

ONE HUNDRED NINTH LEGISLATURE - FIRST SESSION - 2025
COMMITTEE STATEMENT
LB232

Hearing Date: Tuesday February 11, 2025
Committee On: Banking, Commerce and Insurance
Introducer: Hallstrom
One Liner: Provide requirements for life insurance policies

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Jacobson, Bostar, Dungan, Hallstrom, Hardin, Riepe, von Gillern, Wordekemper
Nay:
Absent:
Present Not Voting:

Testimony:

Proponents:

Senator Bob Hallstrom
Kevin Postier
Ryan McIntosh
Jina Ragland
Dexter Schrodt

Representing:

Opening Presenter
Henderson State Bank
Nebraska Bankers Association
AARP Nebraska
Nebraska Independent Community Bankers

Opponents:

Robert Bell
Matt Holman
Alex Young

Representing:

Nebraska Insurance Federation
Ameritas Life Insurance Corporation
American Council of Life Insurers

Neutral:

Representing:

* ADA Accommodation Written Testimony

Summary of purpose and/or changes:

LB 232 would create two new sections of law relating to life insurance. The bill would require issuers of certain life insurance policies to provide notice of lapse and termination of such policies to the assignees of those policies. It would also authorize a senior citizen with a certain life insurance policy to designate a third party to receive certain notifications regarding such senior citizen's life insurance policy.

Section 1: Defines life insurance policy as used in the section. The section also places a termination or lapse restriction on life insurance policies that have been assigned as security for an indebtedness.



The section provides notice requirements related to lapse and termination of life insurance policies covered under the bill, and allows for the reimbursement of costs, with restrictions, to insurers for providing such required notice. Finally, this section states what actions the assignees of life insurance policies for indebtedness must take in order to get the notice protections that the bill offers.

Section 1 does not apply to nonrenewal and is not to be construed to affect the contractual rights of assignees.

Section 2: Defines senior-citizen insured as that term is used in the section. The section also states that every insurer that has in force a premium-paying individual life insurance policy on the life of a senior-citizen insured shall permit the senior-citizen insured to designate one third-party individual to whom the insurer shall transmit any notice of cancellation, nonrenewal, and conditional renewal.

The section goes on to provide reporting and notification requirements required of insurers, senior-citizen insureds, and third-party designees under the section. It also provides for how the designations can be terminated by various parties.

Finally, the section states that the designation as a third-party designee for a senior-citizen insured shall not constitute acceptance of any liability by the third-party designee for services provided to such senior-citizen insured.

Explanation of amendments:

AM 470 strikes and replaces the entirety of LB 232, adding a new subdivision to Neb. Rev. Stat. 44-502. The new subdivision provides that for policies issued or delivered in this state on or after January 1, 2026, a notice will be sent electronically or mailed to the last-known address of the policy owner and any assignee on record with the company at least fifteen days prior to policy termination or lapse due to non-payment of any premium. An assignee will have the same legal standing as the owner with respect to this new subdivision.

Mike Jacobson, Chairperson

