

INSURANCE

Pete Ricketts

Governor

Bruce R. Ramage

Director

A Message from the Director....

Autonomous Vehicles Allowed in Nebraska



Bruce R. Ramage
Director of Insurance

The passage of LB 989 allows for the operation of autonomous vehicles in Nebraska. It permits the operation of driverless cars if (1) the vehicle is capable of achieving a “minimal risk condition”; i.e., the automated driving system can bring the vehicle to a complete stop or engage hazard lights in the case of a malfunction; and (2) while driverless, a vehicle can comply with all traffic and motor vehicle laws.

Fully autonomous vehicles are now permitted in Nebraska. For insurance purposes, financial responsibility of autonomous vehicles must satisfy the Motor Vehicle Safety Responsibility Act. Stated another way, currently the insurance requirements for human driven vehicles are the same as autonomous vehicles.



The Department has participated in meetings with other state agencies, including the Department of Motor Vehicles, State Patrol, and the Department of Transportation, to discuss implementation of the law. An invitation to take a test ride on the autonomous shuttle at University of Nebraska-Lincoln Innovation Campus was enjoyable and has us excited about moving forward with future insurance-related technological advances.

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PROPERTY & CASUALTY DIVISION

Nebraska's Assigned Risk Plan—Solicitation for Proposals

On July 11, 2018, Director Ramage issued a **Notice** to all workers' compensation insurers writing business in Nebraska regarding Nebraska's Assigned Risk Plan. The Department has posted a Solicitation for Proposals (SFP) for coverage of the Nebraska Assigned Risk Workers' Compensation Insurance Plan (WCIP), for coverage beginning January 1, 2019.

The SFP is posted at <https://doi.nebraska.gov/consumer/workers-compensation>. The Department's current agreement for WCIP coverage with Travelers can also be found on this webpage.

Contact information and details for those interested in submitting a proposal are provided in the SFP. The proposal timeline is as follows:

- If you have additional questions after review of the SFP, the questions must be submitted to Connie Van Slyke at Connie.VanSlyke@nebraska.gov by August 10, 2018 at 5:00 p.m.
- Answers to questions will be posted on the Department's website no later than August 17, 2018.
- Proposals are due at the Department on September 6, 2018 by 4:00 p.m.
- Proposals will be opened at the Department on September 7, 2018 at 10:00 a.m.
- If necessary, the Department may request bidders to provide oral presentations or clarifications on September 12, 2018.

State of the Marketplace Survey

Neb. Rev. Stat. § 44-7507(1) states the Director "...shall monitor competition and the availability of insurance in commercial insurance markets." The purpose of the survey is to find out from the producers in our state what they are seeing and what problems they may be encountering. A survey was recently sent to approximately 44 producers throughout the state with 12 completed and returned. Some of the results are as follows:

Do you currently have admitted markets for the following types of business?

- Half of the respondents said they have 6 or more markets for Commercial Property, CGL, and Commercial Auto and half of the respondents said they have 2–5 markets for Commercial Inland Marine, Fidelity & Surety, and Professional Liability.

Do you currently have admitted markets for the following classes of business?

- The majority responded that they have between 2-5 available markets for most classes of business including Property & Liability coverage for Agribusiness or Commercial Agriculture, Contractors and Construction, and Financial Services such as Banking, Insurance and Investment Services getting the most responses.

The survey also asked about personal lines and found that approximately 75% had no indication, or only a slight indication, of a problem.

The Department appreciates those who took the time to complete the survey and are pleased to see that for the most part there are markets available for lines and classes of insurance.

The next survey will be going out in September to various producers throughout the state. If you receive a survey, we ask that you please complete it as soon as possible. If you are a producer who didn't receive one, but would like to share your thoughts on the marketplace in your area, please contact Connie Van Slyke at 402-471-4647 or connie.vanslyke@nebraska.gov.

Boatowners Form & Rate Filings

The Boatowners Form and Rate filing checklist has been updated and posted to our website. The form and rate filing **checklist** can be found on the Department's website at doi.nebraska.gov under Insurers/Property and Casualty Information/Filing Guidance.

Rate Filing Submission Requirements

As a reminder when submitting rate filings, [Neb. Rev. Stat. § 44-7508](#) requires each insurer to include all supporting information related to a rating system. Please be sure you are including any background information necessary to explain and justify the changes being made to your rates. This will assist us in a timely review and reduce the amount of correspondence on filings.

Also, if your rate filing includes Complex Rate Models, please refer to the "Property & Casualty Rating System Filing Requirements Applied to Complex Models" which can be found in the SERFF instructions.

CONSUMER AFFAIRS DIVISION

Reminder—Use Department's Post Office Box on Correspondence

If an insurer denies a claim and the claimant objects to such denial, the insurer is required to notify the claimant, in writing, of his or her right to have the matter reviewed by the Nebraska Department of Insurance.

A number of insurers reference the Department's former street address in this written notice; however, as the result of a fire in the Terminal Building, the Department is no longer located at 941 O Street. **Please use the Department's mailing address, instead of its former street address, in correspondence directed to claimants.**

The Department's mailing address is PO Box 82089, Lincoln, Nebraska 68501-2089. Our phone number remains 402.471.2201.

Consumer Information Issued During Second Quarter, 2018

The following information can be found on our website at doi.nebraska.gov:

- **Phone Scam Used to Market Medicare Supplement Insurance**

The phone scam involves a caller posing as an employee of the State of Nebraska. The **consumer alert** was posted May 29.

- **Balance Billing and Out-of-Network Providers**

A consumer fact sheet was developed to provide basic facts for consumers. The **fact sheet** was posted on June 1.

- **CropPro/GuideOne Crop Hail Named Peril Policy Cancellations**

Growers and Insurance Producers are provided with information on crop hail named peril policies issued to Nebraska growers. The **consumer alert** was posted May 30.

- **Proactive Indemnity Corporation Ordered to Cease and Desist Insurance Activities**

Nebraskans are asked to report business conducted with the entities ordered to immediately cease and desist all insurance activities in Nebraska. The **consumer alert** was posted May 30.

- **Flood Insurance—Take Time to Review Your Flood Insurance Needs**

All homeowners and renters are encouraged to take time to review their flood insurance needs before a loss occurs. The **consumer alert** was posted July 9.

- **2018 Auto Insurance—A Rate Comparison Guide**

An auto rate comparison guide that includes the top 11 private passenger automobile insurance companies, as established by market share, gives consumers an idea of how insurance premiums may vary between insurance companies. The **brochure** was posted July 11.

Visit the Department's website at doi.nebraska.gov and sign up to receive notification when information is posted. "Get Update Notices" is found in the lower right-hand corner of the home page—choose to receive one or all four of the categories.

FRAUD DIVISION

Court Actions

Buffalo County District Court, Case CR17-211 State v. James Bamford

James Bamford was charged in Buffalo County with two felony counts of insurance fraud. Mr. Bamford attempted to claim pre-existing hail damage, pursuant to his farm policy, as new damage putting the insurer at risk for a nearly \$20,000 loss. Pursuant to a plea agreement, Mr. Bamford pled no contest to two amended Class I misdemeanors. Judge William T. Wright sent a strong message when he sentenced Mr. Bamford noting that probation without a period of confinement would depreciate the seriousness of the offense. Mr. Bamford's sentence included two years' probation plus associated costs, a \$1,000 fine, \$1,505.11 in restitution to the Insurance Fraud Prevention Division, and 90 days in jail for each count.

Court Actions (cont.)

Douglas County District Court, Case CR17-784

State v. Dierk D. Dorsey

Dierk Dorsey was a licensed insurance agent when he was accused of diverting premiums for personal use. Mr. Dorsey was found guilty of four Class III felony counts of insurance fraud in Douglas County. On March 6, 2018, Judge Gregory M. Schatz sentenced Mr. Dorsey to five years' probation. The terms of Mr. Dorsey's probation included payment of restitution to Heartland Workers Center in the amount of \$3,780, to Ed Dale Properties in the amount of \$4,200, to JC Management in the amount of \$6,120, and to Cincinnati Insurance in the amount of \$105,900, which represented the diverted premiums.

Douglas County District Court, Case CR17-4287

State v. Rachel M. Johnson

Rachel Johnson was charged in Douglas County after the Insurance Fraud Prevention Division's investigation determined she attempted to report over \$13,000 in property stolen from her residence to her insurer. The insurer determined Ms. Johnson submitted fraudulent documentation to substantiate her claim and reported this matter to Insurance Fraud Prevention Division. The felony count of insurance fraud was subsequently amended to a Class I misdemeanor in which Ms. Johnson pled no contest. District Court Judge, Kimberly A. Pankonin, sentenced Ms. Johnson to two days in jail and ordered restitution for the Insurance Fraud Prevention Division's investigative costs.

Lancaster County Court, Case CR17-16835

State v. Crystal D. Branch

Crystal Branch was charged with a felony in Lancaster County for reporting she was injured as the result of an automobile accident in which she was allegedly a passenger. Ms. Branch went as far as providing a recorded statement to the insurance company, identifying herself as the insured driver, to substantiate the injuries to her passenger. It was found that Ms. Branch was not in the vehicle when the accident occurred. Ms. Branch pled no contest and was found guilty of an amended Class I Misdemeanor. Ms. Branch's sentencing included a \$1,000 fine and court costs.

Sarpy County Court, Case CR16-2907

State v. Tionna N. Andrews

Tionna Andrews assured her mother she would not file a claim with her mother's auto insurance company after a minor collision where her mother backed into Ms. Andrews 2011 Chevrolet Cruze, which appeared to have pre-existing damage in the same area. Soon after, Ms. Andrews submitted a claim reporting a bodily injury and vehicle collision damage. Ms. Andrews was also believed to have represented herself to the insurance company as the insured in order to accept responsibility for the accident. Ms. Andrews was charged with a felony count of insurance fraud after vehicle damages were found to be pre-existing. Ms. Andrews pled guilty to an amended charge of false reporting, a Class I misdemeanor, and was sentenced to a fine and court costs.

Washington County District Court, Case CR18-25

State v. Jeremiah J. McCartney

In June 2014, a significant hailstorm damaged Jeremiah McCartney's property. Mr. McCartney received a \$4,776.16 replacement claim payment pursuant to his homeowner's policy after submitting a receipt reflecting additional repairs were made to the property. In 2016, Mr. McCartney sustained a second loss where the insurance company discovered Mr. McCartney's property had not been repaired from the 2014 loss. An investigation by the Insurance Fraud Prevention Division concluded the repair receipt submitted by Mr. McCartney, to his insurance company, was fraudulent. Mr. McCartney was charged with a Class IV felony count of insurance fraud that was subsequently amended to a Class I misdemeanor. District Court Judge John E. Samson resolved the matter by ordering Mr. McCartney to make restitution to the insurance company, the Insurance Fraud Prevention Division, and pay court costs.

PRODUCER LICENSING DIVISION

Nebraska began issuing both Individual and business entity public adjuster licenses, effective July 19, 2018.

Individuals who currently hold an active insurance consultant license in Nebraska and act as a public adjuster will need to reapply for the new public adjuster license.

Nebraska no longer requires pre-licensing for new resident applications or residents adding a new line of authority.

Any person failing to provide notification shall be subject to a fine by the Director of not more than five hundred dollars per violation, and suspension of the person's license until the change of address is reported to the Department, or both.

Public Adjuster License

Effective July 19, 2018, Nebraska began issuing public adjuster licenses. Nebraska will issue both individual and business entity public adjuster licenses. The licensing requirements can be found at doi.nebraska.gov.

In addition, effective July 19, 2018, the Nebraska insurance consultant license will no longer include the authority to act as a public adjuster. Individuals who currently hold an active insurance consultant license in Nebraska and act as a public adjuster will need to reapply for the new public adjuster license.

Questions regarding the public adjuster licensing process can be sent to the Nebraska Department of Insurance at doi.licensing@nebraska.gov or by calling the Licensing Division at 402-471-4913.

Pre-Licensing Requirement

Nebraska no longer requires pre-licensing for new resident applications or residents adding a new line of authority, effective July 19, 2018. Pre-licensing education is an important part to passing your Nebraska insurance exam, but the Department of Insurance will no longer regulate these courses.

Change of Address Reminder

Every person licensed under the Insurance Producer Licensing Act is required to notify the Department within thirty days of any change in such person's residential or business address.

Any person failing to provide such notification shall be subject to a fine by the Director of not more than five hundred dollars per violation, and suspension of the person's license until the change of address is reported to the Department, or both.

You can either change your home and business address online at www.nipr.com or you can submit a Change Request form and mail or email it to the Nebraska Department of Insurance.

LEGAL DIVISION

Case Summaries***Amanda E. Cookson et al. v. Bruce R. Range, Director, Nebraska Department of Insurance, Nebraska Supreme Court Case No. S-17-521, decided February 23, 2018***

This declaratory judgment action clarifies that insurance policies are not required by Nebraska's "equal access statute," Neb. Rev. Stat. § 44-513, to charge identical copayments for a covered service regardless of the type of provider.

Three Nebraska residents and the Nebraska Chiropractic Physicians Association filed this action against the Director of the Department of Insurance, requesting an order declaring that § 44-513 precludes future approval of an insurance policy in Nebraska that requires a higher payment from a policyholder receives a covered service from a chiropractor rather than from a medical doctor, where both providers are in-network and both providers are legally authorized to perform the service.

The district court found that § 44-513 allows insurance policies to charge a higher copayment if the policyholder receives a covered service from a chiropractor rather than from a medical doctor. The plaintiffs appealed, and the case was moved to the Nebraska Supreme Court.

Section 44-513 requires that whenever an insurer provides for a service, in whole or in part, the insured may obtain such service from one of the listed providers, so long as it is within the scope of the provider's practice. Providers listed at § 44-513 include osteopathic physicians, chiropractors, optometrists, psychologists, dentists, podiatrists, or mental health practitioners.

The Nebraska Supreme Court reasoned that the statute does not use the word "copayment," and refused to read an equal copayment requirement into the statute. The Court noted that the word "copayment" appears in 22 statutes in the Insurance Code, and the plural form of "copayment" appears in an additional 11 statutes. The Legislature's understanding of copayment parity is demonstrated in other statutes that clearly require equal copayments, in contrast to § 44-513, which does not contain an equal copayment requirement. The Court held, "Because the statute's plain language defeats Policyholders' arguments, the issue of equality of copayments remains in the legislative arena." The Court also noted that throughout the entirety of the legislative history for § 44-513, the word "copayment" was not spoken.

Insurers will continue to be allowed to require different copayments for different types of providers. As argued in the amicus brief filed by America's Health Insurance Plans in this case, allowing different copayments for different types of providers will allow insurers to continue to charge lower copayments for primary care physicians, thus incentivizing use of the most effective and cost-effective provider for most common ailments.

2018 Legislative Summary

The 105th Legislature, Second Session, adjourned for the year on Wednesday, April 18, 2018. On April 18, the Legislature passed a large number of bills and sent the bills to the Governor for approval, three of which were vetoed and were not enacted into law. For the two years of the 105th Legislature, 1136 substantive bills were introduced, including 469 in the Second Session. Of the 469 introduced in 2018, 152 (including appropriation bills) were passed and signed into law by the Governor.

It was a productive session for the Nebraska Department of Insurance. The Department asked for three bills to be introduced and all three passed, LB 743 related to insurance producer education and public adjusters, LB 799 related to surplus lines, and LB 815 related to credit for reinsurance involving captives.

Below are brief summaries of the enacted Department legislation and other bills of interest to the insurance industry. Information on the Legislature and all legislative bills is located on the Legislature's website, www.nebraskalegislature.gov. The website contains a wealth of information on legislative bills, State Senators, the state budget, and the legislative process. When searching for the text of a legislative bill, please be sure to read the 'Slip Law' copy to view the enacted language of the legislation. **Unless otherwise noted below, all legislative bills became effective on July 19.**

LB 743 (Senator Brett Lindstrom) Adopt the Public Adjusters Licensing Act, redefine insurance consultant, change prelicensing and continuing education requirements for licensees, change insurance producer requirements under the Nebraska Protection in Annuity Transactions Act, and change provision under the Insured Homeowners Protection Act. LB 743 made numerous changes related to the education requirements for insurance producers, adopted the National Association of Insurance Commissioners (NAIC) model public adjuster law, and included the amended provisions of LB 220, which amends the Insured Homeowners Protection Act.

First, LB 743 amended provisions related to continuing education to modernize the continuing education process. Two significant changes to continuing education in LB 743 is the removal of a duty to provide the Department paper certificates of completion and the inclusion of a four-year term for approved continuing education courses. Previously, courses were approved indefinitely. The inclusion of a renewal period will help ensure insurance producers are receiving relevant continuing education. The renewal process will begin on January 1, 2019.

Second, LB 743 eliminates the requirement that an insurance producer applicant complete forty hours of Department approved education before being licensed and eliminates the Department certification of prelicensing courses. The producer examination process remains in place as the bar into the insurance producer profession. Elimination of the requirement will not diminish the value of pre-exam education, but merely makes it optional.

Third, LB 743 adopted the NAIC model public adjuster law. Under previous law, public adjusters were licensed as insurance consultants. Because of reciprocity, it was easier for an out-of-state public adjuster to receive a Nebraska license than a Nebraskan seeking such a license. The insurance consultant law also lacked needed consumer protections that are contained within the NAIC model law on public adjusters. As a result, LB 743 was introduced, in part, to establish a separate licensing process for public adjusters and to include needed consumer protections.

As enacted in LB 743, the Public Adjusters Licensing Act defines a public adjuster as a person who, for compensation, provides assistance to an insured in the filing and settlement of a property claim against an insurer. The act contains numerous consumer protections, including required contract clauses, the right of the insured to exit a contract with a public adjuster within three days of execution of a contract,

and a strict prohibition against a public adjuster having a conflict of interest with either an insurer or other party, such as a contractor, who would receive compensation pertaining to the claim. The act clearly does not prohibit a contractor from working with and communicating with an insurer on a claim, as long as the contractor does not receive additional and separate compensation for such negotiations.

Finally, the provisions of LB 220 (Senator Burke Harr), which amends the Insured Homeowners Protection Act, were amended into LB 743 by the Legislature during floor debate. The provisions permit a residential contractor who receives a post-loss assignment of claims from an insured under a property and casualty policy to be named as a copayee. The assignment is required to be provided to the insurer within five business days after execution; must contain a statement indicated the contractor has made no assurances that the claimed loss will be fully covered by the insurance contract; shall not impair the interest of the mortgagee; and shall not prevent or inhibit the communication between the insurer and the insured. Additionally, a residential contractor must provide the insured, prior to commencement of the repair, an itemized description of the work to be performed. A residential contractor is also required to provide the insured a statement that it is against the law for a residential contractor to rebate any portion of an insurance deductible.

Any contract entered into with a residential contractor is void if the residential contractor violates any provision of the Insured Homeowners Protection Act.

LB 799 (Senator Mark Kolterman) Modify deadlines and sanctions in the Surplus Lines Insurance Act. LB 799 modified two provisions of the Surplus Lines Insurance Act. First, it amends Neb. Rev. Stat. § 44-5511 to change the quarterly filing dates of a required report to the same filing dates for taxes listed in Neb. Rev. Stat. § 44-5506. Second, LB 799 amended Neb. Rev. Stat. § 44-5512 to allow the Department to file an administrative action against a surplus lines licensee without first issuing a cease and desist order.

LB 815 (Senator Paul Schumacher) Provide regulatory authority regarding reinsurance. The legislation amended the credit for reinsurance law to provide the Department authority to issue rules and regulations governing the valuation of assets, the amount and form of security, or the circumstances where a credit would be eliminated or reduced for special purpose financial captives utilized by insurers for reserving term and universal life policies. Special purpose financial captives are specialized captive insurers that provide insurance and reinsurance to a parent insurer or affiliate.

Both the statutory change and the forthcoming rule and regulation are models from the NAIC and are both considered accreditation standards by the NAIC.

Other insurance related legislation enacted in 2018:

LB 299 (Senator Laura Ebke) Adopt the Occupational Board Reform Act and change procedures for rules and regulations. As passed and signed by the Governor, LB 299 establishes a process for individual applicants of most state-based licenses, including insurance licensees, to ask the issuing agency for a determination, prior to application, whether or not the individual's criminal history would disqualify the individual from obtaining a license. The established process includes timeframes, appeal rights, and fees.

LB 299 also places a duty on the standing committees of the Legislature to annually review and analyze approximately twenty percent of all licenses within its jurisdiction. The new law prescribes the factors the committee must evaluate when reviewing licenses. The provisions of LB 299 become operative on July 1, 2019.

LB 480 (Senator John McCollister) Provide requirements relating to health insurance policies and coverage for insureds in temporary jail custody. A new section of law to the insurance code is added by LB 480 providing requirements and guidance to health insurers who may have an insured in a jail facility. The legislation prohibits, with exceptions, the cancellation of a health insurance policy while an insured is in temporary custody of a jail and prohibits the insurer from denying coverage for the medical services and supplies covered by the policy while an insured is in temporary custody of a jail if such services or supplies were provided by a properly credentialed jail employer or contractor.

The legislation also provides an extensive list of permitted actions by an insurer if an insured is in jail including, most notably, that an insurer may deny coverage for treatment of injuries resulting from a violation of law by the insured. LB 480 does not apply to coverage of an insured in custody after disposition of coverage, impair the right of an employer to remove an employee from coverage, release a requirement to coordinate benefits, or limit an insurer's right to rescind coverage as permitted by law.

The legislation also prohibits a political subdivision from paying the health insurance premiums of a person temporarily in jail.

LB 486 (Senator Mark Kolterman) Change continuing education requirements for insurance licensees. LB 486 permits the Department to approve up to six hours of an insurance producer's continuing education requirements for active participation in a professional insurance association. Active participation is defined as attendance at formal meetings, service on the board of directors, or participation in industry, regulatory, or legislative meetings held by the association. A professional insurance association is defined as a state or national membership organization that offers instructional programs to members, is organized to promote the interests of insurance licensees in this state, and is based upon paid membership. Please see **CB-141** for more information.

LB 953 (Senator Joni Albrecht) Change provisions under the Nebraska Workers' Compensation Act and the Employee Classification Act. Relevant provisions of LB 953 to the insurance industry address lump sum payments. The lump sum payment statute, Neb. Rev. Stat. § 48-139, is amended in numerous ways and includes a new provision stating that any exclusion from coverage in an insurance policy because the employee is entitled to workers' compensation coverage is void if the employee would continue to have unpaid medical expenses after a lump sum settlement has been approved by the Workers' Compensation Court.

LB 957 (Senator John Lowe) Provide procedures for choosing a method of payment for payments under the Nebraska Workers' Compensation Act. LB 957 amends Neb. Rev. Stat. § 48-125 to permit a payer of workers' compensation benefits, such as a workers' compensation insurer, to enter into an agreement with an injured worker or such worker's legal representative to provide payments by check, direct deposit, prepaid card, or similar electronic payment system. Previously, payment was made in accordance with the method of payment of wages at the time of injury.

LB 957 provides for protections for the injured worker who agrees to one of the new methods of payments. These protections include: (1) electronic payments and card payments are not subject to garnishment; (2) the payer, if using a card as method of payment, will provide the employee with information as to where the card may be used; (3) the funds may be transferred to an attorney's trust account of the attorney representing the employee; (4) prior to entering the agreement, the payer must disclose all fees associated with the method of payment; (5) any payment (either periodic or lump sum) must be the full payment.

Prepaid cards offered by the payer shall (1) allow the employee to apply, initiate, transfer, and load payments with no charge by the payer; (2) offer the initial card at no charge; and (3) provide the employee with at least one method of accessing the full payment without fees, for each payment. The employee is permitted to rescind the agreement for payment and return to payment in the same method of wages. LB 957 also contains prohibitions on the payers from pressuring employees to use the new payment methods.

LB 1012 (Senator Burke Harr) Authorize self-service storage facility operator insurance producer license. LB 1012 creates a limited lines insurance producer license for operators of self-storage facilities to permit the operators and employees of the storage facility to sell insurance coverage for property that is contained within the storage space. LB 1012 contains similar provisions to other limited lines licenses such as car rental insurance and travel, and will become operative on October 1, 2018.

LB 1119 (Senator Merv Riepe) Adopt the Direct Primary Care Pilot Program Act and the Nebraska Right to Shop Act. LB 1119 placed two new acts into law. First, it adopts the Direct Primary Care Pilot Program Act which requires the Department of Administrative Services to create a pilot program for state employees within the state health insurance program that provides enrollees with at least two different primary care health options including a high-deductible option and a low-deductible option for health care coverage outside of primary care. The new act also places a number of requirements on the pilot project related to participation by a primary care provider, data collecting, and reporting.

LB 1119 also adopted the Nebraska Right to Shop Act, originally **LB 604** also introduced by Senator Riepe. The new act only applies to insurance carriers who elect to be subject to the act.

If a carrier elects to be subject to the act, the act places a number of requirements on a health care provider within the carrier's network to provide a variety of cost information to a patient. A carrier would also have to establish an interactive mechanism on its website that would enable an enrollee to obtain information related to payments made by the carrier to health care providers. Additionally, a carrier would have to provide a good faith estimate of the enrollees cost-sharing responsibilities for a procedure or service.

The carrier, if it elected to be subject to the act, would be mandated by the act to develop and implement a savings incentive payment program for enrollees who utilize health care providers that charge less than the average price normally paid by a carrier. The shared savings incentive program shall be offered on all plans offered in the state and the carrier shall submit its program to the Department for review prior to offering the program in the state. The carrier shall also file with the Department an annual report regarding the program.

Payments made pursuant to the Nebraska Right to Shop Act shall not be considered a rebate of premium.

Feel free to contact the Department's Legislative Liaison, Robert Bell, by phone (402) 471-4650 or email robert.bell@nebraska.gov, with any questions regarding legislation or the legislative process.

Regulation Updates

Proposed Amended Regulation

TITLE 210 NEB. ADMIN. R. & REGS. CHAPTER 36—REGULATION TO IMPLEMENT THE MEDICARE SUPPLEMENT INSURANCE MINIMUM STANDARDS ACT

The proposed amendments to Chapter 36 reflect mandatory changes under federal law, specifically the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). A public hearing on the proposed amendments to Chapter 36 will be held on August 28, 2018.

A full copy of the **notice** and Proposed Amendments to Chapter 36 can be found on the Department's website at doi.nebraska.gov.

Company Bulletins

CB-139 - APPRAISAL LANGUAGE IN THE 1943 STANDARD FIRE POLICY OF THE STATE OF NEW YORK

CB-139 was issued to provide guidance to insurers regarding fire and lightning policies. To “conform as nearly as practicable to” the conditions of the Standard Fire Policy and to address the ruling of the Court, fire and lightning policies should contain an appraisal provision that would permit appraisals only if agreed to by both parties, after a dispute arises. A full copy of **CB-139**, dated July 9, 2018, can be found on the Department’s website at doi.nebraska.gov.

CB-140 - CLOSING PROTECTION LETTERS

CB-140 was issued for the purpose of providing guidance to title insurers on the requirement to issue closing protection to an insured if the title insurer issues a commitment or title insurance policy. A full copy of **CB-140**, dated July 10, 2018, can be found on the Department’s website at doi.nebraska.gov.

CB-141 - CONTINUING EDUCATION CREDIT FOR INSURANCE PRODUCERS FOR ACTIVE PARTICIPATION IN A PROFESSIONAL ASSOCIATION

CB-141 was issued for the purpose of informing insurance producers of their eligibility to receive up to six continuing education credits for active participation in a professional insurance association. The bulletin also provides guidance on the definition of “active participation.” A full copy of **CB-141**, dated July 10, 2018, can be found on the Department’s website at doi.nebraska.gov.

Actions Taken Against Companies

CAUSE NO.	ALLEGATION	DISPOSITION
C-2391 American Family Insurance Company, American Family Mutual Insurance Company, S.I., American Standard Insurance Company of Wisconsin (Wisconsin)	Violated <u>Neb. Rev. Stat. § 44-516, 44-1524, and 44-1525(13)</u> . Committed an unfair insurance trade practice.	Consent Order \$15,000 fine 5/23/2018
C-2402 Visiant Holdings, Inc. (Michigan)	Violated <u>Neb. Rev. Stat. § 44-5814 (1) and 44-5814(3)</u> . Failed to file the required annual report; and failed to pay \$200 filing fee.	Order Certificate of Authority Suspended 6/28/2018
C-2404 Benefit Transact Solution, LLC (Texas)	Violated <u>Neb. Rev. Stat. § 44-5814 (1) and 44-5814(3)</u> . Failed to file the required annual report; and failed to pay \$200 filing fee.	Order Certificate of Authority Suspended 6/28/2018

Actions Taken Against Producers & Agencies

CAUSE NO.	ALLEGATION	DISPOSITION
A-2093 Kevin Tetti Tinton Falls, NJ NPN – 8769526	Violated <u>Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(h), 44-4059(1)(i), and 44-4065(1)</u> . Violated any insurance law; used fraudulent, coercive, or dishonest practices; license revoked, denied, suspended etc. in another state; failed to report administrative action to the Department.	Order License Revoked 4/25/2018
A-2096 Crystal Lessert Morrill, NE NPN - 8039364	Violated <u>Neb. Rev. Stat. §§ 44-4059(1)(a); 44-4059(1)(b), 44-4059(1)(e), 44-4059(1)(f), 44-4059(1)(h) and 44-4065(3)</u> . Provided misleading or incorrect information on licensing application; violated any insurance law; intentionally misrepresented terms of insurance contract; convicted of misdemeanor; used fraudulent, coercive, or dishonest practices; failed to report criminal prosecution to the Department.	Order License Revoked 6/11/2018
A-2097 Sergio Archuleta Chubbuck, ID NPN - 17499271	Violated <u>Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(h), 44-1525(10), and 44-1525(11)</u> . Violated any insurance law; used fraudulent, coercive, or dishonest practices; made false or fraudulent statements relative to an application for a policy; failed to respond to the Department.	Order License Revoked 4/19/2018
A-2099 Dick Wollman Omaha, NE NPN - 7503745	Violated <u>Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(f), 44-4059(1)(h) and 44-4065(3)</u> . Violated any insurance law; convicted of a felony; failed to report criminal prosecution to the Department.	Order License Revoked 5/24/2018
A-2100 Cathrina Jacob Bethesda, MD NPN- 8508253	Violated <u>Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(h), and 44-4059(1)(o)</u> . Violated any insurance law; used fraudulent, coercive, or dishonest practices; failed to maintain a license in the home state.	Order License Revoked 6/7/2018
A-2101 Ashley Perez San Antonio, TX NPN - 16805824	Violated <u>Neb. Rev. Stat. §§ 44-4059(1)(b), 44-4059(1)(h), and 44-4059(1)(o)</u> . Violated any insurance law; used fraudulent, coercive, or dishonest practices; failed to maintain a license in the home state.	Order License Revoked 6/7/2018

EXAMINATION DIVISION***Pre-Need Examinations Completed During Second Quarter, 2018***

Allen-Harvey, Inc.
Apfel Funeral Homes, Inc.
Brewer, Korsiko, Larkin
Devoted Directors, Inc.
Drauker Funeral Home
Levander Funeral Home
Ludvigsen Mortuary
Palmer-Santin Funeral Home
Preferred Morticians
Reynolds-Love Funeral Home
Tickle Funeral Home
Wenbug Funeral Home

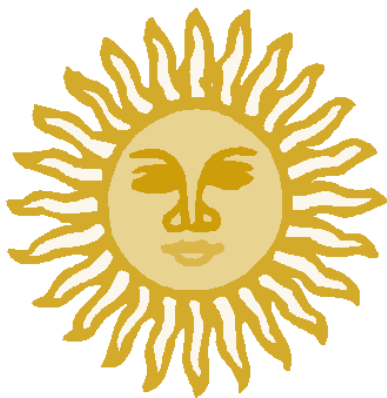
Financial Examinations Completed During Second Quarter, 2018

Ability Insurance Company
Berkshire Hathaway Direct Insurance Company
Berkshire Hathaway Homestate Insurance Company
Berkshire Hathaway Life Insurance Company of Nebraska
Berkshire Hathaway Specialty Insurance Company
BHG Life Insurance Company
Boone & Antelope Mutual Insurance Company
Columbia Insurance Company
Delta Dental of Nebraska
Empire Fire and Marine Insurance Company
Farmers Mutual United Insurance Company
Foxtrot Re, LLC
German Mutual Insurance Company of Dodge County
Haymarket Insurance Company
National Fire & Marine Insurance Company
National Indemnity Company
Nebraska Association of Resources Districts Intergovernmental Risk Management
Nebraska Farmers Mutual Reinsurance Association
Northern Nebraska United Mutual Insurance Company
Oak River Insurance Company
Pacific Life Insurance Company
Physicians Mutual Insurance Company
Physicians Life Insurance Company
Redwood Fire & Casualty Insurance Company
Scandinavian Mutual Insurance Company of Polk County, Nebraska
Stonetrust Commercial 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 doi.nebraska.gov. Copies can be obtained from the Department at a cost of \$.50 per page.



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Department Calendar

- September 3: Department Closed – Labor Day
- October 8: Department Closed - Columbus Day Observed
- November 12: Department Closed - Veterans’ Day Observed

1135 M Street, Suite 300 ♦ PO Box 82089 ♦ Lincoln, NE 68501-2089

Website: doi.nebraska.gov ♦ Phone: 402-471-2201 ♦ Fax: 402-471-4610 ♦ Hours: 8:00–5:00, M-F