

# INSURANCE

**Pete Ricketts**

*Governor*

**Bruce R. Ramge**

*Director*

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***Insurtech on the Silicon Prairie Event Draws Attendees from Over 31 States***



Bruce R. Ramge

The Department of Insurance and the Nebraska Insurance Federation hosted its second annual Insurtech on the Silicon Prairie event on October 22 at the Holland Performing Arts Center in downtown Omaha.

Governor Ricketts delivered opening remarks to over 300 attendees from 31 states—nearly double the number of attendees from last year’s inaugural event. The one-day event brought 27 speakers from around the country. Attendees heard about Artificial intelligence, Blockchain, operations improvements with insurtech, innovation, new insurtech products, regulatory considerations, and many other areas. I am pleased with the overwhelming response to the event, and the incredible opportunity it allowed to network with insurance innovators, fellow regulators, and the insurance industry.

Nebraska’s robust, growing insurance industry includes 110 domestic insurance companies, and as of year-end 2018, ranks second in the nation in domestic surplus and fifth in domestic assets. As technology continues to become a force of change in insurance, it is important for insurance professionals and regulators to learn and embrace the changes unfolding upon the insurance world.

I encourage Nebraska, as well as non-Nebraska, companies to continue to grow their operations, products, markets and insurance technology in the State of Nebraska and respective states.

Information presented at the Insurtech on the Silicon Prairie event will be posted to **[www.siliconprairienebraska.com](http://www.siliconprairienebraska.com)**.

## PRODUCER LICENSING DIVISION

### **Online Chat Feature**

*Visitors to the website can ask producer licensing questions via the chat link at the bottom of each page and receive a response in real time.*

The Licensing Division has been using our on-line chat feature for the past year with great results. Visitors to the Department's website can ask producer licensing questions via the chat link at the bottom of each page and receive a response in real time. We recommend using Google Chrome or Mozilla Firefox browsers. Chats are monitored each weekday from 9:00 a.m. to 4:00 p.m. (CST).

### **Continuing Education Renewal**

*Any course approved prior to January 1, 2019, shall expire on January 1, 2020, or four years after the date of approval, whichever is later.*

As of January 1, 2019, an approved course for continuing education is for a four-year period. Any course approved prior to January 1, 2019, shall expire on January 1, 2020, or four years after the date of approval, whichever is later.

There will be a 90-day window prior to the expiration date for submission of the renewal and the \$50.00 fee. Once received, course outlines will be reviewed for renewal. The 90-day renewal window for CE courses expiring January 1, 2020 is now open. Any questions regarding the renewals may be sent to [doi.licensing@nebraska.gov](mailto:doi.licensing@nebraska.gov).

## PROPERTY & CASUALTY DIVISION

### **Form & Rate Filing Guidance**

*The division's quarterly guidance document, "Fidelity & Surety Form and Rate Filing Guidance" has been developed and posted to the Department's website.*

The division's quarterly guidance document, "**Fidelity & Surety Form and Rate Filing Guidance**" has been developed and posted to the Department's website. All of the division's guidance documents can be found at [www.doi.nebraska.gov](http://www.doi.nebraska.gov) under "Insurers/Property and Casualty Information/Filing Guidance."

Any questions concerning the property/casualty guidance documents may be directed to Connie Van Slyke at [connie.vanslyke@nebraska.gov](mailto:connie.vanslyke@nebraska.gov).

## LEGAL DIVISION

### ***LB 139 and Its Impact***

On March 15, 2019, the Legislature passed LB 139. The bill was subsequently signed into law by the Governor on March 21, 2019. LB 139 amends §48-2117 of the Contractor Registration Act by requiring that registered contractors disclose whether they: (a) carry workers' compensation insurance pursuant to the Nebraska Workers' Compensation Act; (b) are self-insured in accordance with the Nebraska Workers' Compensation Act; or (c) do not carry workers' compensation insurance because they are sole proprietors without employees.

If the contractors report to the database that they do not have workers' compensation coverage because they are sole proprietors without employees, a presumption of no coverage is created. That presumption may be rebutted by an insurer claiming coverage for a covered event. The contractor reported information is solely for the purpose of establishing premiums for workers' compensation coverage and shall have not affect any liability arising under the Nebraska Workers' Compensation Act.

While the paragraphs above explain what the legislation does, it may be equally important to be aware of what it does not do. As noted above, LB 139 does not affect any liability that may arise under the Nebraska Workers' Compensation Act.

Because liability persists, a registered contractor may still be included in workers' compensation audits of the general contractors that utilize its services if the contractor otherwise falls under the relevant requirements; by simply disclosing that it is a sole proprietor without employees, the registered contractor is not automatically shielded from such inclusion, presuming all of the other relevant audit guidelines are satisfied.

One final point to keep in mind is that the information provided on the contractor registration website does not prevent the Attorney General from seeking criminal convictions, injunctions, and/or monetary penalties against contractors who don't have proper workers' compensation coverage in place. For example, if a contractor registers on the contractor registration database as a sole proprietor without employees and later hires one or more employees, but fails to procure workers' compensation insurance or update the database, the Attorney General could take action against that contractor.

Questions on legislation may be directed to Matt Holman, General Counsel, at [matt.holman@nebraska.gov](mailto:matt.holman@nebraska.gov) or 402-471-2201.

## ***Regulation Updates***

### **Amended Company Bulletins**

#### **CB-138 (AMENDED) - STANDARD VALUATION ACT VALUATION MANUAL UPDATE**

On August 14, 2019, the Department amended Bulletin CB-138 to incorporate the updates made to the valuation manual, which were fully adopted by the National Association of Insurance Commissioners, for the reporting years 2019 and 2020.

A full copy of the bulletin can be viewed on the Department's website at [doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/CB138Amended819.pdf](http://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/CB138Amended819.pdf).

#### **CB-140 (AMENDED) - CLOSING PROTECTION LETTERS**

On September 16, 2019, the Department amended Bulletin CB-140, issued on July 10, 2018, to incorporate the changes made to the Title Insurers Act in LB 221 passed during the 2019 legislative session. It is recommended copies of the amended bulletin be distributed to accounting, marketing, underwriting, and research departments.

A full copy of the bulletin can be viewed on the Department's website at [doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/CB140Amended.pdf](http://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/CB140Amended.pdf).

#### **CB-142 (AMENDED) - FILING PROCEDURES FOR CROP-HAIL AND CROP-HAIL PRODUCTION PLAN RATING SYSTEMS**

The bulletin was amended on October 8, 2019, to update rate filing requirements for the 2020 growing season. Specifically, the amended bulletin extends the transition period of +/- 25% deviations from the National Crop Insurance Services Final Average Loss Costs until further notice.

A full copy of the bulletin can be viewed on the Department's website at [doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/CB142AmendedOctober2019\\_0.pdf](http://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/CB142AmendedOctober2019_0.pdf).

### ***Nebraska Comprehensive Health Insurance Pool Proposed Rate Adjustment***

Pursuant to Neb. Rev. Stat. § 44-4227, the Department will hold a public hearing on a proposed rate adjustment of the Nebraska Comprehensive Health Insurance Pool premium rates. The purpose of the hearing is to provide an opportunity for public comment on the proposed rate adjustment.

The public hearing has been scheduled for Tuesday, November 19, 2019, at 10:00 a.m., at the Nebraska Department of Insurance, 1135 M Street, Suite 300, Lincoln, Nebraska.

The **Notice** can be viewed on the Department's website at [www.doi.nebraska.gov](http://www.doi.nebraska.gov).

## **Nebraska Hospital-Medical Liability Act 2020 Surcharge Rate**

A hearing was held before the Director of Insurance on September 11, 2019, as required by Neb. Rev. Stat. § 44-2830, to consider adjusting the amount of surcharge for 2020.

On the basis of the public hearing giving due regard to the size of the existing Fund, the number and size of potential claims against the Fund, the number of participating providers, change in the cost of living, and sound actuarial principles, the Director set the surcharge for the year 2020, effective January 1, 2020, at fifty percent (50%) for all health care providers.

### **Actions Taken Against Producers and Agencies**

<b>CAUSE NO.</b>	<b>ALLEGATION</b>	<b>DISPOSITION</b>
A-2185 <b>Renas Haji</b> Nashville, TN  NPN - 18832615	Violated <u>Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(e), 44-4059(1)(h), and 44-1525(10)</u> . Violated any insurance law; used fraudulent, coercive, or dishonest practices; made false representation of policy; committed insurance unfair trade practice.	Consent Order License Revoked 7/22/2019
A-2187 <b>Brandon Ramlet</b> Highlands Ranch, CO  NPN - 12998974	Violated <u>Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(h), 44-1525(11), and 44-4054(8)</u> . Violated any insurance law; used fraudulent, coercive, or dishonest practices; failed to respond to Department inquiry; failed to notify Department of address change.	Consent Order License Voluntarily Surrendered \$300 fine 7/29/2019
A-2188 <b>Cammillee Kammerer</b> Ames, IA  NPN - 18498646	Violated <u>Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(h), and 44-4065(3)</u> . Violated any insurance law; used fraudulent, coercive, or dishonest practices; failed to notify Department of criminal prosecution.	Consent Order License Revoked 8/7/2019
A-2189 <b>Dianne Kool</b> Lincoln, NE  NPN - 8709447	Violated <u>Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(h), and 44-4054(8)</u> . Violated any insurance law; used fraudulent, coercive, or dishonest practices; failed to notify Department of address change.	Order License Suspended \$500 fine 9/13/2019
A-2190 <b>Jacinda Westfield</b> Virginia Beach, VA  NPN - 18626579	Violated <u>Neb. Rev. Stat. §§ 44-4059(1)(a), 44-4059(1)(b), 44-4059(1)(c), 44-4059(1)(f), 44-4059(1)(h), and 44-4059(1)(o)</u> . Provided misleading or incorrect information on licensing application; violated any insurance law; attempted to obtain a license through misrepresentation of fraud; convicted of a felony or misdemeanor; failed to maintain license in home state.	Order License Revoked 9/5/2019

**Actions Taken Against Companies**

CAUSE NO.	ALLEGATION	DISPOSITION
C-2504 <b>Corporate Plan Management, LLC</b> (Kansas)	Violated <u>Neb. Rev. Stat.</u> §§ 44-5814(1) and 44-5814(3). Failing to file the required annual report; failing to pay \$200 filing fee.	Order Suspended Certificate of Authority 7/31/2019

**CONSUMER AFFAIRS DIVISION**

**Consumer Alerts Posted to Website**

**Scooter Sharing Creates Insurance Implications for Consumers**

The Department has offered guidance about insurance coverage prior to renting an electric scooter in a consumer alert posted to its website on October 8, 2019. The alert urges consumers to understand the insurance implications, know whether they are covered, and visit with their insurance agent to learn more about what is required. The consumer alert can be found at [doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/ConsumerAlertScooterSharingCreatesInsuranceImplications.pdf](http://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/ConsumerAlertScooterSharingCreatesInsuranceImplications.pdf)

**Not All Health Plans are the Same, Know What You're Signing up For**

A consumer alert posted to the Department's website on September 16, 2019 explains Health Care Sharing Ministries, Discount Plans, and Non-Licensed Risk-Sharing Plans and warns that they are not insurance plans. A copy of the alert can be found at [doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/ConsumerAlertNotAllHealthPlansSame.pdf](http://doi.nebraska.gov/sites/doi.nebraska.gov/files/doc/ConsumerAlertNotAllHealthPlansSame.pdf).

**EXAMINATION DIVISION**

**Filing Electronic Premium Tax Returns**

The Nebraska Department of Insurance would like to encourage all companies to file their 2019 Premium Tax Return electronically through OPTins. More information on using OPTins can be found at [www.optins.org](http://www.optins.org).

Please note, some of the premium tax forms have been updated for the 2019 annual filing. Please be sure to review the instructions on our website at <https://doi.nebraska.gov/insurers/premium-tax-forms> prior to filing. If you have any questions, please contact Kristy Hadden at [kristy.hadden@nebraska.gov](mailto:kristy.hadden@nebraska.gov) or 402-471-0373.

***Pre-Need Examinations Completed During 3rd Quarter, 2019***

All Faiths Funeral Home  
Bondegard Funeral Services, LLC  
Catholic Cemeteries Archdiocese of Omaha  
Chamberlain-Pier Funeral Home  
Fox Funeral Home, Inc.  
Gehrig-Stitt Chapel & Cremation Services, LLC  
Huffman-Levander Funeral Home  
Moser Memorial Chapel, Inc.  
Roper & Sons, Inc.  
William J. Stokely, Inc. dba Stokely Funeral Home  
Wenburg Funeral Home, Inc.

***Financial Examinations Completed During 3rd Quarter, 2019***

Farmers Mutual Fire Insurance Association of Seward County  
The German Farmers Mutual Assessment Insurance Association of Hall County, Inc.  
Grange Mutual Insurance Company of Custer County  
Nebraska Community College Insurance Trust  
Nebraska Intergovernmental Risk Management Association  
Nebraska Intergovernmental Risk Management Association II  
Washington County Mutual Insurance Company

Financial examination reports become public documents once they have been placed on official file by the Department. The most current report of financial examination can now be found on the Department's website at [www.doi.nebraska.gov](http://www.doi.nebraska.gov). Copies can be obtained from the Department at a cost of \$.50 per page.



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## Department Calendar

- November 11: NDOI Closed—Veterans’ Day
- November 28-29: NDOI Closed—Thanksgiving
- December 25: NDOI Closed—Christmas Day
- January 1: NDOI Closed—New Year’s Day
- January 20: NDOI Closed—Martin Luther King Day Observed