

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 157**

Introduced by McCoy, 39.

Read first time January 12, 2009

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to insurance; to amend sections 44-6408  
2 and 81-8,239.07, Reissue Revised Statutes of Nebraska;  
3 to exempt state vehicles from carrying uninsured and  
4 underinsured motorist coverage; and to repeal the  
5 original sections.

6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 44-6408, Reissue Revised Statutes of  
2 Nebraska, is amended to read:

3           44-6408 (1) No policy insuring against liability imposed  
4 by law for bodily injury, sickness, disease, or death suffered  
5 by a natural person arising out of the ownership, operation,  
6 maintenance, or use of a motor vehicle within the United States,  
7 its territories or possessions, or Canada shall be delivered,  
8 issued for delivery, or renewed with respect to any motor vehicle  
9 principally garaged in this state unless coverage is provided for  
10 the protection of persons insured who are legally entitled to  
11 recover compensatory damages for bodily injury, sickness, disease,  
12 or death from (a) the owner or operator of an uninsured motor  
13 vehicle in limits of twenty-five thousand dollars because of bodily  
14 injury, sickness, disease, or death of one person in any one  
15 accident and, subject to such limit for one person, fifty thousand  
16 dollars because of bodily injury, sickness, disease, or death of  
17 two or more persons in any one accident, and (b) the owner or  
18 operator of an underinsured motor vehicle in limits of twenty-five  
19 thousand dollars because of bodily injury, sickness, disease, or  
20 death of one person in any one accident and, subject to such limit  
21 for one person, fifty thousand dollars because of bodily injury,  
22 sickness, disease, or death of two or more persons in any one  
23 accident. A policy may be issued without the coverage required by  
24 this subsection if the named insured is the State of Nebraska or  
25 any of its agencies, boards, or commissions.

1           (2) At the written request of the named insured, the  
2 insurer shall provide higher limits of uninsured and underinsured  
3 motorist coverages in accordance with its rating plan and rules,  
4 except that in no event shall the insurer be required to provide  
5 limits higher than one hundred thousand dollars per person and  
6 three hundred thousand dollars per accident.

7           (3) After purchase of uninsured and underinsured  
8 motorist coverages, no insurer or any affiliated insurer shall be  
9 required to notify any policyholder in any renewal, reinstatement,  
10 substitute, amended, altered, modified, transfer, or replacement  
11 policy as to the availability of optional limits of such coverages.  
12 The named insured may, subject to the limitations of this section,  
13 make a written request for additional coverage or coverage more  
14 extensive than that provided in a prior policy.

15           Sec. 2. Section 81-8,239.07, Reissue Revised Statutes of  
16 Nebraska, is amended to read:

17           81-8,239.07 The Risk Manager, acting as agent for the  
18 state agencies, may (1) self-insure and contract for related risk  
19 management services, (2) purchase a liability insurance policy  
20 or policies, or (3) use any combination of self-insurance and  
21 insurance to protect the agencies and their employees and other  
22 persons authorized to operate a vehicle by an agency against  
23 loss occasioned by negligence in the operation of any trucks,  
24 automobiles, snowplows, road graders, or other vehicles. Any such  
25 policy shall be purchased by public bidding conducted by the Risk

1 Manager upon terms and forms prepared by him or her and shall  
2 have limits for death, bodily injury, and property damage that  
3 are ~~the same as~~ no less stringent than would be required by law  
4 for a private individual, except that nothing in this section  
5 shall require the purchase of uninsured or underinsured motorist  
6 coverage by the state. The premium on the policy or policies  
7 shall be paid by the Risk Manager from the State Insurance Fund  
8 created in section 81-8,239.02. The Risk Manager shall authorize  
9 and administer the payment of self-insured losses and payment for  
10 risk management services from the State Insurance Fund, State  
11 Self-Insured Property Fund, State Self-Insured Indemnification  
12 Fund, or State Self-Insured Liability Fund as appropriate.

13           Sec. 3. Original sections 44-6408 and 81-8,239.07,  
14 Reissue Revised Statutes of Nebraska, are repealed.