

# INSURANCE

**Pete Ricketts**

*Governor*

**Bruce R. Ramage**

*Director*

**Inside:**

**FRAUD 2**

- 2015 Fraud Statistics
- Fraud Cases
- Annual Fraud Conference

**LIFE & HEALTH 7**

- AICP President's Award
- Revised SERFF Filing Form
- Interest Rate on Death Proceeds

**PRODUCER LICENSING 8**

- Agency License Renewals
- Adding/Deleting Designated Producer
- Agency Change of Address
- Appointment Black-Out Period
- New Flood Map Information

**CONSUMER AFFAIRS 10**

- Recoverable Depreciation

**LEGAL 11**

- Medical Malpractice 2016 Surcharge
- NAIC Dineen Award Received
- Company/Producer Actions

**PROPERTY & CASUALTY 13**

- Rate & Form Filing Reminders

**MARKET Conduct 13**

- Exams Completed

**FINANCIAL EXAMINATION 14**

- Exams Completed

**NAIC Committee Assignments 15**

**Department Calendar Back**

**A Message from the Director....**

**Shaking Up Awareness of Earthquake Coverage**



Bruce R. Ramage

While we know there are faults in Nebraska, earthquakes here are considered rare. Yet, on January 4, a small earthquake was reported 10 miles east-northeast of Broken Bow. According to the U.S. Geological Service's (USGS) website, a 3.5 magnitude earthquake struck at 10:04 a.m.

There are reports of three other minor quakes in Nebraska in 2015. A 3.3 quake was confirmed near Valentine in June, a 3.6 quake in August near North Platte, and a 3.2 quake in November near Mullen. All of these confirmed earthquakes, like the recent one in Broken Bow, were 5 kilometers beneath the earth.

The latest report of the USGS states that 143 million people across 48 states are now at risk for damage from an earthquake. With the increase in natural quakes, as well as man-made quakes resulting from human activities such as mining, explosives and oil and gas exploration, the National Association of Insurance Commissioners (NAIC) formed an Earthquake Study Group that meets during the NAIC national meetings. One of the group's charges is to increase knowledge and awareness of the earthquake risk nationally and in each state.

Earlier this month, the Department issued a consumer alert in an attempt to provide consumers with clarity regarding the coverage provided for quakes. "Earthquake Coverage Requires a Separate Policy or Endorsement," is posted on our website at [www.doi.nebraska.gov/brochure/conalert/out16282.pdf](http://www.doi.nebraska.gov/brochure/conalert/out16282.pdf).

As producers schedule periodic insurance reviews with their policyholders, they should be prepared to discuss earthquake coverage with those who have become interested.

## FRAUD DIVISION

### **2015 Insurance Fraud Statistics**

The Insurance Fraud Prevention Division (IFPD) received 616 case referrals regarding potential violations of the Nebraska Insurance Fraud Act during 2015.

Of the referrals received, 399 (65%) were submitted through the National Insurance Crime Bureau and 51 (8%) were submitted via the National Association of Insurance Commissioners' online fraud reporting system. The remainder were submitted by victims, concerned consumers, or law enforcement agencies.

**Actual** or **potential** monetary losses, exceeding **\$17.5 million**, were reported.

Cases are evaluated based upon a number of criteria, including the statute of limitations, applicability of Nebraska statutes, and solvability factors. Upon completion of the case review, a status letter is sent advising the complainant of disposition.

During 2015, the IFPD investigated the following types of insurance fraud cases:

- Property/Casualty: 474 Cases (77%)
- Life/Health: 84 Cases (14%)
- Agent or Internal Fraud: 48 Cases (8%)
- Other Fraud: 10 Cases (1%)

Upon completion of a case investigation, the IFPD makes a determination to close the case for one of the following reasons: unfounded allegations, insufficient evidence for prosecution, or sufficient evidence to forward the information to a prosecutor for consideration in filing a criminal violation of the Nebraska Insurance Fraud Act. Before sending a case for a prosecutor's review, the IFPD prepares an investigative summary report outlining the circumstances of the investigation.

**2015 Cases Sent for Criminal Prosecution:** 111 Cases / 30 Suspects

**2015 Convictions:** 57 Cases / 34 Suspects

**2015 Restitution:** 19 Cases / \$17,740,315.93

Cases referred to the IFPD for investigation had venue in 49 Nebraska counties, with Douglas, Lancaster, and Sarpy Counties accounting for 412 cases (67%).

## ***Fraud Cases***

### **United States District Court - District of Nebraska, 4:15-CR-03037**

#### **United States of America v. Scott T. Tran**

Lincoln Pharmacist Scott Tran, owner of Tran Pharmacy, pled guilty to health care fraud admitting he bilked \$14.4 million from Nebraska's Medicaid Program through submission of bogus claims. In court, Mr. Tran agreed to pay in excess of \$14 million in restitution. Mr. Tran's attorney, Clarence Mock, indicated most of the money was spent gambling at casinos in Council Bluffs, Iowa, where Mr. Tran was allowed to place \$20,000 per hand blackjack bets.

### **Buffalo County Court, CR15-337**

#### **State v. Mary J. Wendell**

Mary Wendell had an accident policy that allowed for a benefit in the event an insured person sustained an injury. An investigation conducted by the Insurance Fraud Prevention Division (IFPD) revealed Ms. Wendell submitted altered treatment documents to the insurance company containing the forged signature of the treating physician. As a result of the fraudulent documents, Ms. Wendell collected \$2,000 in benefits for which she was not entitled. Ms. Wendell subsequently submitted additional fraudulent documents, to enhance claim benefits, in the amount of \$10,000. Ms. Wendell was initially charged with one felony count of insurance fraud. Pursuant to a plea agreement, Ms. Wendell pled no contest to a Class I misdemeanor. On July 23, 2015, Ms. Wendell was fined \$500 plus court costs, ordered to pay \$2,000 in restitution, and sentenced to 10 days in the Buffalo County Jail.

### **Douglas County District Court, CR12-813**

#### **State v. Stephen Harris**

Stephen Harris was the passenger in a vehicle when it was involved in an accident. Mr. Harris alleged that he sustained an injury as a result of the accident which led to a lost income. Through his attorney, Mr. Harris submitted a \$6,000 lost income report to the insurance company. Investigation by the insurance company and IFPD found that the lost income report was fraudulent. Mr. Harris pled to a misdemeanor count of attempted theft by deception and was sentenced to nine days in jail.

### **Douglas County District Court, CR15-1831**

#### **State v. Nelam Millatmal**

Nelam Millatmal reported she was involved in a two-vehicle accident which resulted in damage to her vehicle and an injury to her child. A lengthy investigation conducted by the IFPD discovered a pattern of claims with similar circumstances and known associates were found. Ms. Millatmal was charged with one Class III felony count of insurance fraud. On October 2, 2015, Ms. Millatmal pled guilty and was sentenced to two years' probation, 120 hours of community service, ordered to pay \$8,026 in restitution plus court and probation costs.

## ***Fraud Cases (cont.)***

### **Fillmore County Court, CR15-50**

#### **State v. Hector Aguirre**

Hector Aguirre was on his way to work driving his 2000 Ford Expedition when he struck a deer. At the time of the accident, Mr. Aguirre had liability only auto coverage. After the accident, Mr. Aguirre contacted his agent and added full coverage for the vehicle. The next day Mr. Aguirre contacted his agent reporting the accident occurred after adding full coverage. An alert investigator noted inconsistencies in Mr. Aguirre's statement and submitted a referral to the IFPD. Investigation found that Mr. Aguirre attempted to collect \$6,828.48 in vehicle damages by alleging the accident occurred after the coverage change. Mr. Aguirre was charged with one felony count of insurance fraud that was subsequently amended to a Class I misdemeanor. Mr. Aguirre was fined \$100 plus court costs and ordered to pay \$833.24 in restitution.

### **Hall County District Court, CR15-394**

#### **State v. Debra A Shriner**

Debra Shriner was charged with two felony counts of insurance fraud after submitting fraudulent claims for her 2012 Dodge Avenger. Ms. Shriner reported two losses to her previous insurance company where she reported a hit-and-run and hitting a pole. Ms. Shriner collected settlements in both claims using estimates from a local body shop. After purchasing an auto policy with a different insurance company, Ms. Shriner submitted two additional claims again reporting a hit-and-run and a car/deer accident. Ms. Shriner allegedly altered the previous estimates which she then submitted pursuant to her claims. The two felony counts were amended to misdemeanors. Ms. Shriner's sentencing order included 24 months' probation and payment of restitution and court costs.

### **Lancaster County Court, CR15-5189**

#### **State v. Joseph K. Domico**

Joseph Domico reported to his insurance company that his motorcycle sustained in excess of \$8,000 in damage when it was struck by an unknown vehicle. The insurance company's appraiser noted that damage was similar to a 2010 claim. Complying with Nebraska statute, the insurance company reported this suspicious claim to the IFPD. An investigation led to one felony count of insurance fraud being filed against Mr. Domico. Mr. Domico pled no contest to an amended charge of insurance fraud, a Class I misdemeanor, and was fined \$1,000 plus court costs.

### **Lancaster County Court, CR15-11917**

#### **State v. Joshua M. Helmstadter**

Joshua Helmstadter was charged with insurance fraud after reinstating his expired auto policy in an attempt to collect for vehicle damage that occurred during the lapsed policy period. This felony charge was subsequently amended to a Class I misdemeanor resulting in a \$500 fine plus court costs.

***Fraud Cases (cont.)***

**Lancaster County District Court, CR14-669**

**State v. Tanya L. O'Neal**

Tanya O'Neal owned a 2008 Chrysler which was damaged as the result of an April 6, 2012, accident in Lincoln, Nebraska. After this accident, Ms. O'Neal purchased an auto policy with a different company and then reported a hit-and-run alleging the prior vehicle damage was new damage. As a result, the insurance company sustained a loss of \$2,039.29. Ms. O'Neal was charged with one felony count of insurance fraud which was subsequently amended to a Class I misdemeanor. On July 21, 2015, Ms. O'Neal was sentenced to 100 days in jail and ordered to pay for the cost of prosecution.

**Lincoln County District Court, CR14-369**

**State v. Joshua R. Salisbury**

Joshua Salisbury reported to law enforcement that his vehicle was stolen. Mr. Salisbury submitted a vehicle theft claim to his insurance company and received over \$27,000. The vehicle was later found submerged in a Lincoln County irrigation canal. On October 26, 2015, Mr. Salisbury was found guilty of insurance fraud, a Class III felony, and sentenced to the Nebraska Department of Corrections for a term of not less than 1.5 years.

**Madison County District Court, CR15-116**

**State v. Brian A. Cram**

Brian Cram was a licensed insurance agent when accused of submitting bogus certificates of insurance to an insurer. Mr. Cram was charged with a Class III felony count of insurance fraud. Mr. Cram pled no contest to an amended charge of insurance fraud, a Class I misdemeanor. Mr. Cram's sentence included 12 months' probation, a \$1,000 fine, \$44,898.32 in restitution plus court costs.

**Platte County District Court, CR14-166**

**State v. Virigno Rodriguez Perez**

On April 21, 2014, Jose Ramos-Fleitas was arrested for criminal mischief for intentionally damaging a 2006 Audi owned by Virigno Rodriguez Perez. Mr. Rodriguez Perez filed a claim and received over \$12,000 from his insurance company for damage to his Audi. During the investigation, it was found Mr. Rodriguez Perez's vehicle was having mechanical problems. Mr. Rodriguez Perez had entered into an agreement with Mr. Ramos-Fleitas for him to damage the vehicle so Mr. Rodriguez Perez could collect on an insurance claim. Allegedly the two men went shopping together to purchase sugar and bleach to assist with the vehicle vandalism. Upon further questioning, Mr. Rodriguez Perez admitted to his involvement and was charged with a Class III felony count of insurance fraud and a Class I misdemeanor count of false reporting. Mr. Rodriguez Perez pled no contest to the amended charge of attempted insurance fraud, a Class IV felony. On July 10, 2015, Mr. Rodriguez Perez was sentenced to 150 days in the Platte County Jail, three years' probation, and ordered to pay court costs.

## ***Fraud Cases (cont.)***

### **Sarpy County Court, CR15-2512**

#### **State v. James A. Klein**

On November 13, 2014, James Klein contacted his insurance company reporting a break in to his 2002 Chevrolet Tahoe. Mr. Klein reported vehicle damage and the loss of stereo equipment. The insurance company's special investigator noted similar damage in a prior unrelated claim and referred this to the IFPD. Investigation by the IFPD led to the arrest of Mr. Klein where he was charged with a Class III felony count of insurance fraud. The charge was subsequently amended and Mr. Klein pled no contest to a Class I misdemeanor. Mr. Klein was fined \$450 plus court costs and sentenced to five days in the Sarpy County Jail.

### **Sarpy County District Court, CR15-173**

#### **State v. Charles D. Maynard**

Charles Maynard was a licensed insurance agent when he was charged with one felony count of theft by deception and two felony counts of insurance fraud. Pursuant to a plea agreement, Mr. Maynard pled no contest to theft by deception, a Class III felony, and a fraudulent insurance act, a Class IV felony. On October 5, 2015, Mr. Maynard was sentenced to 60 months' probation and ordered to pay \$15,440.29 in restitution plus court and probation costs.



## ***Annual Insurance Fraud Conference***

Make plans to join the Insurance Fraud Prevention Division (IFPD) at our 2016 Annual Conference on **August 3, 2016**, at the Strategic Air and Space Museum. The IFPD is diligently working to develop a program that will prove beneficial to participants in their fraud fighting efforts. The registration brochure is tentatively scheduled to be emailed in late May. If you would like to receive a brochure, email your request to **DOI.FraudPrevention@nebraska.gov**, using the subject, "Conference Brochure Request." Previous conference attendees will automatically receive the registration brochure via email.

## ***Insurance Fraud Facts***

### **Did You Know....**

- Insurance fraud is the second largest economic crime in America, exceeded only by tax evasion.
- Insurance fraud costs each American family nearly \$1,000 a year. These are direct costs that raise the price of health insurance premiums, auto and homeowners' premiums, and increases the price you pay for goods and services.

## LIFE & HEALTH DIVISION

*Maryana Grodnova-Ware is the first state-based regulator to ever receive the AICP President's Award.*

### **AICP President's Award Recipient Named**

Maryana Grodnova-Ware, life and health analyst for the Department, has received the Association of Compliance Professionals' (AICP) 2015 President's Award. She is the first state-based regulator to ever receive this award. The award is given only to those members who have made significant contributions to the AICP or to the insurance industry in general.

*Filers will no longer have to complete a separate filing form for each form number submitted.*

### **Revised SERFF Filing Form**

The filing form that must be completed and submitted in SERFF with every rate or form filing has been revised. The Department received suggestions from industry that were considered when the form was changed to make it more user-friendly. Filers will no longer have to complete a separate filing form for each form number submitted.

*The new form allows filers to add multiple form numbers, form descriptions and prior approval dates to a second page of the form.*

The new form allows filers to add multiple form numbers, form descriptions and prior approval dates to a second page of the form. The filing form has also been given a unique form number (FORM LIST 10/15 REV), which can be found on the lower left corner of the form. This new form number will help to identify the filing form more easily.

*The 2016 interest rate to be paid on death proceeds not paid within 30 days of receipt of proof of death is 2.107%.*

### **Interest Rate on Death Proceeds**

The 2016 interest rate to be paid on death proceeds not paid within 30 days of receipt of proof of death is 2.107%. Pursuant to Neb.Rev.Stat. §44-3,143, interest shall accrue from the date of receipt of proof of death to the date of payment at the rate calculated pursuant to section 45-103 in effect on January 1 of the calendar year in which occurs the date of receipt of proof of death.

The court sets the rate, and the court may change the rate during the year, but the rate in effect on January 1 applies to death claims. The website of the court can be found at [www.supremecourt.ne.gov/5017/judgment-interest-rate](http://www.supremecourt.ne.gov/5017/judgment-interest-rate).

## PRODUCER LICENSING DIVISION

### **Agency License Renewal Process**

*Agency licenses will expire on April 30, 2016.*

Agency licenses will expire on April 30, 2016. You will receive a renewal notice in the mail. You can either renew your agency license online at **www.nipr.com** or by mailing your agency renewal notice and a check for the appropriate fees to the Nebraska Department of Insurance. All agency renewals must be completed by April 30, 2016.

### **Adding/Deleting a Designated Producer**

*Agencies are required to list at least one Nebraska licensed producer, but may have up to four.*

Adding or deleting a name from the agency license may be done by submitting a Form 9002A, "Designated Responsible Licensed Producer Amendment Form," which can be found at **www.doi.nebraska.gov**. Agencies are required to list at least one Nebraska licensed producer, but may have up to four.

### **Agency Change of Address**

*All licensed producers who work for the agency are required to update their business addresses separately at **www.nipr.com**.*

If the agency address has changed, the address can be updated by sending in the new information with your renewal notice or by sending an email to **doi.licensing@nebraska.gov**. Please note that all licensed producers who work for the agency are required to update their business addresses separately at **www.nipr.com**.

### **Appointment Black-Out Period**

*The "black-out" period for Nebraska appointments will be April 15 through April 30, 2016, during which time no appointments will be allowed to be submitted.*

The "black-out" period for Nebraska appointments will be April 15 through April 30, 2016. During this time, no appointments will be allowed to be submitted. Terminations may continue to be submitted during this time. During the blackout period, NIPR will receive and hold for processing any new appointments. The effective date **will not** be honored. Instead, May 1, 2016 will be the new effective date.

Questions regarding any of the producer requirements may be directed to the Producer Licensing Division at 402-471-4913 or via email to **doi.licensing@nebraska.gov**.



## ***New Flood Map Information for Producers***

The Nebraska Department of Natural Resources has offered the following article to provide timely information to insurance producers regarding new flood maps. Questions regarding the new mapping procedure may be directed to Chuck Chase, NFIP Specialist and Outreach Coordinator, at [chuck.chase@nebraska.gov](mailto:chuck.chase@nebraska.gov).

### ***Flood Insurance Rating Options for Buildings Newly Mapped into High-Risk Area***

—by Bruce A. Bender, Certified Floodplain Manager

#### ***What Insurance Agents Need to Know***

Through the Federal Emergency Management Agency's (FEMA's) mapping effort known as Risk MAP (Risk Mapping, Assessment & Planning), communities and counties in Nebraska (as well as across the nation) and FEMA are partnering to update their local Flood Insurance Rate Maps (FIRMs). As a result, many property owners are finding that their flood risk has changed; some are now finding they are at a higher risk than they thought, while others are finding that their flood risk has reduced, though it is never removed.

#### ***New Lower-Cost Rating Option***

On April 1, 2015, FEMA introduced a new lower-cost rating option for properties that had been identified to be at moderate- or low-risk (Zones B, C, or X) on the current flood map and will now be shown as high-risk (Zone beginning with "A", known as a Special Flood Hazard Area, or SFHA) on the new flood map. This "Newly Mapped Procedure" allows for a building to be rated using a rate equal to the lower-cost Preferred Risk Policy (PRP) if the policy is written and effective within the first 12 months after the new flood map became effective (it will have a higher Reserve Fund Assessment and Federal Policy Fee). After this first year, the rate will begin its transition to a full-risk rate with annual rate increases of no more than 18 percent each year. Full-risk rate is defined here as either the Standard Zone X rate or rating using the new (or subsequent) FIRM, which ever ends up being the cheaper of the two.

Property owners without flood insurance who are newly mapped into the SFHA are encouraged to purchase a PRP and have it effective **before** the new flood maps become effective to realize additional savings.

FEMA is also allowing this rating option to be used for any property that was newly mapped in to a high-risk area since October 1, 2008 and did not get coverage; however, it must be effective before April 1, 2016. That means, since there may be a 30-day mandatory waiting period, **the policy should be purchased before March 1, 2106**. If they are currently covered using the Preferred Risk Policy Eligibility Extension (PRP EE), the policy will renew using the Newly Mapped Procedure.

It is important that coverage is continuously renewed to maintain this rating option. Starting April 1, 2016, if the policyholder experiences a lapse in coverage (other than due to no longer lender-required or community suspension) and is rated using this rating option, they will be **rewritten using the current effective FIRM**.

**Note** that the same eligibility requirements that apply for PRPs also apply for the Newly Mapped Procedure option. A property that falls outside this category might be eligible for grandfathering using the standard Zone X rating. As always, the agent should compare these premiums with those calculated using the new effective maps.

#### ***For More Information***

To find the latest information on new mapping in the community, insurance agents should contact their local Floodplain Administrator. For details on rating, review the current procedures in the Flood Insurance Manual ([www.fema.gov/flood-insurance-manual](http://www.fema.gov/flood-insurance-manual)) and stay updated by reading the latest Bulletins ([www.nfipiservice.com](http://www.nfipiservice.com)).

For more information on what to know and say about map changes, visit <https://agents.floodsmart.gov/Agents/discussing-map-changes>. FEMA also has a Newly Mapped Procedure Fact Sheet at [www.fema.gov/media-library/assets/documents/104200](http://www.fema.gov/media-library/assets/documents/104200).

*Bruce A. Bender, CFM is Senior Vice President for Bender Consulting Services, Inc. and sits as an Insurance Committee Co-Chair for the Association of State Floodplain Managers (ASFPM).*

## CONSUMER AFFAIRS DIVISION

### ***Recoverable Depreciation***

*Consumers may have received an actual cash value payment under a policy with replacement cost coverage, but may neglect to submit a follow up claim for recoverable depreciation.*

*Insurance companies are encouraged to establish a process for sending periodic, written reminders to claimants who have not claimed recoverable depreciation.*

*Insurers are also encouraged to consider extending the time limit for completion of repair work in situations where there is a dispute as to the extent of the damage, where the contractor of choice may not have been available within the specified time frame, or where an arbitration claim has been submitted.*

Consumers dealing with significant property damage claims can become overwhelmed by the task of meeting with adjusters, locating reputable contractors and scheduling repairs. This is especially true of individuals who are elderly or who are simultaneously dealing with serious health issues.

These individuals may have received an actual cash value payment under a policy with replacement cost coverage, but may neglect to submit a follow up claim for recoverable depreciation.

In the interest of providing excellent service to their policyholders, insurance companies are encouraged to establish a process for sending periodic, written reminders to claimants who have not claimed recoverable depreciation.

Many companies already have such a process in place to assist their policyholders.

Ideally, such correspondence would reference the fact that:

- repairs must be completed within a specified period of time;
- specify the date before which repairs must be completed; and
- be sent well in advance of the deadline.

In situations where there is a dispute as to the extent of the damage, where the contractor of choice may not have been available within the specified time frame, or where an arbitration claim has been submitted, insurers are also encouraged to consider extending the time limit for completion of the repair work.

Please direct any questions to the consumer affairs' division at 402-471-2201.

## LEGAL DIVISION

### **Medical Malpractice Surcharge Set for 2016**

A hearing was held before the Director of Insurance on November 12, 2015, as required by Neb.Rev.Stat. §44-2830, to consider adjusting the amount of surcharge for 2016.

*The Director set the surcharge for the year 2016, effective January 1, 2016, at twenty-two percent (22%) for all health care providers.*

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 2016, effective January 1, 2016, at twenty-two percent (22%) for all health care providers.

### **Prestigious National Award Received**

Deputy Director and General Counsel, Christine Neighbors, was one of three regulators to be presented with the Robert Dineen Award for Outstanding Service and Contribution to the State Regulation of Insurance. The award was presented to her during the National Association of Insurance Commissioners (“NAIC”) Fall National Meeting in National Harbor, Maryland on November 19, 2015.

*Deputy Director and General Counsel, Christine Neighbors, was one of three regulators to be presented with the Robert Dineen Award for Outstanding Service and Contribution to the State Regulation of Insurance.*

Christy has represented Nebraska as Chair of the NAIC Group Solvency Issues Working Group and Vice Chair of the International Association of Insurance Supervisors International Groups Working Group. She served as the NAIC lead state insurance regulator on the 2015 International Monetary Fund Financial Assessment Stability Program review of the U.S. insurance regulatory system and participates in the EU-US Dialogue Project.

*The award is designed to honor a staff member of an insurance department who has made an outstanding contribution to state regulation of insurance while exhibiting an attitude and performing activities fostering the advancement of the insurance regulatory profession.*

The Robert Dineen Award was established in June of 1989 in honor of the founder of NAIC's Support and Services Office. The award is designed to honor a staff member of an insurance department who has made an outstanding contribution to state regulation of insurance while exhibiting an attitude and performing activities fostering the advancement of the insurance regulatory profession.

### **Actions Taken Against Companies**

<b>CAUSE NO.</b>	<b>ALLEGATION</b>	<b>DISPOSITION</b>
C-2175 <b>Standard Life and Accident Insurance Company</b> (Texas)	Violated <u>Neb. Rev. Stat.</u> §§ 44-1524, 44-1525(12) and 44-4061. Committed an unfair trade practice; applications or policies accepted by a non-appointed producer, and failed to properly appoint a producer.	Consent Order \$5,000 fine 7/17/2015

### **Actions Taken Against Producers**

<b>CAUSE NO.</b>	<b>ALLEGATION</b>	<b>DISPOSITION</b>
A-2024 <b>Rodolfo Jimenez</b> Dayton, OH  NPN - 9431075	Violated <u>Neb. Rev. Stat.</u> §§ 44-4059(1)(b), 44-4059(1)(h), 44-4059(1)(i) and 44-4065(1). Violated any insurance law; used fraudulent, coercive, or dishonest practices; had license denied, suspended or revoked in another state; failed to report any administrative action/documentation.	Order Producer license revoked 12/21/2015
A-2025 <b>Charles D. Maynard, Sr.</b> Omaha, NE  NPN - 15974145	Violated <u>Neb. Rev. Stat.</u> §§ 44-4059(1)(b), 44-4059(1)(f), 44-4059(1)(h) and 44-4065(3). Violated any insurance law; convicted of a felony or Class I, II, or III misdemeanor; used fraudulent, coercive, or dishonest practices; failed to report any criminal prosecution.	Order Producer license revoked 12/22/2015
A-2026 <b>Jhonny Kishore Mansinghani</b> Laredo, TX  NPN - 8821548	Violated <u>Neb. Rev. Stat.</u> §§ 44-4059(1)(b), 44-4059(1)(h), and 44-1525(11). Violated any insurance law; used fraudulent, coercive, or dishonest practices; and failed to respond or request additional reasonable time to respond within fifteen working days upon receipt of a written inquiry from the department.	Order Producer license suspended 12/21/2015

## PROPERTY & CASUALTY DIVISION

### ***Rate and Form Filing Reminders***

When submitting rate and form filings to the Property & Casualty Division, there are a few things to keep in mind.

Nebraska is a retaliatory fee state which means the fee charged will be based on the fee charged by the state of domicile of the company making the filing submission. Your filing will not be assigned to an analyst until this fee has been submitted.

Prior Approval vs. File & Use: File and Use applies to rates and forms for both personal and commercial lines, with certain exceptions which include:

- **Workers' Compensation forms** are subject to **prior approval**.
- **Medical Professional Liability rates and forms** are subject to **prior approval**.
- All rate and form filings submitted by **advisory organizations** are subject to **prior approval**.
- Rates and forms for **liability and physical damage insurance covering rental of private passenger automobiles on a non-fleet basis** are subject to **prior approval**.
- Rates and forms for **insurance written by joint underwriting pools or joint reinsurance pools** are subject to **prior approval**.

Prior approval applies to insurance covering risks of a personal nature written for business entities if the costs for the insurance are charged to individuals. This does not include those situations where coverage is provided without a separate charge by the business entity for its customers.

For more detail on documentation required on rate and form filings, certain procedures, and common filing problems please refer to Bulletin CB-50 which can be found on our website at <http://www.doi.nebraska.gov/bulletin/cb050.pdf>.

## MARKET CONDUCT DIVISION

### ***Market Conduct Examinations Completed During 2015***

German Mutual Insurance Association of Nebraska  
Preferred Professional Insurance Company  
Western United Mutual Insurance Association

## FINANCIAL EXAMINATION DIVISION


### ***Financial Examinations Completed During 4th Quarter, 2015***

Capitol Casualty Insurance Company  
Employers Mutual Acceptance Company  
First Landmark Life Insurance Company  
Mutual Insurance Company of Saline & Seward Counties  
NASB-All Lines Interlocal Cooperative Aggregate Pool  
Olive Branch Assessment Insurance Society, Inc.

### ***Pre-Need Examinations Completed During 4th Quarter, 2015***

Bullock-Long Funeral Home  
Catholic Bishop of Lincoln DBA Calvary Cemetery  
Govier Brothers Mortuary  
Moser Memorial Chapel  
Munderloh Funeral Homes, Inc.  
Resseguie Funeral Home  
Schumacher-Hasemann Funeral Homes, Inc.

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.



**2016 NAIC Committee Assignments  
for Nebraska**

- ☆ Member NAIC Executive Committee—Midwest Zone Chair
- ☆ Member Cybersecurity (EX) Task Force
- ☆ Member Financial Stability (EX) Task Force
- ☆ Member International Insurance Relations (EX) Leadership Group
- ☆ Member Principal-Based Reserving Implementation (EX) Task Force
- ☆ Vice-Chair Life Insurance and Annuities (A) Committee
- ☆ Member Life Actuarial (A) Task Force
- ☆ Member Health Actuarial (B) Task Force
- ☆ Member Regulatory Framework (B) Task Force
- ☆ Member Senior Issues (B) Task Force
- ☆ Member Title Insurance (C) Task Force
- ☆ Member Antifraud (D) Task Force
- ☆ Member Financial Condition (E) Committee
- ☆ Member Accounting Practices and Procedures (E) Task Force
- ☆ Member Capital Adequacy (E) Task Force
- ☆ Member Examination Oversight (E) Task Force
- ☆ Member Receivership and Insolvency (E) Task Force
- ☆ Vice-Chair Reinsurance (E) Task Force
- ☆ Member Valuation of Securities (E) Task Force
- ☆ Member International Insurance Relations (G) Committee
- ☆ Member NAIC/Consumer Liaison Committee

