

LB 306.

CLERK: Mr. President. LB 306 was a bill that was introduced by Senator Remmers. (Read title.) The bill was introduced on January 15th. It was referred to the Banking, Commerce and Insurance Committee for hearing, advanced to General File. There are Banking Committee amendments pending, Mr. President.

SENATOR WITHEM: Senator Remmers, I believe you will take the committee amendments.

SENATOR REMMERS: Mr. President and members of the Legislature, I have two amendments. The first amendment was made at the request of the insurance industry. They wanted clarification that the extension from 10 to 15 years on the sale of credit life and disability insurance applies to installment licensees only. They were not quite sure of this position. The reason is that the insurance agents served the first mortgage market while the installment loan licensees served the second mortgage in consumer finance areas. The second amendment adds some clarifying language and removes one provision in the bill that would have allowed installment loan companies to sell other types of insurance not specifically mentioned in the statute. And I would suggest that we approve those amendments taking away that part of the bill that would allow them to sell other types of insurance. I would urge that you adopt the amendments.

SENATOR WITHEM: Senator Higgins, on the committee amendments.

SENATOR HIGGINS: Mr. President, Senator Remmers, would you yield to a question, please?

SENATOR REMMERS: Yes.

SENATOR HIGGINS: If I understand your amendment, you are saying that installment loan contracts, such as finance companies, small loan companies, would no longer be able to sell other types of insurance besides credit life? Is that correct?

SENATOR REMMERS: It gave them additional authority under the direction of the Banking Department but we are removing that provision to allow them to sell other types.

SENATOR HIGGINS: So, in other words, if you went to the "Ajax Finance Company" to borrow \$2,000 on your purchase of a car, then would it take away the finance company's right to sell you