

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1073

Introduced by Slama, 1.

Read first time January 09, 2024

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to the Third-Party Administrator Act; to amend
- 2 section 44-5807, Reissue Revised Statutes of Nebraska; to change
- 3 provisions relating to onsite audits of the operations of third-
- 4 party administrators; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-5807, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 44-5807 (1) If an insurer utilizes the services of a third-party
4 administrator, the insurer shall be responsible for determining the
5 benefits, premium rates, underwriting criteria, and claims-payment
6 procedures and for securing reinsurance, if any. The rules pertaining to
7 these matters shall be provided, in writing, by the insurer to the third-
8 party administrator. The responsibilities of the third-party
9 administrator as to any of these matters shall be set forth in the
10 written agreement between the third-party administrator and the insurer.

11 (2) It shall be the sole responsibility of the insurer to provide
12 for competent administration of its programs.

13 (3) In cases when a third-party administrator administers benefits
14 for more than one hundred certificate holders or subscribers on behalf of
15 an insurer, the insurer shall, at least semiannually, conduct a review of
16 the operations of the third-party administrator. The director may require
17 the insurer to conduct ~~At least one such review shall be~~ an onsite audit
18 of the operations of the third-party administrator.

19 Sec. 2. Original section 44-5807, Reissue Revised Statutes of
20 Nebraska, is repealed.