

E AND R AMENDMENTS TO LB 734

Introduced by Enrollment and Review Committee: McGill, 26,  
Chairperson

1           1. Strike the original sections and all amendments  
2 thereto and insert the following new sections:

3           Section 1. Section 13-1622, Reissue Revised Statutes of  
4 Nebraska, is amended to read:

5           13-1622 (1) Except as provided in subsection (4) of this  
6 section, the plan sponsor shall obtain excess insurance which will  
7 limit the plan sponsor's total claims liability for each plan year  
8 to not more than one hundred twenty-five percent of the expected  
9 claims liability as projected by an independent actuary or insurer.

10           (2) If the expected claims liability of the self-funded  
11 portion of the employee benefit plan is exceeded, the plan sponsor  
12 shall fund such additional liability by (a) allocating necessary  
13 funds from the operating fund of the general fund, (b) setting up  
14 an additional reserve in the operating fund of the general fund, or  
15 (c) setting up the monthly accruals at a level to fund claims in  
16 excess of the expected claims liability.

17           (3) An insurer shall pay claims for which it is obligated  
18 under excess insurance within three months of the time the claims  
19 are paid by the plan sponsor.

20           (4) A city of the metropolitan or primary class or a  
21 county with a population of more than two hundred thousand may  
22 provide an employee benefit plan without excess insurance if the  
23 city or county obtains a determination from an independent actuary

1 or insurer that excess insurance is not necessary to preserve the  
2 safety and soundness of the employee benefit plan.

3           Sec. 2. Original section 13-1622, Reissue Revised  
4 Statutes of Nebraska, is repealed.