

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 639**

Introduced by Clouse, 37.

Read first time January 22, 2025

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to insurance; to require dental plan carriers
- 2 to meet a minimum dental loss ratio and provide a report to the
- 3 Department of Insurance as prescribed; and to provide powers and
- 4 duties to the Department of Insurance.
- 5 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** (1) For purposes of this section:

2           (a) Dental care provider means a dentist who bills for dental care  
3 services in Nebraska;

4           (b) Dental care services means services for the diagnosis,  
5 prevention, treatment, or cure of a dental condition, illness, injury, or  
6 disease. Dental care services does not include services delivered by a  
7 dental care provider that are billed as medical services under a health  
8 insurance plan;

9           (c) Dental loss ratio means the ratio of incurred claims to earned  
10 premiums as calculated using the formula provided in subdivision (2)(b)  
11 of this section;

12           (d) Dental plan carrier means an entity subject to the insurance  
13 laws, rules, and regulations of this state or subject to the jurisdiction  
14 of the director that contracts, or offers to contract, to provide,  
15 deliver, arrange for, pay for, or reimburse any of the costs of dental  
16 care services, including a dental insurance company, a prepaid limited  
17 health service organization, or any other entity authorized to offer an  
18 insurance plan that provides dental care services;

19           (e) Department means the Department of Insurance;

20           (f) Director means the Director of Insurance;

21           (g) Earned premiums means the portion of the premium paid in the  
22 reporting year that is intended to provide coverage during that reporting  
23 period; and

24           (h) Incurred claims means the claims for which services were  
25 provided in that reporting year. Incurred claims include claims that were  
26 paid in the reporting year and unpaid claims reserves for claims paid  
27 after the reporting year.

28           (2)(a) Beginning January 1, 2026, a dental plan carrier shall meet a  
29 minimum dental loss ratio requirement of eighty-five percent.

30           (b) Minimum dental loss ratios are calculated by dividing the  
31 incurred claims for the dental loss ratio reporting year by the earned

1 premiums for the dental loss ratio reporting year less any taxes and  
2 licensing and regulatory fees for such year.

3 (3)(a) Beginning January 1, 2027, a dental plan carrier shall  
4 annually submit to the department the dental loss ratio for the previous  
5 calendar year calculated in accordance with subdivision (2)(b) of this  
6 section. The annual filing shall, at a minimum, include rates, rating  
7 schedules, and supporting documentation, including the ratio of incurred  
8 claims to earned premiums for each calendar year since the plan's  
9 issuance. The required information shall be in a form and manner  
10 prescribed by the department and shall demonstrate that each plan  
11 complies with the minimum dental loss ratio standards.

12 (b) If the minimum dental loss ratio required by subdivision (2)(a)  
13 of this section is not met, the dental plan carrier shall return the  
14 excess premiums to its insureds.

15 (4) This section does not apply to an insurance policy issued, sold,  
16 renewed, or offered for dental care services or coverages provided  
17 pursuant to the medical assistance program established pursuant to the  
18 Medical Assistance Act.

19 (5) The department may adopt and promulgate rules and regulations to  
20 carry out this section.