

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1137**

Introduced by Ballard, 21; Hallstrom, 1; Jacobson, 42.

Read first time January 20, 2026

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to insurance; to amend sections 28-631,  
2 44-6604, 44-8602, 44-8603, 44-8604, 44-8605, 44-9204, 44-9214, and  
3 44-9217, Reissue Revised Statutes of Nebraska; to change provisions  
4 and penalties relating to fraudulent insurance acts; to redefine  
5 terms, and change provisions relating to residential contracts,  
6 notice of cancellations, prohibited acts, and post-loss assignment  
7 of rights or benefits under the Insured Homeowners Protection Act;  
8 to change provisions relating to licenses, contracts, prohibited  
9 acts, and fees under the Public Adjusters Licensing Act; to  
10 harmonize provisions; and to repeal the original sections.  
11 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 28-631, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           28-631 (1) A person or entity commits a fraudulent insurance act if  
4 the person or entity ~~he or she~~:

5           (a) Knowingly and with intent to defraud or deceive presents, causes  
6 to be presented, or prepares with knowledge or belief that it will be  
7 presented to or by an insurer, or any agent of an insurer, any statement  
8 as part of, in support of, or in denial of a claim for payment or other  
9 benefit from an insurer or pursuant to an insurance policy knowing that  
10 the statement contains any false, incomplete, or misleading information  
11 concerning any fact or thing material to a claim;

12           (b) Assists, abets, solicits, or conspires with another to prepare  
13 or make any statement that is intended to be presented to or by an  
14 insurer or person in connection with or in support of any claim for  
15 payment or other benefit from an insurer or pursuant to an insurance  
16 policy knowing that the statement contains any false, incomplete, or  
17 misleading information concerning any fact or thing material to the  
18 claim;

19           (c) Makes any false or fraudulent representations as to the death or  
20 disability of a policy or certificate holder or a covered person in any  
21 statement or certificate for the purpose of fraudulently obtaining money  
22 or benefit from an insurer;

23           (d) Knowingly and willfully transacts any contract, agreement, or  
24 instrument which violates this section;

25           (e) Receives money for the purpose of purchasing insurance and  
26 converts the money to the person's own benefit;

27           (f) Willfully embezzles, abstracts, purloins, misappropriates, or  
28 converts money, funds, premiums, credits, or other property of an insurer  
29 or person engaged in the business of insurance;

30           (g) Knowingly and with intent to defraud or deceive issues fake or  
31 counterfeit insurance policies, certificates of insurance, insurance

1 identification cards, or insurance binders;

2 (h) Knowingly and with intent to defraud or deceive possesses fake  
3 or counterfeit insurance policies, certificates of insurance, insurance  
4 identification cards, or insurance binders;

5 (i) Knowingly and with intent to defraud or deceive makes any false  
6 entry of a material fact in or pertaining to any document or statement  
7 filed with or required by the Department of Insurance;

8 (j) Knowingly and with the intent to defraud or deceive provides  
9 false, incomplete, or misleading information to an insurer concerning the  
10 number, location, or classification of employees for the purpose of  
11 lessening or reducing the premium otherwise chargeable for workers'  
12 compensation insurance coverage;

13 (k) Knowingly and with intent to defraud or deceive removes,  
14 conceals, alters, diverts, or destroys assets or records of an insurer or  
15 person engaged in the business of insurance or attempts to remove,  
16 conceal, alter, divert, or destroy assets or records of an insurer or  
17 person engaged in the business of insurance;

18 (l) Willfully operates as or aids and abets another operating as a  
19 discount medical plan organization in violation of subsection (1) of  
20 section 44-8306; ~~or~~

21 (m) Willfully collects fees for purported membership in a discount  
22 medical plan organization but purposefully fails to provide the promised  
23 benefits; or -

24 (n) Violates subdivision (13), (14), (15), or (16) of section  
25 44-6604;

26 (2)(a) A violation of subdivisions (1)(a) through (f) of this  
27 section is a Class III felony when the amount involved is five thousand  
28 dollars or more.

29 (b) A violation of subdivisions (1)(a) through (f) of this section  
30 is a Class IV felony when the amount involved is one thousand five  
31 hundred dollars or more but less than five thousand dollars.

1 (c) A violation of subdivisions (1)(a) through (f) of this section  
2 is a Class I misdemeanor when the amount involved is five hundred dollars  
3 or more but less than one thousand five hundred dollars.

4 (d) A violation of subdivisions (1)(a) through (f) of this section  
5 is a Class II misdemeanor when the amount involved is less than five  
6 hundred dollars.

7 (e) For any second or subsequent conviction under subdivision (2)(c)  
8 of this section, the violation is a Class IV felony.

9 (f) A violation of subdivisions (1)(g), (i), (j), (k), (l), and (m)  
10 of this section is a Class IV felony.

11 (g) A violation of subdivision (1)(h) of this section is a Class I  
12 misdemeanor.

13 (3) Amounts taken pursuant to one scheme or course of conduct from  
14 one person, entity, or insurer may be aggregated in the indictment or  
15 information in determining the classification of the offense, except that  
16 amounts may not be aggregated into more than one offense.

17 (4) In any prosecution under this section, if the amounts are  
18 aggregated pursuant to subsection (3) of this section, the amount  
19 involved in the offense shall be an essential element of the offense that  
20 must be proved beyond a reasonable doubt.

21 (5) A prosecution under this section shall be in lieu of an action  
22 under section 44-6607.

23 (6) For purposes of this section:

24 (a) Insurer means any person or entity transacting insurance as  
25 defined in section 44-102 with or without a certificate of authority  
26 issued by the Director of Insurance. Insurer also means health  
27 maintenance organizations, legal service insurance corporations, prepaid  
28 limited health service organizations, dental and other similar health  
29 service plans, discount medical plan organizations, and entities licensed  
30 pursuant to the Intergovernmental Risk Management Act and the  
31 Comprehensive Health Insurance Pool Act. Insurer also means an employer

1 who is approved by the Nebraska Workers' Compensation Court as a self-  
2 insurer; and

3 (b) Statement includes, but is not limited to, any notice,  
4 statement, proof of loss, bill of lading, receipt for payment, invoice,  
5 account, estimate of property damages, bill for services, diagnosis,  
6 prescription, hospital or medical records, X-rays, test result, or other  
7 evidence of loss, injury, or expense, whether oral, written, or computer-  
8 generated.

9 **Sec. 2.** Section 44-6604, Reissue Revised Statutes of Nebraska, is  
10 amended to read:

11 44-6604 For purposes of the Insurance Fraud Act, a person or entity  
12 commits a fraudulent insurance act if the person or entity ~~he or she~~:

13 (1) Knowingly and with intent to defraud or deceive presents, causes  
14 to be presented, or prepares with knowledge or belief that it will be  
15 presented to or by an insurer, or any agent of an insurer, any statement  
16 as part of, in support of, or in denial of a claim for payment or other  
17 benefit from an insurer or pursuant to an insurance policy knowing that  
18 the statement contains any false, incomplete, or misleading information  
19 concerning any fact or thing material to a claim;

20 (2) Assists, abets, solicits, or conspires with another to prepare  
21 or make any statement that is intended to be presented to or by an  
22 insurer or person in connection with or in support of any claim for  
23 payment or other benefit from an insurer or pursuant to an insurance  
24 policy knowing that the statement contains any false, incomplete, or  
25 misleading information concerning any fact or thing material to the  
26 claim;

27 (3) Makes any false or fraudulent representations as to the death or  
28 disability of a policy or certificate holder or a covered person in any  
29 statement or certificate for the purpose of fraudulently obtaining money  
30 or benefit from an insurer;

31 (4) Knowingly and willfully transacts any contract, agreement, or

1 instrument which violates this section;

2 (5) Receives money for the purpose of purchasing insurance and  
3 converts the money to the person's own benefit;

4 (6) Willfully embezzles, abstracts, purloins, misappropriates, or  
5 converts money, funds, premiums, credits, or other property of an insurer  
6 or person engaged in the business of insurance;

7 (7) Knowingly and with intent to defraud or deceive issues or  
8 possesses fake or counterfeit insurance policies, certificates of  
9 insurance, insurance identification cards, or insurance binders;

10 (8) Knowingly and with intent to defraud or deceive makes any false  
11 entry of a material fact in or pertaining to any document or statement  
12 filed with or required by the department;

13 (9) Knowingly and with intent to defraud or deceive removes,  
14 conceals, alters, diverts, or destroys assets or records of an insurer or  
15 person engaged in the business of insurance or attempts to remove,  
16 conceal, alter, divert, or destroy assets or records of an insurer or  
17 person engaged in the business of insurance;

18 (10) Knowingly and with the intent to defraud or deceive provides  
19 false, incomplete, or misleading information to an insurer concerning the  
20 number, location, or classification of employees for the purpose of  
21 lessening or reducing the premium otherwise chargeable for workers'  
22 compensation insurance coverage;

23 (11) Willfully operates as or aids and abets another operating as a  
24 discount medical plan organization in violation of subsection (1) of  
25 section 44-8306; ~~or~~

26 (12) Willfully collects fees for purported membership in a discount  
27 medical plan but purposefully fails to provide the promised benefits; ~~or~~

28 (13) Knowingly represents themselves to be a public adjuster without  
29 having met the requirements of licensure under the Public Adjusters  
30 Licensing Act;

31 (14) Knowingly conducts business for which a license is required

1 under the Public Adjuster Licensing Act without a license;

2 (15) Willfully provides a rebate in violation of subsection (1) of  
3 section 44-8604 or violates subsection (13) of section 44-9217; or

4 (16) Knowingly presents, causes to be presented, or prepares with  
5 knowledge or belief that it will be presented, to or by an insured, an  
6 insurer, an insurance producer, or a premium finance company in  
7 connection with an insurance transaction or premium finance transaction,  
8 a statement, an estimate, an invoice, a bid, a proposal, a proof of loss,  
9 or any other document that misrepresents the scope of damages or costs of  
10 repairs associated with a property insurance claim.

11 **Sec. 3.** Section 44-8602, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 44-8602 For purposes of the Insured Homeowners Protection Act:

14 (1) Post-loss assignment means any contract or agreement whereby a  
15 homeowner, after property damage, transfers, sells, or assigns any or all  
16 of their insurance claim rights under a property and casualty insurance  
17 policy, including, but not limited to, payment and negotiations;

18 (2) ~~(1)~~ Residential contractor means a person in the business of  
19 contracting or offering to contract with an owner or possessor of  
20 residential real estate to:

21 (a) ~~Perform Repair or replace a roof system or perform any other~~  
22 ~~exterior~~ repair, replacement, construction, or reconstruction work on  
23 residential real estate;

24 (b) ~~Perform interior or exterior~~ cleanup services on residential  
25 real estate; ~~or~~

26 (c) ~~Arrange for, manage, or process the work referred to in~~  
27 ~~subdivision (1)(a) or (b) of this section; or~~

28 ~~(d) Serve as a representative, agent, or assignee of the owner or~~  
29 ~~possessor of residential real estate;~~

30 (3) ~~(2)~~ Residential real estate means a new or existing building,  
31 including a detached garage, constructed for habitation by at least one

1 but no more than four families; and

2 (4) ~~(3)~~ Roof system means and includes roof coverings, roof  
3 sheathing, roof weatherproofing, and insulation.

4 **Sec. 4.** Section 44-8603, Reissue Revised Statutes of Nebraska, is  
5 amended to read:

6 44-8603 (1) A person who has entered into a written contract with a  
7 residential contractor to provide goods or services to be paid from the  
8 proceeds of a property and casualty insurance policy may cancel the  
9 contract prior to midnight on the later of the fifth ~~third~~ business day  
10 after the person has (a) entered into the written contract or (b)  
11 received written notice from the person's insurer that all or part of the  
12 claim or contract is not a covered loss under the insurance policy.  
13 Cancellation shall be evidenced by the person giving written notice of  
14 the cancellation to the residential contractor at the address of the  
15 residential contractor's place of business as stated in the contract.  
16 Written notice of cancellation may be given by delivering or mailing a  
17 signed and dated copy of the written notice of cancellation to the  
18 residential contractor at the address of the residential contractor's  
19 place of business as stated in the contract. The notice of cancellation  
20 shall include a copy of the written notice from the person's insurer, if  
21 applicable, to the effect that all or part of the claim or contract is  
22 not a covered loss under the insurance policy. Notice of cancellation  
23 given by mail shall be effective upon deposit in the United States mail,  
24 postage prepaid, if properly addressed to the residential contractor.  
25 Notice of cancellation may be provided on the form given to the insurer  
26 pursuant to subsection (2) of this section or in another ~~is not required~~  
27 ~~to be in any particular form.~~ Notice ~~and~~ is sufficient if the notice  
28 indicates, by any form of written expression, the intent of the insured  
29 not to be bound by the contract.

30 (2) Before entering a contract as provided in subsection (1) of this  
31 section, the residential contractor shall:



1        (a) Furnish the insured a statement in boldface type of a minimum  
2        size of ten points, in substantially the following form:

3        'YOU MAY CANCEL THIS CONTRACT AT ANY TIME BEFORE MIDNIGHT ON THE  
4        FIFTH BUSINESS DAY AFTER YOU HAVE SIGNED THIS CONTRACT OR YOU HAVE  
5        RECEIVED WRITTEN NOTIFICATION FROM YOUR INSURER THAT ALL OR ANY PART OF  
6        THE CLAIM OR CONTRACT IS NOT A COVERED LOSS UNDER THE INSURANCE POLICY.  
7        THIS RIGHT TO CANCEL IS IN ADDITION TO ANY OTHER RIGHTS OF CANCELLATION  
8        WHICH MAY BE FOUND IN STATE OR FEDERAL LAW OR REGULATION. SEE ATTACHED  
9        NOTICE OF CANCELLATION FORM FOR AN EXPLANATION OF THIS RIGHT'; and

10       (b) Furnish each insured a fully completed form in duplicate,  
11       captioned 'NOTICE OF CANCELLATION,' which shall be attached to the  
12       contract but easily detachable, and which shall contain in boldface type  
13       of a minimum size of ten points, the following statement:

14       'NOTICE OF CANCELLATION'

15       IF YOU ARE NOTIFIED BY YOUR INSURER THAT ALL OR ANY PART OF THE  
16       CLAIM OR CONTRACT IS NOT A COVERED LOSS UNDER THE INSURANCE POLICY, YOU  
17       MAY CANCEL THE CONTRACT BY MAILING OR DELIVERING A SIGNED AND DATED COPY  
18       OF THIS CANCELLATION NOTICE OR ANY OTHER WRITTEN NOTICE TO (NAME OF  
19       CONTRACTOR) AT (ADDRESS OF CONTRACTOR'S PLACE OF BUSINESS) AT ANY TIME  
20       PRIOR TO MIDNIGHT ON THE FIFTH BUSINESS DAY AFTER YOU RECEIVED SUCH  
21       NOTICE FROM YOUR INSURER.

22       I HEREBY CANCEL THIS TRANSACTION

23       (DATE)

24       (INSURED'S SIGNATURE).

25       (3) (2) Within ten days after a contract to provide goods or  
26       services to be paid from the proceeds of a property and casualty  
27       insurance policy has been canceled by notification pursuant to this  
28       section, the residential contractor shall tender to the person canceling  
29       the contract any payments, partial payments, or deposits made by the  
30       person and any note or other evidence of indebtedness, except that if the  
31       residential contractor has provided any goods or services agreed to by

1 such person in writing to be necessary to prevent damage to the premises,  
2 the residential contractor shall be entitled to be paid the reasonable  
3 value of such goods or services. Any provision in a contract to provide  
4 goods or services to be paid from the proceeds of a property and casualty  
5 insurance policy that requires the payment of any fee which is not for  
6 such goods or services shall not be enforceable against any person who  
7 has canceled a contract pursuant to this section.

8 **Sec. 5.** Section 44-8604, Reissue Revised Statutes of Nebraska, is  
9 amended to read:

10 44-8604 (1) A residential contractor shall not promise to rebate any  
11 portion of an insurance deductible as an inducement to the sale of goods  
12 or services. A promise to rebate any portion of an insurance deductible  
13 includes granting any allowance or offering any discount against the fees  
14 to be charged or paying an insured or a person directly or indirectly  
15 associated with the residential real estate any form of compensation,  
16 except for any item of nominal value.

17 (2) Neither a residential contractor nor a person acting as a public  
18 adjuster under the Public Adjuster Licensing Act, shall solicit or accept  
19 a post-loss assignment, except that a licensed public adjuster may accept  
20 an assignment to the extent of its public adjuster fee. A post-loss  
21 assignment is against public policy and is void and any contract,  
22 agreement, or written instrument entered into in violation of this  
23 subsection shall be void and unenforceable.

24 (3) A residential contractor shall not represent or negotiate, or  
25 offer or advertise to represent or negotiate, on behalf of an owner or  
26 possessor of residential real estate on any insurance claim. This  
27 subsection shall not apply to a public adjuster licensed under the Public  
28 Adjuster Licensing Act.

29 **Sec. 6.** Section 44-8605, Reissue Revised Statutes of Nebraska, is  
30 amended to read:

31 44-8605 ~~(1) A post-loss assignment of rights or benefits to a~~

1 ~~residential contractor under a property and casualty insurance policy~~  
2 ~~insuring residential real estate shall comply with the following:~~

3 ~~(a) The assignment may authorize a residential contractor to be~~  
4 ~~named as a copayee for the payment of benefits under a property and~~  
5 ~~casualty insurance policy covering residential real estate;~~

6 ~~(b) The assignment shall be provided to the insurer of the~~  
7 ~~residential real estate within five business days after execution;~~

8 ~~(c) The assignment shall include a statement that the residential~~  
9 ~~contractor has made no assurances that the claimed loss will be fully~~  
10 ~~covered by an insurance contract and shall include the following notice~~  
11 ~~in capitalized fourteen-point type:~~

12 ~~YOU ARE AGREEING TO ASSIGN CERTAIN RIGHTS YOU HAVE UNDER YOUR~~  
13 ~~INSURANCE POLICY. WITH AN ASSIGNMENT, THE RESIDENTIAL CONTRACTOR SHALL BE~~  
14 ~~ENTITLED TO PURSUE ANY RIGHTS OR REMEDIES THAT YOU, THE INSURED~~  
15 ~~HOMEOWNER, HAVE UNDER YOUR INSURANCE POLICY. PLEASE READ AND UNDERSTAND~~  
16 ~~THIS DOCUMENT BEFORE SIGNING.~~

17 ~~THE INSURER MAY ONLY PAY FOR THE COST TO REPAIR OR REPLACE DAMAGED~~  
18 ~~PROPERTY CAUSED BY A COVERED PERIL, SUBJECT TO THE TERMS OF THE POLICY.~~

19 ~~(d) The assignment shall not impair the interest of a mortgagee~~  
20 ~~listed on the declarations page of the property and casualty insurance~~  
21 ~~policy which is the subject of the assignment; and~~

22 ~~(e) The assignment shall not prevent or inhibit an insurer from~~  
23 ~~communicating with the named insured or mortgagee listed on the~~  
24 ~~declarations page of the property and casualty insurance policy that is~~  
25 ~~the subject of the assignment.~~

26 ~~(2) The Department of Insurance shall strictly enforce the~~  
27 ~~provisions of subdivision (13) of section 44-1540, which requires~~  
28 ~~insurers to provide a named insured a reasonable and accurate explanation~~  
29 ~~of the basis for the denial of a claim or an offer of a compromise~~  
30 ~~settlement.~~

31 **Sec. 7.** Section 44-9204, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 44-9204 (1) A person shall not ~~act operate~~ as or represent that such  
3 person is a public adjuster in this state or solicit or negotiate a  
4 contract to act as a public adjuster unless such person is licensed as a  
5 public adjuster in accordance with the Public Adjusters Licensing Act.

6 (2) A public adjuster shall not misrepresent to any insured that  
7 such public adjuster is an adjuster representing an insurer in any  
8 capacity, including acting as an employee of the insurer or acting as an  
9 independent adjuster unless so appointed by an insurer in writing to act  
10 on behalf of the insurer for that specific claim or purpose. A public  
11 adjuster is prohibited from charging any insured a fee when appointed by  
12 the insurer and the appointment is accepted by the public adjuster.

13 (3) A public adjuster shall not, directly or indirectly, solicit, or  
14 enter into, an agreement for the repair or replacement of damaged  
15 property on which such public adjuster has engaged to adjust or settle  
16 claims for losses or damages of the insured.

17 (4) Notwithstanding subsection (1) of this section, licensing as a  
18 public adjuster shall not be required for:

19 (a) An attorney admitted to practice in this state, when acting in  
20 the attorney's professional capacity as an attorney;

21 (b) A person who negotiates or settles claims arising under a life  
22 or health insurance policy or an annuity contract;

23 (c) A person employed only for the purpose of obtaining facts  
24 surrounding a loss or furnishing technical assistance to a licensed  
25 public adjuster, including, but not limited to, a photographer,  
26 estimator, private investigator, engineer, or handwriting expert;

27 (d) A licensed health care provider, or an employee of a licensed  
28 health care provider, who prepares or files a health claim form on behalf  
29 of a patient; or

30 (e) A person who settles subrogation claims between insurers.

31 **Sec. 8.** Section 44-9214, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 44-9214 (1) Public adjusters shall ensure that all contracts for  
3 their services are in writing and contain the following terms:

4 (a) Legible full name of the public adjuster signing the contract,  
5 as specified in director records;

6 (b) Home state, business address, and telephone number;

7 (c) Public adjuster license number;

8 (d) Title of "Public Adjuster Contract";

9 (e) Insured's full name, street address, insurer name, and insurance  
10 policy number, if known or upon notification;

11 (f) Description of the loss and its location, if applicable;

12 (g) Description of services to be provided to the insured;

13 (h) Signatures of the public adjuster and the insured;

14 (i) Date contract was signed by the public adjuster and date the  
15 contract was signed by the insured;

16 (j) Attestation language stating that the public adjuster is fully  
17 bonded pursuant to state law; and

18 (k) The specific amount of compensation, including, but not limited  
19 to, the full salary, fee, commission, or other consideration the public  
20 adjuster is to receive for services.

21 (2)(a) The contract may specify that the public adjuster shall be  
22 named as a co-payee on an insurer's payment of a claim.

23 (b) If the compensation is based on a share of the insurance  
24 settlement, the exact percentage shall be specified.

25 (c) Initial expenses to be reimbursed to the public adjuster from  
26 the proceeds of the claim payment shall be specified by type and the  
27 dollar estimates shall be set forth in the contract. Any additional  
28 expenses shall be approved in writing by the insured.

29 (d) Compensation provisions in a public adjuster contract shall not  
30 be redacted in any copy of the contract provided to the director.

31 (3) If the insurer, not later than seventy-two hours after the date

1 on which the loss is reported to the insurer, either pays or commits in  
2 writing to pay to the insured the policy limit of the insurance policy,  
3 the public adjuster shall:

4 (a) Not receive a commission that consists of a percentage of the  
5 total amount paid by an insurer to resolve a claim;

6 (b) Inform the insured that the loss recovery amount might not be  
7 increased by the insurer; and

8 (c) Be entitled only to reasonable compensation from the insured for  
9 services provided by the public adjuster on behalf of the insured, based  
10 on the time spent on a claim and expenses incurred by the public  
11 adjuster, until the claim is paid or the insured receives a written  
12 commitment to pay from the insurer.

13 (4) A public adjuster contract may not contain any contract term  
14 that:

15 (a) Allows a percentage fee to be collected by the public adjuster  
16 when money is due from an insurer, but not paid, or that allows a public  
17 adjuster to collect the entire fee from the first check issued by an  
18 insurer, rather than as a percentage of each check issued by an insurer;

19 (b) Requires the insured to authorize an insurer to issue a check  
20 only in the name of the public adjuster;

21 (c) Imposes collection costs or late fees; or

22 (d) Precludes a public adjuster from pursuing civil remedies.

23 (5) Prior to the signing of the contract the public adjuster shall  
24 provide the insured with a separate disclosure document regarding the  
25 claim process that states:

26 (a) Property insurance policies obligate the insured to present a  
27 claim to his or her insurer for consideration;

28 (b) There are three types of adjusters that could be involved in the  
29 claim process. The definitions of the three types are as follows:

30 (i) Company adjuster means an insurance adjuster who is an employee  
31 of an insurer. He or she represents the interest of the insurer, is paid

1 by the insurer, and will not charge the insured a fee;

2 (ii) Independent adjuster means an insurance adjuster who is hired  
3 on a contract basis by an insurer to represent the interest of the  
4 insurer in the settlement of the claim. He or she is paid by the insurer  
5 and will not charge the insured a fee; and

6 (iii) Public adjuster means an insurance adjuster who does not work  
7 for any insurer. He or she works for the insured to assist in the  
8 preparation, presentation, and settlement of the claim. The insured hires  
9 a public adjuster by signing a contract agreeing to pay a fee or  
10 commission based on a percentage of the settlement or other method of  
11 compensation;

12 (c) The insured is not required to hire a public adjuster to help  
13 the insured meet the insured's obligations under the policy, but has the  
14 right to do so;

15 (d) The insured has the right to initiate direct communications with  
16 the insured's attorney, the insurer, the company adjuster, and the  
17 insurer's attorney, or any other person regarding the settlement of the  
18 insured's claim;

19 (e) The public adjuster is not a representative or employee of the  
20 insurer; and

21 (f) The salary, fee, commission, or other consideration to be paid  
22 to a public adjuster is the obligation of the insured, not the insurer.

23 (6) The contract shall be executed in duplicate to provide an  
24 original contract to the public adjuster and an original contract to the  
25 insured. The original contract retained by the public adjuster shall be  
26 available at all times for inspection without notice by the department.

27 (7) The public adjuster shall provide the insurer a notification  
28 letter, which has been signed by the insured, authorizing the public  
29 adjuster to represent the insured's interest. The insurer, upon receipt  
30 of a notification letter, shall verify the public adjuster holds a valid  
31 license with the department.

1           (8) The public adjuster shall give the insured written notice of the  
2 insured's rights as provided in this section.

3           (9) The insured has the right to rescind the contract within three  
4 business days after the date the contract was signed. The rescission  
5 shall be in writing and mailed or delivered to the public adjuster at the  
6 address in the contract within the three-business-day period.

7           (10) If the insured exercises the right to rescind the contract,  
8 anything of value given by the insured under the contract will be  
9 returned to the insured within fifteen days following the receipt by the  
10 public adjuster of the rescission notice.

11           (11) The director may require a public adjuster to file a contract  
12 with the department in a manner prescribed by the director.

13           **Sec. 9.** Section 44-9217, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15           44-9217 (1) A public adjuster shall serve with objectivity and  
16 complete loyalty to the interest of the insured and shall, in good faith,  
17 render to the insured such information, counsel, and service, as within  
18 the knowledge, understanding, and opinion of such public adjuster will  
19 best serve the insurance claim needs and interest of the insured.

20           (2) A public adjuster or a residential contractor as defined in  
21 section 44-8602 shall not solicit, nor attempt to solicit, an insured  
22 during the progress of a loss-producing occurrence, as defined in the  
23 insured's insurance contract, or during a fire event while the fire  
24 department or representatives of the fire department are physically on  
25 site at the damaged premises.

26           (3) A public adjuster shall not permit an unlicensed employee or  
27 representative of the public adjuster to conduct business for which a  
28 license is required under the Public Adjusters Licensing Act.

29           (4) A public adjuster shall not have a direct or indirect financial  
30 interest in any aspect of the claim, other than the salary, fee,  
31 commission, or other consideration established in the written contract



1 with the insured. Direct or indirect financial interest includes, but is  
2 not limited to, ownership of, employment by, or other consideration  
3 received from any business entity or individual that performs any work  
4 pertaining to damage related to the insured loss.

5 (5) A public adjuster shall not acquire any interest in salvage of  
6 property subject to the contract with the insured ~~unless the public~~  
7 ~~adjuster obtains written permission from the insured after settlement of~~  
8 ~~the claim with the insurer.~~

9 (6) A public adjuster shall abstain from referring or directing the  
10 insured to obtain needed repairs or services in connection with a loss  
11 from any person:

12 (a) With whom the public adjuster has a direct or indirect financial  
13 interest; or

14 (b) From whom the public adjuster may receive direct or indirect  
15 compensation or other consideration for the referral.

16 (7) A public adjuster shall not undertake the adjustment of any  
17 claim if such public adjuster is not competent and knowledgeable as to  
18 the terms and conditions of the insurance coverage or if the loss or  
19 coverage otherwise exceeds the current expertise of the public adjuster.

20 (8) A public adjuster shall not knowingly make any false oral or  
21 written material statements regarding any person engaged in the business  
22 of insurance to any insured client or potential insured client.

23 (9) A public adjuster, while so licensed pursuant to the Public  
24 Adjusters Licensing Act, shall not represent or act as a company adjuster  
25 or independent adjuster in any circumstance.

26 (10) A public adjuster shall not enter into a contract or accept a  
27 power of attorney that vests in such public adjuster the effective  
28 authority to choose the persons who shall perform repair work.

29 (11) A public adjuster shall not agree to any loss settlement  
30 without the knowledge and consent of the insured.

31 (12) A public adjuster shall not advertise or infer damage unless an

1 inspection of the property has been completed.

2 (13) A public adjuster shall not offer to pay an insured's  
3 deductible, or claim the insured's deductible will be waived, as an  
4 inducement to using the services of a public adjuster.

5 **Sec. 10.** Original sections 28-631, 44-6604, 44-8602, 44-8603,  
6 44-8604, 44-8605, 44-9204, 44-9214, and 44-9217, Reissue Revised Statutes  
7 of Nebraska, are repealed.