

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; -

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.