

LEGISLATURE OF NEBRASKA

ONE HUNDRED SECOND LEGISLATURE

SECOND SESSION

LEGISLATIVE BILL 1064

Introduced by Fulton, 29.

Read first time January 18, 2012

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to the Surplus Lines Insurance Act; to amend
2 section 44-5510, Revised Statutes Supplement, 2011; to
3 permit the procurement of sickness and accident insurance
4 from a nonadmitted insurer; and to repeal the original
5 section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-5510, Revised Statutes Supplement,
2 2011, is amended to read:

3 44-5510 (1) If an applicant for insurance is unable to
4 procure such insurance as he or she deems reasonably necessary to
5 insure a risk or exposure from an admitted insurer, such insurance
6 may be procured from a nonadmitted insurer upon the following terms
7 and conditions:

8 (a) The insurance shall be procured from a surplus lines
9 licensee;

10 (b) The insurance procured shall not include any
11 insurance described in subdivisions (1) through ~~(4)~~(3) of section
12 44-201;

13 (c) Not later than thirty days after the effective date
14 of such insurance, the insured shall provide, in writing, his or her
15 permission for such insurance to be written in a nonadmitted insurer
16 and his or her acknowledgment that, in the event of the insolvency of
17 such insurer, the policy will not be covered by the Nebraska Property
18 and Liability Insurance Guaranty Association; and

19 (d) Compliance with section 44-5511.

20 (2) A surplus lines licensee seeking to procure or place
21 nonadmitted insurance for an exempt commercial purchaser whose home
22 state is the State of Nebraska shall not be required to make a due
23 diligence search to determine whether the full amount or type of
24 insurance sought by such exempt commercial purchaser can be obtained
25 from admitted insurers if:

1 (a) The surplus lines licensee procuring or placing the
2 insurance has disclosed to the exempt commercial purchaser that such
3 insurance may or may not be available from the admitted market that
4 may provide greater protection with more regulatory oversight; and

5 (b) The exempt commercial purchaser has subsequently
6 requested in writing the surplus lines licensee to procure or place
7 such insurance for a nonadmitted insurer.

8 Sec. 2. Original section 44-5510, Revised Statutes
9 Supplement, 2011, is repealed.