

LEGISLATURE OF NEBRASKA  
ONE HUNDRED SEVENTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 535**

Introduced by Kolterman, 24.

Read first time January 19, 2021

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to life insurance; to provide for notice to
- 2 assignees of default and lapse and termination; to define a term;
- 3 and to provide for applicability.
- 4 Be it enacted by the people of the State of Nebraska,

1           Section 1. (1) No policy of life insurance issued or delivered in  
2 this state and subject to an assignment made in this state shall  
3 terminate or lapse by reason of default in payment of any premium due on  
4 such policy, unless a notice of pending lapse and termination of such  
5 policy has been provided by the insurer to any known assignee having an  
6 interest in the life insurance policy, at least thirty days prior to the  
7 effective date of such lapse and termination.

8           (2) Notice of the lapse and termination pursuant to this section  
9 shall be provided electronically by the insurer to any assignee which has  
10 requested notice pursuant to subsection (3) of this section. The insurer  
11 shall be permitted to charge the policy owner directly or against the  
12 policy for the reasonable cost of complying with this subsection, but in  
13 no event to exceed two dollars and fifty cents for each notice.

14           (3) An assignee of a policy of life insurance under an assignment  
15 made in this state may request the insurer to give such assignee notice  
16 of default in payment of any premium due on such policy at least thirty  
17 days prior to the effective date of any lapse and termination of such  
18 life insurance policy. The request shall be made before default in  
19 payment of premium due on such policy and shall be in writing, be mailed  
20 to the home office of the insurer, specify the name and address at which  
21 such notice shall be provided electronically by the insurer to the  
22 assignee, specify the name of the insured, and specify the policy number.  
23 Upon termination of the assignee's rights under the assignment, the  
24 assignee shall promptly mail a release of the assignment to the home  
25 office of the insurer.

26           (4) For purposes of this section, a life insurance policy includes,  
27 but is not limited to, an individual life insurance policy and a group  
28 life insurance policy.

29           (5) This section shall not apply to nonrenewal and shall not be  
30 construed to affect the contractual rights of assignees.