

**ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026**  
**COMMITTEE STATEMENT**  
**LB1062**

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**Hearing Date:** Tuesday February 03, 2026  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Bostar  
**One Liner:** Change provisions relating to the Insurance Producers Licensing Act and the Pharmacy Benefit Manager Licensure and Regulation Act

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

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**Vote Results:**

**Aye:** 8 Senators Jacobson, Bostar, Dungan, Hallstrom, Hardin, Riepe, von Gillern, Wordekemper  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Testimony:**

**Proponents:**

Senator Eliot Bostar  
Eric Dunning

**Representing:**

Opening Presenter  
Nebraska Department of Insurance

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

\* ADA Accommodation Written Testimony

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**Summary of purpose and/or changes:**

LB 1062 amends the powers of the Department of Insurance (DOI), the Insurance Producers Licensing Act, and the Pharmacy Benefit Manager Licensure and Regulation Act to modernize administrative and financial oversight of the insurance industry. The bill shifts Nebraska from a fixed-fee and manual verification system to one rooted in mandatory reciprocity and automated data tracking. By eliminating "safe harbor" provisions for out-of-state agents and imposing automatic penalties on Pharmacy Benefit Managers (PBMs), the legislation ensures that nonresident professionals and corporate entities are held to the same rigorous standards and financial costs that other states impose on Nebraska's own residents.

The bill also streamlines how the DOI monitors professional standing, replacing slow, paper-based disciplinary processes with self-executing triggers. If an out-of-state agent loses their home-state credentials, their Nebraska authority is now terminated automatically, moving the burden of proof from the state to the individual. Together, the five sections of the bill create a more aggressive regulatory environment designed to protect the Nebraska market from unqualified actors while ensuring that the state can effectively retaliate against jurisdictions that place excessive



burdens on Nebraska-based insurance producers.

#### Section-by-Section Summary:

Section 1: Amends Neb. Rev. Stat. § 44-150 to remove subsection (3) from the statute. This effectively subjects insurance producers to Nebraska's retaliatory fee system. Under the current law, this subsection acts as a safe harbor by stating that Nebraska is not required to take retaliatory action regarding the fees or obligations that other states impose on Nebraska insurance agents. By striking this language, the bill eliminates that specific protection and mandates that nonresident producers must now face the same financial burdens in Nebraska that their home states impose on Nebraska producers. This change ensures that the principle of reciprocity applies consistently across the insurance industry rather than being limited primarily to insurance companies.

The broader legal impact of this change is that the DOI will now be required to monitor and match the licensing fees and material obligations of other jurisdictions for individual producers. If a nonresident agent comes from a state that charges Nebraska agents a higher premium for licensing or renewal, Nebraska will legally be obligated to hike its own fees for that specific agent to reach an identical amount.

Section 2: Amends Neb. Rev. Stat. § 44-4055 to modernize and simplify the oversight of nonresident insurance agents by linking their Nebraska authority directly to their home state status. The update to subsection (2) of this section expands the Director's verification toolkit, allowing for the confirmation of an agent's standing through both the National Association of Insurance Commissioners (NAIC) database and direct communication with home state regulators. This eliminates administrative delays by enabling real-time verification and ensuring that the DOI can act on the most current information without waiting for manual certifications or paper filings from the producer.

The addition of new subsection (6) to this section introduces a mechanism that effectively makes a valid home state license a continuous requirement for maintaining authority in Nebraska. If a nonresident's home state license is revoked, suspended, or even voluntarily surrendered, the Director can issue an immediate order of revocation without the need for an independent investigation into the underlying misconduct. While this significantly speeds up disciplinary action, it maintains due process by providing the agent a 30-day window to request a hearing to prove they are actually in good standing. This shift places the burden of proof on the agent to demonstrate their eligibility, ensuring that Nebraska can quickly remove unqualified or disciplined out-of-state actors from its insurance market.

Section 3: Amends Neb. Rev. Stat. § 44-4059 to transition Nebraska from a "due process" model of license revocation to a "self-executing" administrative model for nonresident producers. By removing subdivision (1)(o) of this section which previously listed the failure to maintain a home-state license as just one of many "causes" for which the Director could choose to initiate disciplinary proceedings, the section removes that specific behavior from the standard notice-and-hearing framework. In its place, new subsection (2) of this section mandates that a nonresident license shall be automatically revoked the moment the Director receives notice that the producer is no longer in good standing in their home state.

Section 4: Amends Neb. Rev. Stat. § 44-4064 to implement a mandatory retaliatory fee structure for out-of-state insurance producers and business entities. Under the current law, Nebraska applies a fixed fee cap (such as \$100 for a producer license) regardless of where the applicant is from. The new language in subsections (1)(a) and (f) fundamentally changes this by requiring the Director to match the "additional or greater fees, obligations, or prohibitions" imposed by other states. Essentially, if a nonresident agent's home state charges a Nebraska agent \$250 for a license, Nebraska is now legally obligated to charge that specific nonresident \$250, effectively bypassing the standard \$100 cap for that individual.

Section 5: Amends Neb. Rev. Stat. § 44-4605 of the Pharmacy Benefit Manager Licensure and Regulation Act to



increase the financial and operational accountability for PBMs operating in Nebraska. By implementing a mandatory \$100-per-day fine for late renewals and an automatic license suspension upon the arrival of the license anniversary date, the state effectively removes the previous administrative flexibility that allowed PBMs to operate with expired or pending paperwork. While the Director of Insurance retains a limited "emergency brake" to grant a 30-day extension for legitimate hardships, the overall effect is to treat a PBM's failure to maintain its license as a serious violation rather than a minor clerical oversight.

Furthermore, the new reporting requirements enforce a level of corporate transparency that ensures the DOI is not caught off guard by major internal shifts. PBMs are now legally obligated to provide immediate notification of any material changes in their ownership, control, or general eligibility status. This proactive disclosure requirement prevents PBMs from operating under "ghost" ownership or failing to report disciplinary issues from other states that might affect their Nebraska standing. Taken together, these changes ensure that PBMs are subject to the same strict regulatory deadlines and transparency standards as other major financial and insurance entities in the state.

#### Section 6: Repealer

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#### **Explanation of amendments:**

AM 1859 was adopted by the committee and amends LB 1062 by adding a new section to the bill that amends Neb. Rev. Stat. § 44-1523 to redefine insurer to include a pharmacy benefit manager under the Unfair Insurance Trade Practices Act.

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Mike Jacobson, Chairperson

