

January 30, 1989

LB 279, 312

CLERK: 29 ayes, 0 nays, Mr. President, on the advancement of LB 312.

PRESIDENT: LB 312 advances to E & R Initial. LB 279.

CLERK: LB 279, Mr. President, offered by Senator Landis. (Read title.) The bill was introduced on January...early January, referred directly to Banking Committee for public hearing, advanced to General File. I have no amendments to the bill, Mr. President.

PRESIDENT: Senator Landis, please.

SENATOR LANDIS: Mr. President and members of the Legislature, before you is LB 279, one of the changes suggested by the Task Force that Director Bill McCartney has chaired over this last year with the assistance of former Senator Wiley Remmers and his staff. A number of the provisions that the Task Force agreed to were placed in a very major bill, LB 92. About three or four ideas that were somewhat related but not directly on point were also introduced as separate bills and this is one of those. Now, this is a bill that changes the authority level for writing insurance or for retaining insurance for what's called an industrial insured. So let's start at square one. In Nebraska, there are domestic insurance companies and foreign insurance companies. And domestic insurance companies are those that are authorized directly under Nebraska law. We are their state of origin, if you will. There are also foreign insurance companies, companies that began in another state but have made special application to come to Nebraska to write business. When they come here, they have to prove up their financial solvency. They have to prove up their relationship to a home state and that they are governed. And they have to ask for a certificate of authority to do business in Nebraska. All companies then that write business in Nebraska are either domestic or foreign and they have got a certificate of authority. So far, so good. However, there is a list of exceptions to that rule by which an insurance company that is not admitted to this state can write insurance in Nebraska and those exceptions are called the Uniform Unauthorized Insurers Act, and we passed that act about 20 years ago in 1969. One of the exceptions to doing business in this state, to the normal rule of having a certificate of authority, is an industrial insured. What's an industrial insured? As a matter of fact, this is just a term of art made