

March 1, 1991

LB 224, 648

the work that they are already doing, but giving them clearer statutory authority to do what they are doing now. It will not duplicate programs and groups already in place. It will not result in a budget increase because of the expanded role. It's that simple and unless there are questions, I would ask the body to support the movement of the bill. Thank you.

PRESIDENT MOUL: Thank you, Senator Smith. Seeing no one wishing to debate the motion, we will proceed to vote on the advancement of LB 648. All those in favor please vote aye, opposed nay. Have you all voted? Please record, Mr. Clerk.

ASSISTANT CLERK: 27 ayes, 0 nays on the advancement of the bill.

PRESIDENT MOUL: LB 648 is advanced. LB 224.

ASSISTANT CLERK: LB 224 was introduced by Senators Abboud, Lindsay, Elmer, Chizek, Hall and Asford. (Read title.) The bill was read for the first time on January 14. It was referred to the Banking Committee which reports the bill to General File. I do have an amendment from Senator Abboud. That amendment is found on page 840 of the Journal.

PRESIDENT MOUL: Senator Abboud.

SENATOR ABBOD: Madam President, colleagues, why don't we go right to the amendment on the bill. What this bill provides for and the amendment that we're considering at this time deals with is the right of subrogation for an insurance company, in most cases the insurer, but in most cases the insurance company to recover amounts paid on behalf of the injured person from any third party as a result of a med-pay section of their automobile insurance. Now the Nebraska Legislature really never dealt with the question of whether or not subrogation, whether that insurance company had the right of subrogation for med-pay policies and as a result of that the Nebraska Supreme Court in 1989 had a case, Milbank Insurance v. Henry and in a 4-3 split decision they said it appears that since the Nebraska Legislature has not dealt with this issue, that we will interpret how we see fit basically, and they said that there was no subrogation rights which I felt was not fair as did a number of other individuals. So we brought in the bill and said no rights of subrogation and in the interest of working things out we met with the insurance representatives, in particular Farmers