

STATE OF NEBRASKA

DEPARTMENT OF INSURANCE

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Acting Director



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E. Benjamin Nelson
Governor

BULLETIN

SUBJECT: AGENCY BILLED RENEWALS

This Department is aware of a practice that is quite common in agency-billed business. This practice takes two forms: (1) When the current policy term is nearing expiration, the agent will send a renewal notice to the insured. If no response is received from the insured, the agent will renew the policy; (2) When the current policy expires, the agent will renew automatically without notice to the insured. In either situation, the agent will then send a bill to the insured.

It is the position of the Nebraska Insurance Department that unless there has been specific authorization by the insured, automatic renewals are done at the risk of the agent or agency.

The periodic premium payments under multi-year contracts; e.g., three-year homeowners policies, are not subject to the provisions of this Bulletin. It is not expected that this problem will occur with "direct-billed" business.

It is the responsibility of each company to notify its agents of this Bulletin.



ROBERT G. LANGE
Acting Director of Insurance