

LEGISLATIVE BILL 405

Approved by the Governor April 16, 1973

Introduced by Savage, 10

AN ACT to amend section 44-221, Reissue Revised Statutes of Nebraska, 1943, relating to insurance; to provide for the payment of surplus notes issued; and to repeal the original section.

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

Section 1. That section 44-221, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-221. Except as herein provided, such notes and the indebtedness which they represent shall not be a liability or claim against any of the assets of the company. The principal shall of such notes may be paid from time to time, either in full or in part, from available surplus funds of the company only when the amount of the surplus of the company over all liabilities is double that of such the principal then unpaid being paid. The corporation shall have the right to make such repayment repayments whenever it shall be able to do so; Provided, the corporation first receives the prior approval of the Director of Insurance for any such repayments. The director shall use the standards set forth in sections 44-2101 to 44-2119 relating to adequacy of surplus in determining whether or not to approve such repayments. The interest on such notes shall only be payable from the surplus and shall not exceed such sum as may be fixed, nor in any case six per cent per annum. Upon a dissolution of the company, the principal and accrued and unpaid interest shall be payable from the surplus.

Sec. 2. That original section 44-221, Reissue Revised Statutes of Nebraska, 1943, is repealed.