

February 3, 1975

PRESIDENT: Is there any further discussion? The question is, shall LB 164 be advanced to E & R initial. Record your vote. Record the vote Mr. Clerk.

CLERK: 28 ayes, 0 nays, 21 not voting, Mr. President.

PRESIDENT: It shall be so advanced. LB 2.

CLERK: Legislative bills read: LB 2.

PRESIDENT: Chair recognizes Senator Stull.

SENATOR STULL: Mr. President, members of the Legislature, LB 2 is a bill that would exempt the stockholders in the corporation from carrying workmans compensation if they own at least ten percent of the stock. In a partnership, the partners are not employees within the meaning of workmans compensation law and it is not necessary for them to have workmans compensation coverage. However, as employees of their own corporation, it becomes necessary for them to have workmans compensation coverage. This distinction, because of the form of doing business, is not reasonable and the people involved object to the force provisions of workmans compensation coverage. It would seem to me that this bill would give such an individual his right to have coverage if he wants it. However, so many of the owner-employee individuals have made other provisions for income disability and usually do not want to give up the rights under these plans. In other words, people in a corporation, executive officer, usually have double coverage but if they have a loss they can only collect under the one. It's double coverage. I would move that this bill be advanced to E & R for initial.

PRESIDENT: Is there any other discussion? Senator Barnett.

SENATOR BARNETT: Mr. President, members of the Legislature, I know something looks a little strange here. I think maybe we better have some discussion on it because I looked down here to the Labor Committee and I think maybe somebody better talk about this. I don't see but one person that was for the bill and that was the introducer and everybody else opposed it. Now I don't understand. I think Senator Maresh owes us an explanation. Everybody opposed the bill, yet Senator Stull was the only one in favor of it. How in the world can you bring something like that out of committee?

PRESIDENT: No the Chair recognizes Senator Duis first, Senator Maresh. Senator Duis.

SENATOR DUIS: Mr. President, Senator Stull, I am just a bit concerned here because I do work around workmans compensation insurance quite a bit. I want to know, if I might, what is the necessity because generally the fee or rather the rate charge for an executive of a corporation is very very minimal. I'm wondering whether or not we might be opening up a situation here where some executives of corporations might deal themselves out of a workmans compensation claim that would be of a vast detriment to them. You see,