

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1035

Introduced by Cavanaugh, M., 6.

Read first time January 14, 2026

Committee:

1 A BILL FOR AN ACT relating to the Property and Casualty Insurance Rate
2 and Form Act; to amend sections 44-7501 and 44-7508, Reissue Revised
3 Statutes of Nebraska; to change provisions relating to rating
4 systems under the act; to provide a limitation on the rating system
5 an insurer can file for insurance for homeowners; to harmonize
6 provisions; to repeal the original sections; and to declare an
7 emergency.

8 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 44-7501, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 44-7501 Sections 44-7501 to 44-7535 and section 2 of this act shall
4 be known and may be cited as the Property and Casualty Insurance Rate and
5 Form Act.

6 **Sec. 2.** For any filing or modification of a rating system for
7 insurance for homeowners filed with the director on or after July 1,
8 2026, an insurer may not seek a rate greater than ten percent above the
9 highest rate approved by the director within the previous twelve calendar
10 months.

11 **Sec. 3.** Section 44-7508, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 44-7508 (1) Each insurer to which this section applies as provided
14 in section 44-7506 shall file with the director every rating system and
15 every modification of such rating system that it chooses to use. Such
16 rating system shall comply with section 2 of this act. No insurer shall
17 issue a contract or policy except in accordance with the filings that are
18 in effect for such insurer as provided in the Property and Casualty
19 Insurance Rate and Form Act, except:

20 (a) As provided in subsections (6) and (7) of this section;
21 (b) As provided by rules and regulations adopted and promulgated
22 pursuant to section 44-7515; or

23 (c) For types of inland marine risks that have, by custom of the
24 industry, not been written according to manual rates or rating plans. For
25 types of inland marine risks for which the custom of the industry has not
26 been established, the director shall consider the similarity of the new
27 insurance to existing types of insurance and classes of risk and whether
28 it would be reasonably practical to create and file rating systems prior
29 to use.

30 (2) Every filing shall state its effective date, which shall not be
31 prior to the date that the director receives the filing.

1 (3) Every filing shall provide an objective description of the risks
2 and the coverages to which the rating system will apply. If the insurer
3 has another rating system on file that applies to some or all of these
4 same risks, the filing shall disclose this and shall objectively identify
5 those risks to which each rating system will apply. Filings shall include
6 a list of manual pages and other rating system elements that will be
7 replaced when the approval of a filing will result in the replacement or
8 alteration of previously filed rating systems. In addition, insurers
9 shall maintain listings of manual pages and other rating system elements
10 that have been filed with the director so that such listings can be
11 provided upon request.

12 (4) Each insurer shall file or incorporate by reference to material
13 filed with the director all supporting information relating to a rating
14 system. If a filing is not accompanied by such information or if
15 additional information is required to complete review of the filing, the
16 director may require such insurer to furnish the information, and in that
17 event the review period in subsection (10) of this section shall commence
18 on the date such information is received by the director. If an insurer
19 fails to furnish the required information within sixty days, the director
20 may disapprove the filing based on the insurer's failure to provide the
21 requested information. Disapproval shall be by written notice sent to the
22 insurer ordering discontinuance of the filing within thirty days after
23 the date of notice.

24 (5) An insurer may authorize the director to accept rating system
25 filings and prospective loss cost filings made on its behalf by an
26 advisory organization. The insurer shall file additional information as
27 is necessary to complete its rating systems on file with the director.

28 (6) A rate or premium in excess of that provided by a filing
29 otherwise applicable may be used on any specific risk upon the prior
30 written consent of the insured that describes the insured's unusual or
31 extrahazardous exposures that are not otherwise contemplated by the rates

1 on file for that class of risk. Such signed consent shall be filed with
2 the director no later than thirty days after the effective date of the
3 insurance to which it applies. Insurers may not use the procedure set
4 forth in this subsection as a regular means to gain more rate flexibility
5 than is otherwise allowed by the Property and Casualty Insurance Rate and
6 Form Act. The director shall monitor such rate applications to assure
7 compliance with this subsection. The director may, after a hearing,
8 require by order that such applications for an insurer that has
9 demonstrated a pattern of using this rating device for risks that do not
10 possess unusual or extrahazardous exposures or that otherwise fails to
11 comply with this subsection shall be subject to prior approval pursuant
12 to subdivision (6)(a) of section 44-7511. Upon application by an insurer
13 affected by such order, demonstrating that its filings made subsequent to
14 the order have been in compliance with this subsection, the director
15 shall vacate such order. The director shall consider any such application
16 within thirty days after its receipt for any order that has been in
17 effect for more than nine months since its inception or since it was last
18 reviewed by the director pursuant to an application by the insurer.

19 (7) The director may by rules and regulations or by order suspend or
20 modify the filing requirements of this section as to any type of
21 insurance or class of risk for which rating systems cannot practicably be
22 filed before they are used. In making this finding, the director shall
23 ascertain whether a system of rating classifications and exposure bases
24 that would equitably reflect the differences in expense requirements and
25 expected losses between individual risks has been developed or appears
26 reasonably capable of being developed. The director may examine insurers
27 as is necessary to ascertain whether any rating systems affected by such
28 rules and regulations meet the standards contained in this section and in
29 section 44-7510.

30 (8) No filing or any supporting information provided pursuant to
31 this section shall be open to public inspection pursuant to sections

1 84-712 to 84-712.09 before the date on which the director completes
2 review of the filing unless publicly disclosed in an open court, open
3 administrative proceeding, or open meeting or disclosed by the director
4 pursuant to statute. Correspondence specifically relating to individual
5 risks shall be confidential and may not be made public by the director
6 except as may be compiled in summaries of such activity.

7 (9) The director shall review filings as soon as reasonably possible
8 after they have been submitted. The director shall disapprove a filing
9 if:

10 (a) Except as provided in section 2 of this act, the The filing
11 proposes a rating system that would produce inadequate premiums. A
12 premium level is inadequate if it would endanger the solvency of the
13 insurer. A premium level that would not be expected to generate a profit
14 on a direct basis and that would be likely to have the effect of
15 diminishing competition is also inadequate. A premium level that does not
16 endanger the solvency of the insurer and is not likely to have the effect
17 of diminishing competition is not inadequate;

18 (b) The insurer has more than one rating system applicable to the
19 line or type of insurance and the insurer fails to specify objective
20 differences between risks to determine the risks and the coverages to
21 which the rating system will apply;

22 (c) The filing proposes to discriminate between risks based on
23 optional commission differences for agents;

24 (d) The filing proposes to discriminate between risks based on race,
25 creed, national origin, or religion of the insured;

26 (e) The filing would violate the Unfair Discrimination Against
27 Subjects of Abuse in Insurance Act;

28 (f) The filing discriminates between risks based on subjective
29 factors, except that an experience rating plan may use loss reserves
30 without being considered as subjective; or

31 (g) The filing proposes to discriminate between risks based solely

1 on the fact that the insured is deployed in the military on Title 10
2 orders that require the insured to be mobilized outside of the United
3 States, United States territories, and the District of Columbia for a
4 period of six months or greater.

5 (10) Within thirty days after receipt, the director shall disapprove
6 a filing that requires disapproval pursuant to subsection (9) of this
7 section, except that this review period may be extended for an additional
8 period not to exceed thirty days if the director gives written notice
9 within the original review period to the insurer. A filing shall be
10 deemed to meet the requirements of this section unless disapproved by the
11 director within the review period or any extension thereof.

12 (11) If, within the review period provided by subsection (10) of
13 this section or any extension thereof, the director finds that a filing
14 does not meet the requirements of subsection (9) of this section, a
15 written disapproval notice shall be sent to the insurer. Such notice
16 shall specify in what respects the filing fails to meet these
17 requirements and order discontinuance of the filing within thirty days
18 after the date of notice.

19 (12) An insurer whose filing is disapproved may, within thirty days
20 after receipt of a disapproval notice, request a hearing in accordance
21 with section 44-7532.

22 (13) If, at any time after the expiration of the review period
23 provided by subsection (10) of this section or any extension thereof, the
24 director finds that a rating system or modification thereof does not meet
25 or no longer meets the requirements of subsection (9) of this section,
26 the director shall hold a hearing in accordance with section 44-7532.

27 (14) Any insured aggrieved with respect to any filing may make
28 written application to the director for a hearing on such filing. The
29 hearing application shall specify the grounds to be relied upon by the
30 applicant. If the director finds that the hearing application is made in
31 good faith, that a remedy would be available if the grounds are

1 established, or that such grounds otherwise justify holding a hearing,
2 the director shall hold a hearing in accordance with section 44-7532.

3 (15) If, after a hearing held pursuant to subsection (13) or (14) of
4 this section, the director finds that a filing does not meet the
5 requirements of subsection (9) of this section, the director shall issue
6 an order stating in what respects such filing fails to meet the
7 requirements and when, within a reasonable period thereafter, such rating
8 system or aspect of a rating system shall no longer be used. Copies of
9 the order shall be sent to the applicant, if applicable, and to every
10 affected insurer and advisory organization. The order shall not affect
11 any contract or policy made or issued prior to the expiration of the
12 period set forth in the order.

13 **Sec. 4.** Original sections 44-7501 and 44-7508, Reissue Revised
14 Statutes of Nebraska, are repealed.

15 **Sec. 5.** Since an emergency exists, this act takes effect when
16 passed and approved according to law.