

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1077

Introduced by Brandt, 32.

Read first time January 15, 2026

Committee:

1 A BILL FOR AN ACT relating to the Nebraska Workers' Compensation Act; to
2 amend section 48-146.03, Reissue Revised Statutes of Nebraska; to
3 change provisions relating to workers' compensation insurance
4 policies and deductibles; and to repeal the original section.
5 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 48-146.03, Reissue Revised Statutes of Nebraska,
2 is amended to read:

3 48-146.03 (1) Each workers' compensation insurance policy issued by
4 an insurer pursuant to the Nebraska Workers' Compensation Act:

5 (a) Shall offer, at the option of the insured employer, a deductible
6 for medical benefits in the amount of five hundred dollars to two
7 thousand five hundred dollars per claim in increments of five hundred
8 dollars; or

9 (b) May offer, at the option of the insured employer and the
10 workers' compensation insurer, a deductible for all amounts paid by the
11 insurer as long as the deductible is not more than forty percent of the
12 insured employer's otherwise applicable annual workers' compensation
13 insurance premium at rates approved for the insurer but not less than
14 fifty thousand dollars.

15 The insured employer, if choosing to exercise one of such options
16 listed in this subsection, may choose only one of the amounts as the
17 deductible. The provisions of this section shall be fully disclosed to
18 each prospective purchaser in writing.

19 (2) The deductible form shall provide that the workers' compensation
20 insurer shall remain liable for and shall pay the entire cost of medical
21 benefits for each claim directly to the medical provider, shall remain
22 liable for and pay the entire cost of benefits, claims, and expenses as
23 required by the policy irrespective of the deductible provision, and
24 shall then be reimbursed by the employer for any deductible amounts paid
25 by the workers' compensation insurer. The employer shall be liable for
26 reimbursement up to the limit of the deductible.

27 (3) Beginning January 1, 2027, losses paid by the employer under the
28 deductible shall be credited against the employer's experience
29 modification while the deductible option is used, unless the employer
30 elects to purchase a gross reportable deductible policy.

31 (4) (3) A workers' compensation insurer shall not be required to

1 offer a deductible if, as a result of a credit investigation, the insurer
2 determines that the employer does not have the financial ability to be
3 responsible for the payment of deductible amounts.

4 (5) (4) A workers' compensation insurer shall service and, if
5 necessary, defend all claims that arise during the policy period,
6 including those claims payable in whole or in part from the deductible
7 amount, and shall make such reports to the compensation court of payments
8 made, including payments made under the deductible provisions, as may be
9 required by the compensation court.

10 (6) (5) A person who is employed by a policyholder which chooses to
11 exercise the option of a deductible policy shall not be required to pay
12 any of the deductible amount, and any such policyholder shall not require
13 or attempt to require the employee to give up his or her right of
14 selection of physician set out in section 48-120. Any violation of this
15 subsection shall be a Class II misdemeanor.

16 **Sec. 2.** Original section 48-146.03, Reissue Revised Statutes of
17 Nebraska, is repealed.