

**One Hundred Sixth Legislature - Second Session - 2020**

**Introducer's Statement of Intent**

**LB757**

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**Chairperson: Senator Matt Williams**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing: February 04, 2020**

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

The Insured Homeowners Protection Act provides a variety of protections to consumers whose homes need repair after a storm or other unfortunate act. The Act explicitly prohibits a contractor from rebating the homeowner's insurance deductible and states that such a payment is insurance fraud.

While current insurance fraud statutes are general enough to capture this behavior, no statute is specifically on point resulting in a lack of prosecutions for the payment of the deductible.

LB757 specifically provides in both the Criminal Code and the Insurance Fraud Act that a rebate of any portion of an insurance deductible is a violation of both the criminal code and the Insurance Fraud Act. The penalty for this violation is a Class I Misdemeanor.

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

Senator Carol Blood