

ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016
COMMITTEE STATEMENT
LB837

Hearing Date: Monday February 01, 2016
Committee On: Banking, Commerce and Insurance
Introducer: Scheer
One Liner: Change provisions relating to premium taxes and quarterly statements under the Surplus Lines Insurance Act

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye:	7	Senators Campbell, Fox, Gloor, Lindstrom, Scheer, Schumacher, Williams
Nay:		
Absent:	1	Senator Craighead
Present Not Voting:		

Verbal Testimony:

Proponents:

Senator Jim Scheer
John Meetz

Representing:

Introducer
National Association of Professional Surplus Lines Offices

Opponents:

Representing:

Neutral:

Director Bruce Ramge

Representing:

NE Department of Insurance

Summary of purpose and/or changes:

This bill would amend sections 44-5506 and 44-5515 of the Surplus Lines Insurance Act to change the manner in which premium taxes are computed and paid to the Director of Insurance by surplus lines licensees for the placement of nonadmitted insurance.

The bill would provide that a surplus lines licensee shall collect and pay to the director a sum based on the total gross premiums charged for surplus lines insurance provided by the licensee pursuant to its license "on behalf of an insured whose home state is the State of Nebraska." The bill would provide that the sum payable shall be three percent of the premiums "for insurance that covers properties, risks, or exposures located or to be performed in the United States."

Under current law, when the nonadmitted insurance covers properties, risks, or exposures located or to be performed solely in this state on behalf of an insured whose home state is the State of Nebraska, the sum payable shall be three percent of the premiums. When the nonadmitted insurance covers properties, risks, or exposures located or to be performed both in and out of this state, the sum payable shall be (1) for in-state risks, three percent, and (2) for out-of-state risks, the rate established by the state where the properties, risks, or exposures are located or to be performed.

The bill would adjust due dates for filings with the Department of Insurance.

The bill would eliminate provisions which authorize the Director of Insurance to enter into the Nonadmitted Insurance Multi-State Agreement to facilitate the collection, allocation, and disbursement of premium taxes attributable to the placement of nonadmitted insurance.

The bill would provide for an operative date of January 1, 2017.

Jim Scheer, Chairperson