

LEGISLATIVE BILL 224

Approved by the Governor March 27, 1991

Introduced by Abboud, 12; Lindsay, 9; Elmer, 38;  
Chizek, 31; Hall, 7; Ashford, 6

AN ACT relating to insurance; to provide for the enforceability of certain provisions in automobile liability policies and endorsements as prescribed.

Be it enacted by the people of the State of Nebraska,

Section 1. A provision in an automobile liability policy or endorsement which is effective in this state and which grants the insurer the right of subrogation for payment of benefits under the medical payments coverage portion of the policy shall be valid and enforceable, except that if the claimant receives less than actual economic loss from all parties liable for the bodily injuries, subrogation of medical payments shall be allowed in the same proportion that the medical expenses bear to the total economic loss. For purposes of this section, it shall be conclusively presumed that any settlement or judgment which is less than the policy limits of any applicable liability insurance coverage constitutes complete recovery of actual economic loss.