

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1138

Introduced by Hallstrom, 1.

Read first time January 20, 2026

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to insurance; to adopt the Nebraska Protection
- 2 of Seniors from Insurance Exploitation Act.
- 3 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Sections 1 to 10 of this act shall be known and may be
2 cited as the Nebraska Protection of Seniors from Insurance Exploitation
3 Act.

4 **Sec. 2.** (1) It is the intent of the Legislature to provide legal
5 protection to insurers and insurance producers so that they have the
6 discretion to take action to assist in detecting and preventing financial
7 exploitation.

8 (2) The Legislature recognizes that insurers and insurance producers
9 are in a unique position to potentially discover financial exploitation
10 when conducting transactions on behalf of and at the request of their
11 customers.

12 (3) The Legislature recognizes that insurers and insurance producers
13 have duties imposed by contract and duties imposed by both federal and
14 state law to conduct transactions requested by their customers faithfully
15 and timely in accordance with the customer's instructions.

16 (4) The Legislature recognizes that insurers and insurance producers
17 do not have a duty to contravene the valid instructions of their
18 customers and nothing in the Nebraska Protection of Seniors from
19 Insurance Exploitation Act creates such a duty.

20 **Sec. 3.** For purposes of the Nebraska Protection of Seniors from
21 Insurance Exploitation Act, unless the context otherwise requires:

22 (1) Director means the Director of Insurance;

23 (2) Disbursement means any attempt to withdraw money or access a
24 benefit from a life insurance policy or an annuity irrespective of
25 whether the request is classified as a surrender, loan, withdrawal,
26 partial withdrawal, accelerated benefit, or otherwise;

27 (3) Eligible adult means:

28 (a) A senior adult as defined in section 28-366.01; or

29 (b) A vulnerable adult as defined in section 28-371.

30 (4) Financial exploitation means:

31 (a) The wrongful or unauthorized taking, withholding, appropriation,

1 or use of money, assets, or other property of an eligible adult by any
2 person; or

3 (b) Any act or omission taken by a person, including through the use
4 of a power of attorney, guardianship, or conservatorship of an eligible
5 adult, to:

6 (i) Obtain control, through deception, intimidation, or undue
7 influence, over the eligible adult's money, assets, or other property to
8 deprive the eligible adult of the ownership, use, benefit, or possession
9 of his or her money, assets, or other property; or

10 (ii) Convert money, assets, or other property of the eligible adult
11 to deprive such eligible adult of the ownership, use, benefit, or
12 possession of his or her money, assets, or other property;

13 (5) Permissible third party means any individual previously
14 designated by the eligible adult who may be contacted about the eligible
15 adult's insurance policy, contract, or account, or a person otherwise
16 permitted to be contacted by any state or federal law, rule, or
17 regulation; and

18 (6) Trained individual means any of the following:

19 (a) An insurance producer who has taken at least two hours of
20 continuing education focused on how to identify the suspected or
21 attempted financial exploitation of an eligible adult, which included
22 identifying common signs indicating the financial exploitation of an
23 eligible adult and how to provide notification regarding the suspected or
24 attempted financial exploitation of an eligible adult; or

25 (b) A person who has received training pursuant to section 8 of this
26 act.

27 **Sec. 4.** An insurer or trained individual who, acting reasonably and
28 in good faith, makes a disclosure of information to the director pursuant
29 to the Nebraska Protection of Seniors from Insurance Exploitation Act or
30 the Insurance Fraud Act shall be immune from administrative or civil
31 liability that might otherwise arise from such disclosure or for any

1 failure to notify the eligible adult of the disclosure. This section
2 shall not abrogate or modify any existing statutory or common law
3 privileges or immunities.

4 **Sec. 5.** (1) If an insurer or trained individual reasonably believes
5 financial exploitation of an eligible adult may have occurred, has been
6 attempted, or is being attempted, the insurer or trained individual may
7 notify a permissible third party. Notification to a permissible third
8 party is not required prior to any insurer's, trained individual's,
9 director's, or relevant agency's review or investigation of financial
10 exploitation.

11 (2) Insurers and trained individuals shall not notify a permissible
12 third party if the insurer or trained individual reasonably suspects that
13 such permissible third party has financially exploited or otherwise
14 abused the eligible adult.

15 (3) An insurer or trained individual who, acting reasonably and in
16 good faith, complies with this section shall be immune from any
17 administrative or civil liability that might otherwise arise from such
18 notification.

19 **Sec. 6.** (1) If an insurer or trained individual reasonably believes
20 a disbursement or transaction will likely result in or contribute to the
21 financial exploitation of an eligible adult, the insurer or trained
22 individual may initiate an internal review of the requested disbursement
23 or transaction.

24 (2) An insurer may delay a disbursement or transaction from an
25 eligible adult's insurance policy, contract, or account on which an
26 eligible adult is a beneficiary if all of the following apply:

27 (a) The insurer reasonably believes, after an internal review is
28 initiated pursuant to subsection (1) of this section, that the requested
29 disbursement or transaction will likely result in or contribute to the
30 financial exploitation of an eligible adult;

31 (b) Immediately, but in no event more than seven business days after

1 the disbursement or transaction is delayed, the insurer provides written
2 notification of the delay and the reason for the delay to all persons
3 authorized to transact business on the insurance policy, contract, or
4 account. An insurer shall not notify a person authorized to transact
5 business on the insurance policy, contract, or account if the insurer
6 reasonably believes such person has committed or attempted financial
7 exploitation or other abuse of an eligible adult or committed or
8 attempted insurance fraud;

9 (c) Within seven business days after the disbursement or transaction
10 is delayed, the insurer notifies the director of the delay and provides
11 to the director the reason for the delay, including the status of the
12 internal review initiated pursuant to subsection (1) of this section; and

13 (d) The insurer continues the internal review of the suspected or
14 attempted financial exploitation of the eligible adult, as necessary, and
15 provides the director with updates of such review upon request.

16 (3) Any delay of a disbursement or transaction authorized by this
17 section shall expire upon the first to occur of any of the following:

18 (a) A final determination by the insurer that the disbursement or
19 transaction will not result in or contribute to financial exploitation of
20 the eligible adult;

21 (b) Fifteen business days after the date on which the insurer first
22 delayed the disbursement or transaction, unless extended pursuant to
23 subdivision (3)(c) or (3)(d) of this section;

24 (c) If the internal review initiated pursuant to subsection (1) of
25 this section continues to support the insurer's reasonable belief that
26 the disbursement or transaction will likely result in or contribute to
27 the financial exploitation of an eligible adult, twenty-five business
28 days after the date on which the insurer first delayed the disbursement
29 or the transaction, unless extended pursuant to subdivision (3)(d) of
30 this section; or

31 (d) If the internal review initiated pursuant to subsection (1) of

1 this section continues to support the insurer's reasonable belief that
2 the disbursement or transaction will likely result in or contribute to
3 the financial exploitation of an eligible adult, fifty-five business days
4 after the date on which the insurer first delayed the disbursement or
5 transaction.

6 (4) Notwithstanding subsection (3) of this section, upon the
7 petition of the director, an insurer who initiated a delay of
8 disbursement or transaction pursuant to this section, or another
9 interested party, a court of competent jurisdiction may enter an order
10 terminating, extending, or modifying the delay of the disbursement or
11 transaction and may order other protective relief.

12 **Sec. 7.** (1) An insurer or trained individual who, acting reasonably
13 and in good faith, complies with section 6 of this act or the Insurance
14 Fraud Act shall be immune from any administrative or civil liability that
15 might otherwise arise from such delay in a disbursement or transaction or
16 any other actions or omissions related to the administration of Nebraska
17 Protection of Seniors from Insurance Exploitation Act. An insurer or
18 trained individual shall not be liable for the actions of a permissible
19 third party.

20 (2) An insurer or trained individual shall be immune from any civil,
21 criminal, or administrative liability for declining to interact with a
22 permissible third party if the insurer or trained individual reasonably
23 believes that:

24 (a) The permissible third party is, may be, or may have been engaged
25 in the financial exploitation of the vulnerable adult or senior adult; or

26 (b) Such interaction is not in the best interests of the vulnerable
27 adult or senior adult.

28 (3) A permissible third party who acts in good faith and exercises
29 reasonable care in providing information to the insurer or trained
30 individual, or in assisting the insurer, trained individual, or law
31 enforcement in an investigation of suspected financial exploitation,

1 shall be immune from any administrative, civil, or criminal liability
2 that might otherwise arise from such actions.

3 **Sec. 8.** (1) Except for insurance producers described in subdivision
4 (6)(a) of section 3 of this act, an insurer shall provide training to all
5 supervisors and employees of such insurer appropriate to the job
6 responsibilities of supervisors and employees handling or advising on
7 complaints, possible fraud, and investigations. Such training shall be
8 completed by the later of April 15, 2027, or one year after the date any
9 supervisor or employee begins employment with or becomes affiliated or
10 associated with the insurer. The training shall include all of the
11 following:

12 (a) Instruction on how to identify the suspected or attempted
13 exploitation of an eligible adult, including identifying common signs
14 indicating the financial exploitation of an eligible adult, and how to
15 provide notification regarding the suspected or attempted exploitation of
16 an eligible adult; and

17 (b) Instruction regarding privacy and confidentiality requirements.

18 (2) An insurer shall provide the training required by this section
19 as soon as reasonably practicable.

20 **Sec. 9.** (1) An insurer shall provide access to or copies of records
21 that are relevant to the suspected or attempted financial exploitation of
22 an eligible adult to the director and to law enforcement, either as part
23 of a referral to the director or law enforcement, or upon the request of
24 the director or law enforcement pursuant to an investigation. The records
25 may include historical records as well as records relating to the most
26 recent transactions and disbursement requests from the insurance policy,
27 contract, or account that may comprise financial exploitation of an
28 eligible adult.

29 (2) All records made available to the director or law enforcement or
30 any other person pursuant to this section, including the National
31 Association of Insurance Commissioners and its affiliates and

1 subsidiaries, in the course of an investigation conducted under the
2 Nebraska Protection of Seniors from Insurance Exploitation Act, shall be
3 confidential, shall not be subject to subpoena, shall not be made public
4 by the director or any other person, and shall not be public records
5 subject to disclosure pursuant to sections 84-712 to 84-712.09. Such
6 workpapers, recorded information, documents, and copies may be provided
7 to other state, federal, foreign, and international regulatory and law
8 enforcement agencies and the National Association of Insurance
9 Commissioners and its affiliates and subsidiaries if the recipient agrees
10 in writing to maintain the confidentiality of such workpapers, recorded
11 information, documents, and copies.

12 **Sec. 10.** The director may adopt and promulgate rules and
13 regulations to carry out the Nebraska Protection of Seniors from
14 Insurance Exploitation Act, including, but not limited to, rules and
15 regulations related to:

16 (1) The form and manner of the notifications under section 6 of this
17 act; and

18 (2) The specific content and methods of the training required under
19 section 8 of this act.