

**ONE HUNDRED NINTH LEGISLATURE - SECOND SESSION - 2026**  
**COMMITTEE STATEMENT**  
**LB1138**

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**Hearing Date:** Tuesday February 03, 2026  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Hallstrom  
**One Liner:** Adopt the Nebraska Protection of Seniors from Insurance Exploitation 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 Bob Hallstrom  
Robert Bell  
Mike Herring

Eric Dunning  
Jina Ragland  
Ryan McIntosh  
Dexter Schrodt  
Ann Ames

**Opponents:**

**Neutral:**

**Representing:**

Opening Presenter  
Nebraska Insurance Federation  
National Association of Insurance and Financial Advisors of Nebraska  
Nebraska Department of Insurance  
AARP Nebraska  
Nebraska Bankers Association  
Nebraska Independent Community Bankers  
Big I Nebraska

**Representing:**

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\* ADA Accommodation Written Testimony

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

LB 1138 adopts the Nebraska Protection of Seniors from Insurance Exploitation Act (Act). The bill is designed to provide insurance companies and producers with the legal tools and immunity needed to identify, report, and temporarily halt transactions that appear to be the result of financial exploitation of "eligible adults" (seniors or vulnerable adults).

Section-by-Section Summary:



Section 1: Establishes the formal name of the Act.

Section 2: States the legislative intent of the bill, which is to provide legal protections (immunity) to insurers so they have the discretion to act against suspected financial exploitation. It clarifies that while insurers have a duty to follow customer instructions, they are also in a unique position to spot fraud.

Section 3: Provides defined terms used throughout the Act. It defines an eligible adult as someone sixty-five years of age or older or a vulnerable adult under existing Nebraska law. It also defines financial exploitation as the wrongful or unauthorized taking of money or assets through deception, intimidation, or undue influence. Other terms defined include disbursement, insurance producer, and trained individual.

Section 4: Provides that an insurer or trained individual who makes a disclosure of information pursuant to the Act, in good faith and with reasonable care, to the Director of Insurance shall be immune from administrative or civil liability that might otherwise arise from the disclosure.

Section 5: Governs the notification of third parties but includes a vital restriction. While it allows an insurer to notify a person previously designated by the eligible adult, it specifically prohibits notifying any person who is authorized to transact business on the policy if the insurer reasonably believes that person has committed or attempted the exploitation. This ensures that a suspected predator is not alerted to the fact that the insurance company is onto them. This section also states that any insurer or trained individual who makes such a disclosure in good faith and with reasonable care shall be immune from administrative or civil liability that might otherwise arise from the disclosure.

Section 6: Establishes the authority to delay transactions or disbursements. It allows an insurer to pause a request for up to fifteen business days to conduct an internal review of the suspected exploitation. If the internal review supports the suspicion, the insurer may extend the delay for an additional twenty-five or fifty-five business days (depending upon circumstances identified in Section 6). Only a court of competent jurisdiction can extend the delay further.

Section 7: Grants insurers and their trained employees immunity from administrative or civil liability for actions taken in good faith in compliance with section 6 of this Act or the Insurance Fraud Act. This protection applies to reporting suspected exploitation to the state, notifying third parties, or delaying transactions as authorized by the Act. This same immunity is granted by the Act in Section 4 and 5 of the bill as well.

Section 8: Mandates specific training requirements for insurance personnel. Every insurer must ensure that its employees and supervisors who handle transactions or investigate fraud receive instruction on how to identify the signs of financial exploitation. The training must also cover the proper internal procedures for reporting and delaying suspicious activities.

Section 9: Deals with the sharing and protection of records. It requires insurers to provide law enforcement agencies and the Department of Insurance with access to any records relevant to a suspected case of exploitation. To protect the privacy of the individuals involved, these records are generally kept confidential and are not subject to public disclosure during the investigation.

Section 10: Authorizes the Director of Insurance to adopt and promulgate any rules and regulations that are necessary to carry out the provisions of the Nebraska Protection of Seniors from Insurance Exploitation Act.

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**Explanation of amendments:**

AM 1920 was adopted by the committee and amends the original bill by doing the following:



1. Strikes original section 3 of the bill and inserts a new section adding the definition of insurer.
2. Adds clarifying language to section 7 of the bill stating that an insurer or trained individual shall be immune from any administrative or civil liability for choosing not to implement a program to comply with section 6 of the Act.
3. Creates a new subsection within section 8 of the bill stating that notwithstanding subsections (1) and (2) of section 8, an insurer shall be deemed to be in compliance with section 8 if such insurer provides antifraud training to all supervisors and employees of such insurer pursuant to the laws or regulations of this state or another state and if such training includes instruction substantially similar to the instruction described in subdivisions (l)(a) and (b) of section 8.

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Mike Jacobson, Chairperson

