

ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021
COMMITTEE STATEMENT (CORRECTED)
LB22

Hearing Date: Monday January 25, 2021
Committee On: Banking, Commerce and Insurance
Introducer: Williams
One Liner: Change provisions of the Nebraska Protection in Annuity Transactions Act

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

Vote Results:

Aye: 8 Senators Aguilar, Bostar, Flood, Lindstrom, McCollister, Pahls, Slama, Williams
Nay:
Absent:
Present Not Voting:

Oral Testimony:

Proponents:

Senator Matt Williams
Bruce Ramage
Brandon Cage
Matt Holman
Robert Bell

Representing:

Introducer
Department of Insurance
Pacific Life Insurance
Ameritas Life Insurance Corp
Nebraska Insurance Federation

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

This bill, introduced at the request of the Director of Insurance, would adopt the latest National Association of Insurance Commissioners' (NAIC) updates to the Annuity Suitability Model Regulation. In Nebraska, the Model appears in the Nebraska Protection in Annuity Transactions Act, sections 44-8101 to 44-8109. The revisions allow states to continue protecting consumers by: (a) requiring insurance producers to act in the best interest of the consumer when making a recommendation of an annuity; and (b) requiring that insurers maintain a system of supervision so that the insurance needs and financial objectives of consumers are addressed. The revisions also align with the U.S. Securities and Exchange Commission's Regulation Best Interest. The bill would provide, section by section, as follows:

Section 1 would amend section 44-8102 to add the best interest standard and would provide that there is no private cause of action for violations of the act.

Section 2 would amend section 44-8103 to clarify when the act will apply and would provide the Director of Insurance with rule and regulation authority.

Section 3 would amend section 44-8105 to enact new definitions.

Section 4 would amend section 44-8106 to clarify when and how the act applies; set forth the care, disclosure, and conflict of interest obligations; modify the documentation obligation; explain the applicability of the best interest obligation; and provide a safe harbor.

Section 5 would amend section 44-8107 to make clean-up changes and allow the Director of Insurance to order penalties and sanctions for violations of the act.

Section 6 would amend section 44-8108 to set forth training course requirements.

Section 7 would amend section 44-8109 to provide for applicability of this bill.

Section 8 would provide for repealers.

Section 9 would provide for the emergency clause.

Matt Williams, Chairperson