

One Hundred Ninth Legislature - Second Session - 2026

Introducer's Statement of Intent

LB1137

Chairperson: Senator Mike Jacobson

Committee: Banking, Commerce and Insurance

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB1137 amends the Insured Homeowners Protection Act, the Public Adjusters Licensing Act, and the insurance fraud statutes to provide Nebraska consumers additional protections related to residential property claims.

First, the legislation amends the Insured Homeowners Protection Act by providing that a residential contractor must provide a homeowner a notice that a homeowner may cancel a contract with the residential contract within five business days after signing the contract or receiving a written notification from an insurer that a claim is not a covered loss. The residential contractor would also be required to provide a cancellation form. Additionally, the Act is amended to prohibit a residential contractor from soliciting or accepting a post loss-assignment of an insurance claim as well as prohibiting a residential contractor from negotiating with an insurer on the insured's behalf.

Second, LB1137 amends the Public Adjuster Licensing Act to adopt the latest updates to the model act adopted by the National Association of Insurance Commissioners (NAIC). Public adjusters are licensed through the Department of Insurance to represent insureds in the preparation, presentation and settlement of claims. Public adjusters owe insured's duty of loyalty and the NAIC updates in LB1137 clarify restrictions on solicitation of services and prohibitions on paying deductibles, among other changes. LB1137 requires insurers to verify the license of public adjusters with the Department.

Finally, the insurance fraud statutes are updated to include acting as a public adjuster without a license, willfully rebating a deductible of a insured property owner, or knowingly presenting to an insurer a statement, estimate, invoice, bid, proposal, proof of loss or other documents misrepresenting the scope of damages or cost of repair associated with a property insurance claim.

Principal Introducer: _____

Senator Beau Ballard