



Hundredth Legislature - Second Session - 2008
Introducer's Statement of Intent
LB 734

Chairperson: Rich Pahls
Committee: Banking, Commerce and Insurance
Date of Hearing: February 06, 2008

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

Presently, *Neb. Rev. Stat.* § 13-1622 imposes an artificial limit on self-insurance of 125% of claims for governmental plan sponsors. LB 734 would amend section 13-1622 to allow any governmental plan sponsor to provide an employee benefit plan without excess insurance for claims above 125% of expected claims, so long as an independent actuary or insurer determines the plan to be sound above this level. Allowing governmental plan sponsors, following the advice of independent actuaries, to choose the point at which excess insurance is necessary prevents political subdivisions from incurring needless costs and thus promotes a more sound fiscal policy.

Principal Introducer: _____
Senator Tony Fulton