

# One Hundred Fourth Legislature - Second Session - 2016

## Introducer's Statement of Intent

### LB837

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**Chairperson: Senator Jim Scheer**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing: February 01, 2016**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

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 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 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 performed.

The bill would amend provisions regarding exempt commercial purchasers.

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.

**Principal Introducer:** \_\_\_\_\_

Senator Jim Scheer