

LEGISLATIVE BILL 374

Approved by the Governor April 23, 1975

Introduced by Hasebroock, 18

AN ACT to amend sections 44-213 and 44-213.03, Reissue Revised Statutes of Nebraska, 1943, relating to insurance; to provide for retirement plan modifications; and to repeal the original sections.

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

Section 1. That section 44-213, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-213. No domestic insurance company shall pay any salary, compensation, or emolument to any salaried employee, or to any officer, trustee, or director thereof in excess of a reasonable return for the services performed or to be performed by such person. The stockholders of stock companies and the policyholders of other companies shall retain the power at any regular meeting to alter or discontinue any employment agreement. No such company shall ~~pay any pension whatsoever or~~ make an agreement with any salaried employee, or with any officer, trustee, or director, whereby it agrees that, for any services to be rendered, he shall receive any salary, compensation, or emolument that will extend beyond a period of five years from the date of such agreement; but any such company may make a conditional or unconditional agreement with any such person whereby it agrees that, in consideration of a current salary, compensation, or emolument of any amount less than a reasonable return for the services performed or to be performed by such person, he shall at specified future time or times, without regard to the five-year limitation set out above, receive, either without further condition or subject to reasonable contingencies, additional deferred salary, compensation or emolument of any amount adequate to make the total thereof received by such person a reasonable return for the services performed by such person. ~~Any such agreement shall not be deemed to constitute a pension or a plan for retirement, disability, sickness, accident or death benefits.~~ The words salary, compensation, and emolument as used in sections 44-213 to 44-213.07 shall not include payments made pursuant to a plan for retirement, disability, sickness, accident, or death benefits.

Sec. 2. That section 44-213.03, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-213.03. No modifications of or amendments to any plan for retirement, disability, sickness, accident, or death benefits of any domestic insurance company shall be effective until and unless such modifications or amendments are adopted and approved by a two-thirds vote of the members of the board of directors present at the meeting. All modifications of or amendments to any plan providing benefits upon or after retirement must also be filed with and approved by the Director of Insurance. Such modifications or amendments may provide for increased benefits for retired members if such increase meets the standards required in section 44-213.02, and in the rules and regulations adopted thereunder. All such modifications or amendments shall comply with the provisions of sections 44-213 to 44-213.07 and the Director of Insurance shall review all plans providing benefits upon or after retirement in their entirety and the effect on such plans of such modifications or amendments when considering the same for approval.

Sec. 3. That original sections 44-213 and 44-213.03, Reissue Revised Statutes of Nebraska, 1943, are repealed.