this state or nationally, and is
24 based on paid membership renewable annually or biennially for a
25 membership fee; and

26 (6) ~~(4)~~ Two-year period means shall mean the period commencing on
27 the date of licensing and ending on the date of expiration of the
28 licensee's first license effective for not less than two years and each
29 succeeding twenty-four-month period.

30 Sec. 2. Section 44-3904, Revised Statutes Cumulative Supplement,
31 2016, is amended to read:

1 44-3904 (1)(a)(i) Licensees qualified to solicit property and
2 casualty insurance shall be required to complete twenty-one hours of
3 approved continuing education activities in each two-year period
4 commencing before January 1, 2010. Licensees qualified to solicit life,
5 accident and health or sickness, property, casualty, or personal lines
6 property and casualty insurance shall be required to complete six hours
7 of approved continuing education activities for each line of insurance,
8 including each miscellaneous line, in which he or she is licensed in each
9 two-year period commencing before January 1, 2010. Licensees qualified to
10 solicit life, accident and health or sickness, property, casualty, or
11 personal lines property and casualty insurance shall be required to
12 complete twenty-one hours of approved continuing education activities in
13 each two-year period commencing on or after January 1, 2010.

14 (ii) Licensees qualified to solicit only crop insurance shall be
15 required to complete three hours of approved continuing education
16 activities in each two-year period.

17 (iii) Licensees qualified to solicit only limited line pre-need
18 funeral insurance shall be required to complete (A) three hours of
19 approved continuing education activities in each two-year period if such
20 licensee holds a license as a funeral director and embalmer under the
21 Funeral Directing and Embalming Practice Act or (B) six hours of approved
22 continuing education activities in each two-year period if such licensee
23 does not hold a license as a funeral director and embalmer under the
24 Funeral Directing and Embalming Practice Act.

25 (iv) Licensees qualified to solicit any lines of insurance other
26 than those described in subdivisions (i), (ii), and (iii) of subdivision
27 (a) of this subsection shall be required to complete six hours of
28 approved continuing education activities in each two-year period for each
29 line of insurance, including each miscellaneous line, in which he or she
30 is licensed. Licensees qualified to solicit variable life and variable
31 annuity products shall not be required to complete additional continuing

1 education activities because the licensee is qualified to solicit
2 variable life and variable annuity products.

3 (b) Licensees who are not insurance producers shall be required to
4 complete twenty-one hours of approved continuing education activities in
5 each two-year period commencing on or after January 1, 2000.

6 (c) In each two-year period, every licensee shall furnish evidence
7 to the director that he or she has satisfactorily completed the hours of
8 approved continuing education activities required under this subsection
9 for each line of insurance in which he or she is licensed as a resident
10 insurance producer, except that no licensee shall be required to complete
11 more than twenty-four cumulative hours required under this subsection in
12 any two-year period commencing on or after January 1, 2000.

13 (d) A licensee shall not repeat a continuing education activity for
14 credit within a two-year period.

15 (2) In each two-year period, licensees required to complete approved
16 continuing education activities under subsection (1) of this section
17 shall, in addition to such activities, be required to complete three
18 hours of approved continuing education activities on insurance industry
19 ethics.

20 (3)(a) Active participation may be approved for up to six hours of
21 continuing education credit to be applied to the twenty-one-hour
22 requirement in subdivision (1)(a)(i) of this section or to the twenty-
23 one-hour requirement in subdivision (1)(b) of this section for life,
24 accident and health or sickness, property, casualty, and personal lines
25 property and casualty insurance for each two-year period for a licensee
26 who is a member of a professional insurance association. A licensee may
27 not use continuing education credit granted for active participation to
28 satisfy other continuing education requirements or the requirement in
29 subsection (2) of this section for three hours of approved continuing
30 education activities on insurance industry ethics. Regardless of the
31 number of associations in which a licensee has demonstrated active

1 participation, a licensee shall not be granted more than six credit hours
2 of continuing education credit for active participation for each two-year
3 period.

4 (b) Each professional insurance association shall verify active
5 participation separately for each licensee in the form and manner
6 prescribed by the director. Upon receipt of such verification and
7 payment, the director shall grant continuing education hours.

8 (4) {3} When the requirements of this section have been met, the
9 licensee shall furnish to the department evidence of completion for the
10 current two-year period.

11 Sec. 3. Section 44-3905, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 44-3905 (1)(a) The director shall certify as approved continuing
14 education activities those courses, lectures, seminars, or other
15 instructional programs which he or she determines would be beneficial in
16 improving the product knowledge or service capability of licensees,
17 except that on and after January 1, 2000, the director shall refuse to
18 certify as approved any continuing education activity if the sponsors
19 associated with such continuing education activity are not on the list of
20 approved continuing education sponsors maintained pursuant to subdivision
21 (b) of this subsection. The director may require descriptive information
22 about any continuing education activity and refuse approval of any
23 continuing education activity that does not advance the purposes of
24 sections 44-3901 to 44-3908. The director shall require a nonrefundable
25 fee as established by the director not to exceed fifty dollars for review
26 of any continuing education activity submitted for approval.

27 (b) The director shall maintain a list of persons or entities that
28 the director has approved as continuing education sponsors. Such persons
29 or entities shall meet the qualifications for continuing education
30 sponsors established by the director. The director may require such
31 information about any continuing education sponsor as is necessary to

1 determine whether the continuing education sponsor has met such
2 qualifications. The director shall require a nonrefundable fee as
3 established by the director not to exceed two hundred dollars for
4 approval of any continuing education sponsor. The director may impose an
5 administrative penalty not to exceed two hundred dollars per violation,
6 and, in addition, may remove a continuing education sponsor from the
7 approved continuing education sponsor list, after notice and hearing, if
8 the director determines that the continuing education sponsor has:

9 (i) Failed to maintain compliance with qualifications established by
10 the director pursuant to subdivision (1)(b) of this section;

11 (ii) Advertised, prior to approval, that a course is approved;

12 (iii) Advertised a course in a materially misleading manner;

13 (iv) Submitted a course outline with material inaccuracies in topic
14 content;

15 (v) Presented nonapproved material during the time of an approved
16 course;

17 (vi) Failed to notify course registrants of removal of course
18 approval;

19 (vii) Changed the program teaching method or program content in a
20 material manner without notice to the director;

21 (viii) Failed to present a course for the total amount of time
22 specified in the request for course approval forms submitted to the
23 department;

24 (ix) Failed to issue certificates of completion to all individuals
25 who have satisfactorily completed the approved course;

26 (x) Issued a certificate of completion to an individual who did not
27 complete the approved course;

28 (xi) Issued an inaccurate or incomplete certificate of completion;

29 (xii) Failed to maintain records of certificates issued;

30 (xiii) Failed to report disciplinary action taken by another state
31 licensing authority;

1 (xiv) Committed improprieties in connection with the classification,
2 application for certification, maintenance of records, teaching method,
3 program content, or issuance of certificates for a course or program; or

4 (xv) Failed to respond to the department within fifteen working days
5 after receipt of an inquiry from the department.

6 (2) The director shall certify the number of hours to be awarded for
7 participation in an approved continuing education activity based upon
8 contact or classroom hours.

9 (3) The director shall certify the number of hours to be awarded for
10 successful completion of a correspondence course or program of
11 independent study based upon the number of hours which would be awarded
12 in an equivalent classroom course or program.

13 (4) The director shall approve the types of associations that meet
14 the requirements of professional insurance associations upon application
15 of an association and may establish reasonable requirements for active
16 participation. The director may require an approved association to
17 provide additional information to the director so that the director may
18 determine whether or not the association continues to meet the
19 requirements of a professional insurance association.

20 Sec. 4. Original sections 44-3902 and 44-3905, Reissue Revised
21 Statutes of Nebraska, and section 44-3904, Revised Statutes Cumulative
22 Supplement, 2016, are repealed.