

INSURANCE

Pete Ricketts

Governor

Bruce R. Ramage

Director

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A Message from the Director....

2017—A Year in Review and its Impact on Nebraskans



Bruce R. Ramage
Director of Insurance

Various divisions within the Nebraska Department of Insurance (NDOI) report positive outcomes in assisting Nebraskans with their insurance-related issues.

The Senior Health Insurance Information Program (SHIIP) recorded 28,085 contacts, resulting in estimated savings to Medicare enrollees exceeding \$18,290,000. Operating under a federal grant, the Nebraska SHIIP program trains volunteers throughout the state to educate and assist individuals with Medicare questions and Medicare Part-D enrollment. The program helps individuals achieve savings by analyzing which plans are most suitable for individuals based on their health conditions and prescriptions.

The Consumer Affairs Division assists Nebraskans with numerous types of insurance questions and complaints. The most frequent subject matters involve health insurance, homeowners and automobile insurance. During 2017, the division assisted 1,436 individuals, resulting in favorable outcomes totaling \$10,407,581.86. Additional assistance was offered through 17 consumer alerts, and informational brochures covering various types of insurance were posted to the Department’s website.

In 2016, the NDOI, in cooperation with the National Association of Insurance Commissioners, other state insurance departments and participating insurers, implemented a **Life Insurance Policy Locator Service**. The most recent generated report shows that the use of the consumer tool resulted in Nebraskans finding 163 matches to requests for lost or misplaced life insurance policies or annuities. The total claim amount reported by companies is \$3,495,328.

(2017 Efforts cont.)

The Health Policy Division administers and assigns health insurance external review requests. During the first three quarters of 2017, that division forwarded 199 external request review cases to independent review organizations, resulting in 60 favorable results.

Divisions that conduct rate and form review worked diligently throughout 2017 to improve service, employing techniques championed by the State of Nebraska Center of Excellence. As a result, the divisions exceeded their operational goals with filing turn-around times between a monthly high of 16.5 days to a low of 8.2 days. Quicker turn-around times allow insurers to bring their new and revised products to market sooner.

During 2017, the NDOI approved newly domiciled and merged companies into Nebraska with combined assets of over \$912,800,000. These companies join other Nebraska insurers in bringing insurance services and insurance jobs to Nebraskans.

The NDOI Insurance Fraud Prevention Division received 710 case referrals regarding potential violations of the Nebraska Insurance Fraud Act during 2017. Cases referred to the division for investigation had venue in 55 Nebraska counties, with Douglas, Lancaster, and Sarpy Counties accounting for 72% of the cases. Actual or potential monetary losses exceeding \$8.3 million were reported. In summary, there were 73 cases sent for criminal prosecution, 205 convictions, and 21 cases with \$537,110.89 in restitution.

To stay abreast of Department activity or to be informed when information gets posted to the NDOI **website**, please visit the website and sign up to **get update notices**. There are four available options from which to choose—select one or all four—to be notified electronically. The link to **get update notices** is located in the bottom right-hand corner of the website.

PROPERTY & CASUALTY DIVISION

Staff Update

Chris Williamson, Property/Casualty Analyst, has retired from the Department effective January 2, 2018.

Communications that would have previously been sent to Chris should be redirected to Connie Van Slyke. Connie can be reached via email at connie.vanslyke@nebraska.gov or by calling 402-471-4647.

Dwelling Fire Form Filings Guidance

The division's fourth quarter guidance document, "Dwelling Fire Form Filings" has been developed and posted to the **Department's website**. The guidance document can be found on the Department's website under "Latest News" (December 7) and also under "Insurers/Property and Casualty Information/Filing Guidance." Any questions concerning the guidance documents may be directed to Connie Van Slyke at connie.vanslyke@nebraska.gov.

Industry Filer's Survey Results

The division received 167 responses to the survey sent to industry filers in December and would like to thank every industry filer that took the time to complete and respond to the survey. The division plans to send out future surveys—any feedback filers give us will be appreciated. The division plans to use industry's responses to our questions to create a better user experience for the filers of property and casualty products.

Agency licenses will expire on April 30, 2018; all agency renewals must be completed by that date.

All licensed producers who work for the agency are required to update their business addresses separately.

PRODUCER LICENSING DIVISION

Agency License Renewal Process

Agency licenses will expire on April 30, 2018. In the next few weeks 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, 2018.

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

Agency Change of Address

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.

Email addresses can be verified and updated online at www.nipr.com.

Verifying and Updating Email Addresses

The division is working to transition more of our correspondence to an email format. To assure that you receive all future notifications, please verify that we have your current email address. Email addresses can be verified and updated online at www.nipr.com.

Appointment Black-Out Period

The “black-out” period for Nebraska appointments will be April 16, 2018 through April 30, 2018.

The “black-out” period for Nebraska appointments will be April 16, 2018 through April 30, 2018, during which time no appointments will be allowed to be submitted.

During the black-out period, 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, 2018 will be the new effective date. Please note that in Nebraska, the appointing insurer has fifteen days from the date the agency contract is executed or the first insurance application is submitted to appoint the agent.

LIFE & HEALTH DIVISION

Interest Rate on Death Proceeds

The interest rate to be paid on death proceeds not paid within 30 days of receipt of proof of death is 3.214%, effective October 19, 2017

The interest rate to be paid on death proceeds not paid within 30 days of receipt of proof of death is 3.214%, effective October 19, 2017. 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.

All feedback given in our recent survey sent to industry filers will be used to create a better experience for the filers.

The division's fourth quarter filing guidance posted to the NDOI website is "Group Life Form Filing Guidelines."

Industry Filer's Survey

The division would like to thank every industry filer that took the time to complete and respond to the survey that went out in December. Industry's responses to our questions will be used to create a better user experience for the filers of life and health products. The division plans to send out future surveys—any feedback given to us will be appreciated.

Group Life Insurance Form Filings

The division has developed and published its fourth quarter rates and forms filing guidance to the Department's website. This quarter's guidance, "Group Life Form Filing Guidelines" can be found on the **Department's website** under "Latest News" (December 7) and also under "Insurers/Life and Health/Filing Guidance". Any questions concerning the form and rate filing requirements may be directed to Deb Maher at deb.maher@nebraska.gov or at 402-471-4551.

LEGAL DIVISION

Staff Updates

Director Bruce Ramge named **Matthew Holman** to serve as General Counsel for the Nebraska Department of Insurance, effective November 9, 2017. Matt first joined the Department of Insurance as a part-time law clerk in 2008. He returned to the Department in August 2011, serving as legal counsel until being named as the Department's general counsel. Matt holds a Bachelor of Arts degree in Psychology with minors in Political Science, English, and Math from the University of Nebraska-Lincoln, and a Juris Doctorate from the University of Nebraska College of Law. Matt can be reached at matt.holman@nebraska.gov.

Bob Harkins joined the division as a staff attorney on January 23. Bob graduated from Creighton University Law School cum laude in 1994, and received his B.S. degree in Finance from the University of Arizona in 1989. He is a licensed attorney in both Nebraska and Arizona. Prior to coming to the Department, he spent the past five and one half years as an Administrative Hearing Officer and Assistant Agency Counsel for Nebraska DHHS, has served as an Assistant Nebraska Attorney General, and as a Deputy County Attorney in Madison County Nebraska. He will be responsible for legal matters involving life insurance and annuities at the Department. Bob can be reached at bob.harkins@nebraska.gov.

Guarantee Insurance Company Ordered Liquidated

Guarantee Insurance Company is a Florida domestic property and casualty company that wrote primarily workers' compensation insurance in a number of states, including Nebraska. On November 27, 2017, Guarantee Insurance Company was ordered liquidated by the Second Judicial Circuit Court in Leon County, Florida.

Consumers, insurance producers, and other interested parties should carefully read any information sent from Guarantee Insurance Company or the Florida Department of Financial Services. For more information related to the liquidation, please visit the website the Florida Department of Financial Services has established related to the Guarantee Insurance Company liquidation found at www.myfloridacfo.com/division/Receiver/Companies/GIC/default.htm.

The Nebraska Property and Liability Insurance Guaranty Association is the statutorily created entity that pays certain covered Nebraska claims of insolvent property and casualty insurance companies in accordance with the insurance policies and Nebraska law. For information on the Nebraska Property and Liability Insurance Guaranty Association, please visit www.npliga.org/.

Nebraska's Cap on Medical Malpractice Damages Upheld by Eighth Circuit

Sage Schmidt was born on November 2, 2012, with severe brain damage. Doran Schmidt, her mother, filed a malpractice lawsuit in the U.S. District Court for the District of Nebraska against Heather Ramsey, a certified nurse midwife, The Midwife's Place, where Schmidt received her prenatal care and care in the early stages of labor, and Bellevue Medical Center ("BMC"), where the child was born. Schmidt settled with Ramsey and The Midwife's Place before trial, leaving BMC as the only defendant.

After a two-week trial before Judge Laurie Smith Camp, the jury awarded \$17 million to Schmidt. BMC moved to reduce the verdict to the \$1.75 million cap set by the Nebraska Hospital-Medical Liability Act. BMC also moved for a new trial, arguing that the jury instructions failed to follow Nebraska law regarding the duty of nurses, and that the jury instructions should have included a verdict form that apportioned fault among BMC and the two settling co-defendants, Ramsey and The Midwife's Place. Judge Smith Camp reduced the verdict to \$1.75 million and denied BMC's motion for a new trial. Schmidt appealed to reinstate the full amount of the verdict, and BMC appealed the denial of its motion for a new trial.

On June 22, 2017, the Eighth Circuit U.S. Court of Appeals affirmed the Nebraska District Court's decision to reduce the \$17 million jury verdict to \$1.75 million.

On appeal, Schmidt argued that BMC was not entitled to the Act's \$1.75 million cap because BMC, according to Schmidt, had not properly posted notice of its qualification under the Act along with notice of patients' right to opt out of the Act. The Eighth Circuit disagreed, holding that "notice is not a requirement for qualification under the Act, but rather a requirement imposed on those already qualified. The plain language of the Act reveals as much." *Schmidt v. Ramsey*, 860 F.3d 1038, 1044 (2017). Noting that the Nebraska Supreme Court held in *Prendergast v. Nelson*, 256 N.W.2d 657, 662 (1977), that "every qualified health care provider is required to post notice that he has qualified under the Act," the Eighth Circuit further held that BMC "did not lose the Act's protections even if it failed to properly post notice." *Schmidt v. Ramsey*, 860 F.3d at 1045.

Schmidt also challenged the Act’s cap as violating the U.S. Constitution. The Eighth Circuit disagreed, finding the cap does not violate the Seventh Amendment right to a jury trial (*Id.* at 1045); does not violate the Fifth Amendment Takings Clause (*Id.* at 1046); does not deny access to the courts (*Id.* at 1047); does not violate the right to equal protection of the laws (*Id.* at 1048); and does not violate substantive due process (*Id.* at 1049).

The Eighth Circuit found there was no abuse of discretion in the District Court’s denial of BMC’s motion for a new trial, for reasons specific to the facts of this case, finding that it “need not decide whether the Nebraska Supreme Court would extend *Jensen* to certified nurse-midwives.” *Id.* at 1050 (citing *Jensen v. Archbishop Bergan Mercy Hospital*, 459 N.W.2d 178 (Neb. 1990)).

After the Eighth Circuit issued its decision, Schmidt requested that the United States Supreme Court hear the case. On December 4, 2017, the Supreme Court denied Schmidt’s Petition for Writ of Certiorari. 138 S. Ct. 506 (2017).

Actions Taken Against Producers & Agencies

CAUSE NO.	ALLEGATION	DISPOSITION
A-2083 Shon Thielen Omaha, NE NPN – 237231	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 or misdemeanor; used fraudulent, coercive, or dishonest practices; failed to report.	Consent Order \$1,000 fine 10/30/2017
A-2085 Jeffrey C. Orth Lincoln, NE NPN - 18329016	Violated <u>Neb. Rev. Stat. §§ 44-4059(1)(a)</u> . Provided incorrect, misleading, or incomplete information on licensing application.	Order \$250 fine 11/3/2017
A-2086 Jasmine Jackson Omaha, NE NPN – 18525161	Hearing requested for reconsideration of denial of application for resident producer license.	Order Denial Upheld 11/6/2017
A-2087 Mandy L. Fair Alliance, NE NPN - 18417355	Violated <u>Neb. Rev. Stat. §§ 44-1525(11), 44-4059(1)(a), 44-4059(1)(b), 44-4059(1)(g), 44-4059(1)(h) and 44-4065(3)</u> . Failed to respond to Department inquiry; provided incorrect, misleading, or incomplete information on licensing application; committed unfair trade practice, or fraud; violated any insurance law; used fraudulent, coercive, or dishonest practices.	Order License Revoked 11/14/2017

Actions Taken Against Producers & Agencies (cont.)

CAUSE NO.	ALLEGATION	DISPOSITION
A-2088 Teddy Vandevort St. Joseph, MO NPN – 5028698	Violated <u>Neb. Rev. Stat.</u> § 44-1525(11), 44-2633 (1), 44-2633(5), 44-2633(9), and 44-2633(10). Failed to respond the Department; as a consultant violated any insurance law; guilty of unfair trade practice or fraud; demonstrated incompetency, untrustworthiness; obtained consultant’s license through misrepresentation.	Consent Order Consultant’s License Revoked 11/28/2017
A-2089 Koen Van Keer Plano, TX NPN – 18514182	Hearing requested for reconsideration of denial of application for resident producer license.	Order License Granted 11/14/2017
A-2090 Zackery Heenan Plattsmouth, NE NPN - 17822589	Violated <u>Neb. Rev. Stat.</u> §§ 44-4059(1)(h) and 44-4059(j). Used fraudulent, coercive, or dishonest practices; forged another’s name to an application or insurance document.	Order License Revoked 11/16/2017
A-2091 Mario A. Rodas Henderson, NV NPN – 17846930	Violated <u>Neb. Rev. Stat.</u> §§ 44-4059(1)(a); 44-4059 (1)(b), 44-4059(1)(h), 44-4059(1)(i), and 44-4065 (1). Provided misleading or incorrect information on licensing application; violated any insurance law; used fraudulent, coercive, or dishonest practices; insurance producer license denied, suspended, or revoked in another state; failed to report.	Order License Revoked 12/6/2017
A-2092 Kimberly Lopez La Vista, NE NPN - 3896576	Violated <u>Neb. Rev. Stat.</u> §§ 44-4059(1)(b), 44-4059 (1)(h), 44-8106(1), and 44-8106(2). Violated any insurance law; used fraudulent, coercive, or dishonest practices; and annuity transaction violations.	Consent Order \$600 fine 12/8/2017

Medical Malpractice Surcharge Set for 2018

A hearing was held before the Director of Insurance on October 19, 2017, as required by Neb. Rev. Stat. § 44-2830, to consider adjusting the amount of surcharge for 2018.

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 2018, effective January 1, 2018, at forty percent (40%) for all health care providers.

FRAUD DIVISION

2017 Insurance Fraud Statistics

The Insurance Fraud Prevention Division (IFPD) received 710 case referrals regarding potential violations of the Nebraska Insurance Fraud Act during 2017. Of the referrals received, 440 were submitted through the National Insurance Crime Bureau and 82 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 **\$8.3 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. The following types of insurance fraud cases investigated by the IFPD during 2017 totaled: Property/Casualty = 537; Life/Health = 127; Agent or Internal Fraud = 44 Cases; Other Fraud = 2 Cases.

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.

2017 Cases Sent for Criminal Prosecution:

73 Cases / 29 Suspects

2017 Convictions:

105 Cases / 25 Suspects

2017 Restitution:

21 Cases / \$537,110.89

Cases referred to the IFPD for investigation had venue in 55 Nebraska counties. Douglas, Lancaster, and Sarpy Counties accounted for 72% of cases (508 cases).

Homeowner-Additional Living Expense Scam

Fictitious policyholders have been able to defraud insurance companies by insuring properties and establishing financial accounts in order to receive claim payments. The IFPD recently received information from an insurer regarding a property in Omaha, Nebraska that allegedly sustained a fire loss. The insured person requested an additional living expense (ALE) payment soon after submitting the claim. The insured subsequently received a \$5,500 claim payment wired to their account. Soon after it was discovered there was no property loss and the homeowner in Omaha, Nebraska was unaware of the alleged loss or suspects. Authorities in Alabama traced the account to specific individuals and warrants have been issued for their arrest.

Court Actions

United States District Court for the District of Nebraska, Case 4:17CR-3008

United States of America v. Mayra De Lourdes Zeno

Dr. Mayra De Lourdes Zeno was indicted in Nebraska on federal charges for knowingly submitting medical claims for services she knew were not provided. The investigation initiated by the Insurance Fraud Prevention Division found Dr. Zeno renewed her Nebraska medical license and formed a corporation known as Good Hands Clinic located in Grand Island, Nebraska. Pursuant to the fraudulent billing scheme, Dr. Zeno received approximately \$448,772.64 from health insurance plans provided to employees through Nebraska employers. Dr. Zeno was sentenced to 70 months' prison, three years' probation upon release and restitution totaling \$414,074.50.

United States District Court for the Southern District of Florida, Case 1:17CR-20138

United States of America v. Mayra De Lourdes Zeno

Pursuant to the investigation, federal investigators found that Dr. Zeno committed a similar fraudulent scheme in Florida in which losses exceeded \$1,000,000 resulting in the Florida indictment. Dr. Zeno received 70 months' prison, three years' probation upon release and restitution totaling \$781,318.

Douglas County Court, Case CR17-8256

State v. Gwendolyn K. Tolbert

Gwendolyn Tolbert provided a false statement to her auto insurance company alleging she was driving the vehicle when it was involved in an accident in order to obtain coverage. It was later discovered her son, a restricted driver, was operating the vehicle at the time the collision occurred. Ms. Tolbert's sentence included 12 months' probation and court costs.

Douglas County Court, Case CR17-9571

State v. Theresa M. Andersen

Theresa Andersen was charged with one misdemeanor count of attempted insurance fraud when she submitted a fraudulent claim pursuant to her renter's policy. Ms. Andersen pled guilty and was sentenced to nine months' probation and fined \$250 plus court costs.

Douglas County District Court, Case CR17-86

State v. Tyrell Carter

Tyrell Carter received pretrial diversion after being charged with one Class IV felony count of insurance fraud relating to Mr. Carter purchasing auto insurance for his vehicle in order to submit a claim for damages relating to a fire loss that occurred prior to policy inception.

Douglas County District Court, Case CR17-836

State v. Sterling M. Lambries

Sterling Lambries was charged with one count of insurance fraud after attempting to garner coverage for an auto accident that occurred prior to Mr. Lambries purchasing the policy. The insurance company's potential loss exceeded \$4,000 in damages. Mr. Lambries ultimately pled no contest to an amended charge and was sentenced to five days in jail, court costs and restitution for investigative costs.

Douglas County District Court, Case CR17-1567**State v. Gwendolyn K. Tolbert**

Gwendolyn Tolbert provided a false statement to her auto insurance company reporting her vehicle sustained damage as the result of a hit-and-run accident. Ms. Tolbert previously had a claim denied for this same vehicle which was being operated by a restricted driver at the time of the loss. Ms. Tolbert pled guilty to an amended charge and was sentenced to one day in jail, court costs and \$402 restitution for investigative costs.

Douglas County District Court, Case CR17-1619**State v. Shon S. Thielen**

Shon Thielen, a licensed insurance agent, was charged with a Class IV felony count of theft by deception after diverting money from his employer. Mr. Thielen pled no contest to the amended charge of attempted theft by deception, a Class I misdemeanor. Mr. Thielen was fined \$450 and ordered to pay \$4,984.40 in restitution.

Douglas County District Court, Case CR17-1950**State v. Rhonod A. Fletcher**

Rhonod Fletcher's 2004 Navigator was towed by the Omaha Police Department to an impound lot after being involved in a hit-and-run accident. Shortly thereafter, Mr. Fletcher purchased a policy and had the vehicle towed to his residence. Mr. Fletcher then reported to his insurance company that he swerved to miss a dog and struck a tree causing over \$7,000 in damages. Mr. Fletcher was charged with a Class III felony count of a fraudulent insurance act. Mr. Fletcher pled guilty and was fined \$1,500 plus court costs and nine months of post-release supervision under conditions set by the court.

Hall County Court, Case CR17-1526**State v. Steven D. Griffin**

Steven Griffin was charged with one count of insurance fraud after it was discovered he attempted to report prior vehicle damage to his insurer. The charge was amended to possession of a fake insurance certificate, a Class I misdemeanor. Mr. Griffin pled guilty and was fined \$100 and ordered to pay \$367.22 in restitution plus court costs.

Harlan County Court, Case CR17-134**State v. Katherine H. Cole**

Katherine Cole purchased a supplemental accident policy and cancer policy that allowed for a benefit payment in the event a covered person received a specific medical service as outlined by the policy. The Insurance Fraud Prevention Division's investigation determined from September 2014 through May 2015, Ms. Cole submitted fraudulent claim forms for family members to her insurer and collected \$17,290 in benefits. Ms. Cole was charged with three felony counts and one misdemeanor count of insurance fraud. The felony counts were subsequently dismissed and Ms. Cole pled no contest to one Class II misdemeanor. Ms. Cole was ordered to pay a fine, court costs and restitution to the insurer totaling \$17,290.

Lancaster County Court, Case CR17-9514**State v. Tracy L. Surveyor**

Tracy Surveyor's vehicle was struck from behind by another driver. Mr. Surveyor reported to the at-fault driver's insurance company that his vehicle sustained over \$1,500 in damage as a result of this accident. It was found the vehicle damage was pre-existing. Mr. Surveyor pled no contest to an amended charge of insurance fraud, a Class I misdemeanor, and was fined \$750 plus court costs.

Lancaster County Court, Case CR17-3728

State v. Laila H. Alkheqani

Laila Alkheqani was involved in an accident while driving her 2008 Dodge Caliber. The vehicle sustained damages totaling \$3,462.01. Ms. Alkheqani received a claim settlement from the other driver’s insurer after fault was established. A few days later, Ms. Alkheqani purchased a new auto policy and then submitted a claim for a hit-and-run accident. Ms. Alkheqani was charged with one felony count of a fraudulent insurance act that was subsequently amended to a Class I misdemeanor. Ms. Alkheqani’s sentence included serving 14 days at the Lancaster County Correctional Facility, a \$50 fine and court costs.

Lancaster County District Court, Case CR17-412

State v. Raymond A. Sanchez, Jr.

Raymond A. Sanchez, Jr. was a licensed insurance agent when it was discovered he was diverting client funds that were meant to be invested in annuity products. The Insurance Fraud Prevention Division’s investigation found Mr. Sanchez diverted funds from six Lancaster County clients totaling over \$150,000. Mr. Sanchez pled guilty to two Class III felony counts of theft by deception. Mr. Sanchez was sentenced to the Nebraska Department of Correctional Services for a term of 6-20 years.

Lincoln County District Court, Case CR17-186

State v. Aleshia C. Edwards

Aleshia Edwards was charged with one felony count of a fraudulent insurance act after allegedly conspiring with Jobe Castor to commit insurance fraud. Ms. Edwards purchased an auto policy and then reported being involved in an accident with Mr. Castor that did not occur. As a result of the alleged accident, Mr. Castor allegedly sought medical treatment and submitted a vehicle property damage claim. The charge was subsequently amended to a Class I misdemeanor and Ms. Edwards pled no contest. She was sentenced to 12 months’ supervised probation plus associated probation and court costs.



2018 Annual Insurance Fraud Conference

Make plans to join the IFPD on **August 1, 2018**, for our 18th annual insurance fraud conference. The IFPD is working diligently to develop a program that will prove beneficial to participants in their fraud fighting efforts. The conference brochure and registration 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** and use the subject “Conference Brochure Request.” If you attended the 2017 conference, you will automatically receive an email and will not need to request the brochure.

MARKET CONDUCT DIVISION

Market Conduct Examinations Performed During 2017

Berkshire Hathaway Homestate Insurance Company
 Coventry Health Care of Nebraska
 First American Title Insurance Company
 German Farmers Mutual Assessment Ins. Assoc. of Hall County, Inc.
 German Mutual Insurance Company of Dodge County

EXAMINATION DIVISION

OPTins for 2017 Premium Tax Filings is Encouraged

OPTins is your electronic filing solution in Nebraska and many other states. Once you are registered to use OPTins, you can automatically file in all participating jurisdictions. OPTins provides you with the required state-specific tax forms and seamless electronic payment submission. For more state information and filing deadlines, visit www.optins.org. Questions may also be directed to Kristy Hadden at 402-471-2201 or via email at kristy.hadden@nebraska.gov.

HOW Do I Get Started?

- Visit www.optins.org and click on “New Users: Getting Started” for the licensing paperwork.
- You can also contact the OPTins Marketing and Implementation team to learn more about OPTins.

Marketing and Implementation:
optinsmktg@naic.org | 816-783-8787

WHY OPTins?

- Fees, forms and data are submitted simultaneously and securely.
- Filers can choose from ACH Debit or ACH Credit.
- With ACH Debit, the filing is available to the state the same day!
- OPTins stores your filing electronically so you can easily review as needed.
- Once implemented, you can file to any jurisdiction that accepts filings through OPTins.

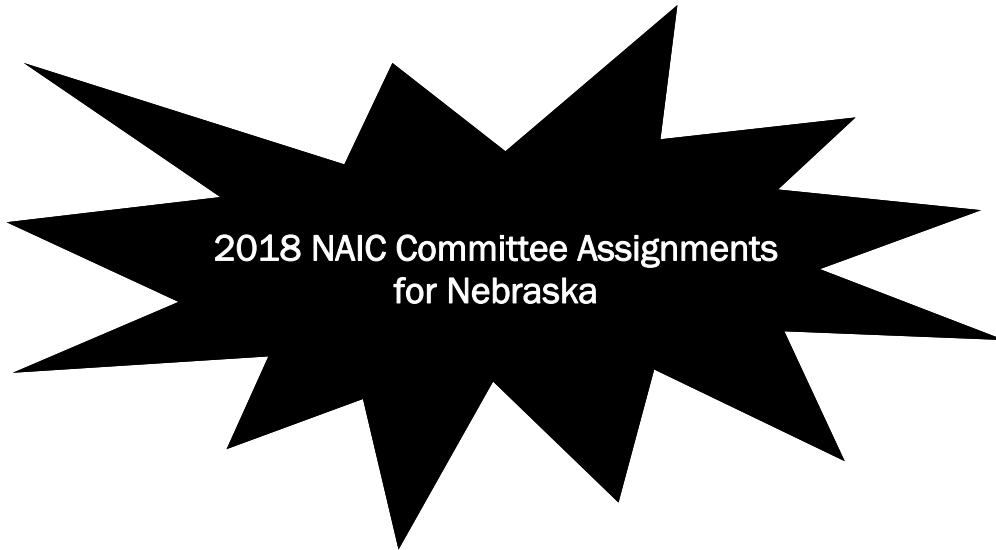
Pre-Need Examinations Completed During Fourth Quarter, 2017

Arbor Society
Butherus, Maser & Love Funeral Home
Hammons Family Services
Lauber Funeral Service, Inc.
Merten-Butler Mortuary, Inc.
Meyer Brothers Family Care Trust
Meyers Funeral Home
Norfolk Funeral Services, Inc.
Odean Colonial Chapel
PVMS, LLC, DBA Berryman Funeral Home, Adams-Swanson Funeral Home,
and Carpenter Memorial Chapel
Zabka Funeral Home, Inc.

Financial Examinations Completed During Fourth Quarter, 2017

American Life and Security Corp.
AssuranceAmerica Insurance Company
German Mutual Insurance Association of NE -Auburn

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. Copies can be obtained from the Department at a cost of \$.50 per page.



**2018 NAIC Committee Assignments
for Nebraska**

- ☆ Member Financial Stability (EX) Task Force
- ☆ Member Innovation and Technology (EX) Task Force
- ☆ Member 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 Producer Licensing (D) Task Force
- ☆ Member Accounting Practices and Procedures (E) Task Force
- ☆ Member Examination Oversight (E) Task Force
- ☆ Member Long-Term Care (B/E) Task Force
- ☆ Member Receivership and Insolvency (E) Task Force
- ☆ Member Reinsurance (E) Task Force
- ☆ Member Valuation of Securities (E) Task Force
- ☆ Member Financial Regulation Standards & Accreditation (F) Committee
- ☆ Member International Insurance Relations (G) Committee
- ☆ Member NAIC/Consumer Liaison Committee
- ☆ Member NAIC/Industry Liaison Committee



Department Calendar

- Feb. 19: Department Closed – President’s Day
- April 27: Department Closed – Arbor Day
- May 28: Department Closed – Memorial Day

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