

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -
2008**

COMMITTEE STATEMENT

LB920

Hearing Date: January 28, 2008

Committee On: Banking, Commerce and Insurance

Introducer(s): (Langemeier)

Title: Authorize insurance producers to charge certain incidental fees

Roll Call Vote - Final Committee Action:

Placed on General File

Vote Results:

6	Yes	Senators	Gay, Hansen, Langemeier, Pahls, Pankonin, Pirsch
1	No	Senators	Carlson
0	Absent		
1	Present, not voting	Senators	Christensen

Proponents:

Senator Chris Langemeier
Jim Cavanaugh
Irwin Nelson
Michael Jones
Joe Elliott

Representing:

Introducer
Independent Insurance Agents of NE
Independent Insurance Agents of NE
Independent Insurance Agents of NE
Professional Insurance Agents of NE

Opponents:

Korby Gilbertson
Coleen Nielsen
Janis McKenzie

Representing:

Property Casualty Insurers Assn. of America
NE Insurance Information Service
NE Insurance Federation

Neutral:**Representing:**

Summary of purpose and/or change:

LB 920 (Langemeier) would amend section 44-354 to provide that a property and casualty insurance producer (agent or broker) may charge incidental fees for the following services: (1) processing premium installments, processing late payments, or processing policy reinstatements – each not to exceed five dollars; and (2) processing insufficient funds checks, obtaining or providing records and reports, or making regulatory filings for an insured or applicant – each not to exceed twenty-five dollars.

The bill would provide that fees shall be disclosed in writing at or before the time the fee is charged and that the amount of the fees shall be posted where the insurance producer conducts business, including on any web site of an insurance producer.

The bill would provide that it does not limit the ability of an insurance company to impose restrictions by contractual agreement on the ability of insurance producers to charge incidental fees.

The bill would provide that violations shall be subject to the Unfair Insurance Trade Practices Act.

The bill would provide the Director of Insurance with rule and regulation authority to carry it out.

Explanation of amendments, if any:

Senator Rich Pahls, Chairperson