

One Hundred Fourth Legislature - First Session - 2015

Introducer's Statement of Intent

LB51

Chairperson: Senator Jim Scheer

Committee: Banking, Commerce and Insurance

Date of Hearing: February 24, 2015

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

This bill would enact a new section in the Intergovernmental Risk Management Act to provide that before a public agency takes official action to become a member of a risk management pool, the pool shall provide each member of the governing body of the public agency with a written disclosure form containing specific information and statements. The bill would also amend section 44-4309 of the Intergovernmental Risk Management Act to provide that a member of a pool may voluntarily terminate participation by giving notice to the other members and the Director of Insurance at least "thirty" rather than "ninety" days prior to the desired termination date.

The information required by the new section would include: (1) any mandatory term of membership; (2) the name and location of any third party administrator providing services for the pool; (3) a list of insurers providing excess or reinsurance coverage for the pool; (4) deductible levels and the maximum level of claims the pool will self-insure; and (5) the requirements for voluntary termination of membership.

The statements required by the new section would express that: (1) termination of membership in a pool does not release a member from continued liability for contractual obligations already entered into; (2) members may have joint and several liability for financial obligations of the pool; (3) a pool is not an insurance company or a member of a guaranty association; and (4) a pool is issued a certificate of authority by the Department of Insurance and is examined every four years.

Principal Introducer: _____

Senator Jim Scheer