

March 21, 1979

LB 52

some uniformity and organization of such new companies and, fourth, the bill would provide for other miscellaneous regulatory measures tailored to the unique nature of legal expense insurance companies, Sections 6, 7, 9, 10, 11. It has been said that federally sponsored legal aid programs are designed to meet the needs of the poor and that our upper income citizens always can hire counsel. It is contended that the middle income citizen is not obtaining legal counsel because of a perception, right or wrong, that legal services are too expensive. Legal expense insurance is to help assure that all Nebraskans have an opportunity to afford quality legal services. The bill was drafted by the Nebraska State Bar Association and drafted from one of two alternative model acts adopted by the National Association of Insurance Commissioners. Move the adoption of the amendments.

SPEAKER MARVEL: The motion is the adoption of the committee amendments to LB 52. Senator Fowler, your light is on.

SENATOR FOWLER: Yes, I have a couple questions of Senator DeCamp.

SPEAKER MARVEL: Senator DeCamp.

SENATOR DeCAMP: Yes.

SENATOR FOWLER: Attorneys have visited with me about concerns about the fact that right now that they are in the situation that they have to become members of the Nebraska Bar Association and in turn then they are forced to conform to the rules of that Bar Association.

SENATOR DeCAMP: Yes.

SENATOR FOWLER: And they are concerned that with that much, one, the requirement that they are supposed to belong to the association and, two, that they must abide by the code, they are concerned about I guess the possibilities of monopoly if the Bar Association itself then goes into legal insurance and so on because first I would like to know, is it clearly stated in this bill that none of the funds of the Bar Association, none of the dues, none of the administrative costs, or whatever can be used in any way to support a group insurance plan of the Bar, that that would be financially totally separate from the other activities of the Bar Association?

SENATOR DeCAMP: I don't know that it is clearly stated that that is prohibited. There is no intent to do that. In fact,