

**ONE HUNDREDTH LEGISLATURE - SECOND SESSION -
2008**

COMMITTEE STATEMENT

LB734

Hearing Date: February 05, 2008

Committee On: Banking, Commerce and Insurance

Introducer(s): (Fulton)

Title: Change employee benefit plan provisions for certain political subdivisions

Roll Call Vote - Final Committee Action:

Placed on General File with Amendments

Vote Results:

7 Yes Senators Carlson, Christensen, Gay, Hansen, Pahls,
Pankonin, Pirsch

0 No

0 Absent

1 Present, not voting Senators Langemeier

Proponents:

Senator Tony Fulton
Don Taute
Jon Edwards

Representing:

Introducer
City of Lincoln and Lancaster County
NE Assn. of County Officials

Opponents:**Representing:****Neutral:****Representing:**

Summary of purpose and/or change:

LB 734 (Fulton) would amend section 13-1622 of the Political Subdivisions Self-Funding Benefits Act to provide that any plan sponsor, and not just a city of the metropolitan class, may provide an employee benefit plan without excess insurance if the plan sponsor obtains a determination from an independent actuary or insurer that excess insurance is not necessary to preserve the safety and soundness of the employee benefit plan.

Currently, under this section, a plan sponsor, other than a city of the metropolitan class, is required to obtain excess insurance to limit the plan sponsor's total claims liability for each plan to not more than 125 percent of the expected claims liability as projected by an independent actuary or insurer.

Currently, under the act, a "plan sponsor" is defined as a political subdivision providing an employee benefit plan and a "political subdivision" includes villages, cities, counties, school districts, public power districts, community colleges, natural resource districts, and all other units of local government.

Explanation of amendments, if any:

The committee amendments (AM1794) would limit the scope of the bill so that (in addition to a city of the metropolitan as is currently allowed) only a city of the primary class or a county with a population of more than two hundred thousand may provide an employee benefit plan without excess insurance if the city or county obtains a determination from an independent actuary or insurer that excess insurance is not necessary to preserve the safety and soundness of the employee benefit plan.

Senator Rich Pahls, Chairperson