

Q. How do I contact the guaranty associations?

Nebraska Life and Health Insurance Guaranty Association
1900 US Bank Building
233 South 13th Street
Lincoln, Nebraska 68508
402-474-6900
www.nelifega.org

Nebraska Property and Liability Insurance Guaranty Association
1720 S. Bellaire St., Suite 408
Denver, Colorado 80222
303-759-5066
www.npliga.org

Q. Do I have guaranty fund protection if I bought insurance from an unlicensed insurance company?

A. No. If an insurance company is not licensed, policyholder claims are not covered by guaranty funds. This means that claims must be paid from the estate of the liquidated unlicensed entity. As a result, policyholders may not receive any payment or may receive only partial payment for their claims.

To find out whether an insurance company is licensed, you can call the Department's toll-free consumer hotline at 1-877-564-7323 or visit its website at **www.doi.nebraska.gov**.

Q. Where can I obtain information about the financial status of my insurance company?

- A. You can check several sources to review financial information, three of which include:
- Review insurance company rating publications at your local library.
 - Call the Department of Insurance at 402-471-2201 or on its toll-free hotline at 1-877-564-7323.
 - Visit the National Association of Insurance Commissioners' website found at **www.naic.org** and select "Consumer Information Source" to access key financial statement data.

Use of this brochure as a sales tool is prohibited.

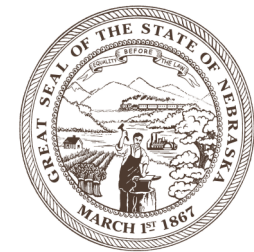
Nebraska Department of Insurance
941 O Street, Suite 400
PO Box 82089
Lincoln, NE 68501-2089
www.doi.nebraska.gov

Phone: 402-471-2201
Toll-free hotline: 1-877-564-7323
TDD: 1-800-833-7352
VOICE: 1-800-833-0920

If special accommodations or alternate formats of this material are needed, please let the Department of Insurance know.

Questions and Answers

Guaranty Fund Protection



Information provided by

State of Nebraska
Department of Insurance

Frequently Asked Questions

Q. What happens when an insurance company becomes insolvent?

- A. When the Department of Insurance determines an insurance company can no longer meet its contractual obligations, the Director will petition the court for an order to liquidate the company.

Liquidation is similar to bankruptcy. When the order is issued by the court, the Department will distribute the company's assets according to established law.

Q. If the company is placed into liquidation, will my claim be paid?

- A. If an insurance company is licensed to conduct business in Nebraska and is placed into liquidation by the court, claim payments are generally provided by guaranty funds. These funds are a safety net for consumers insured by insurance companies licensed in Nebraska.

Monies necessary to pay these claims are raised by making assessments against other Nebraska licensed insurance companies. Insurers may then take an offset for these payments against their Nebraska tax obligations. The guaranty fund also becomes a creditor of the liquidated estate of the company.

Certain types of insurance policy contracts may not be covered.

Q. Who will administer my claim?

- A. **The Nebraska Life and Health Insurance Guaranty Association (NLHIGA)** administers life, annuity, accident and health insurance claims. Examples of the types of insurance that fall under this guaranty fund are life, accident, disability, long-term care, and medical insurance.

The Nebraska Property and Liability Insurance Guaranty Association (NPLIGA) administers property and liability insurance claims. Examples of the types of insurance that fall under the guaranty fund are automobile, homeowners, liability and workers' compensation insurance.

The Nebraska Life and Health Insurance Guaranty Association and the Nebraska Property and Liability Insurance Guaranty Association are not agencies of or backed by the State of Nebraska.

Q. Will my claim be paid in full?

- A. For Nebraska residents, **NLHIGA** will pay according to the provisions of your policy, but not to exceed: \$300,000 in life insurance death benefits, \$250,000 in present value of annuity benefits, \$500,000 in health insurance benefits, \$300,000 in disability or long-term care insurance, with \$300,000 aggregate for life/annuity benefits and \$500,000 aggregate for life/annuity/health benefits. Some exceptions or limitations may apply.

For Nebraska residents at time of loss or for property permanently located in Nebraska, policy provisions describe covered claims. **NPLIGA** pays in excess of \$100, up to \$300,000 or the policy limit, whichever is less. On any covered claim arising out of a workers' compensation policy, the fund will pay the amount required by law. Payments will also be made on covered claims for unearned premiums in excess of \$100 and less than \$10,000 per policy. Some exceptions or limitations may apply.