

PRESIDENT: Senator Haberman, please.

SENATOR HABERMAN: Mr. President and members of the body, this legislation was brought to me by the Insurance Department. It has three sections to it, as you will notice on the committee statement, and it states that a foreign insurer admitted to do business in Nebraska may become a domestic insurer by complying with requirements for organization and licensing for domestic insurers and by designating its principal place of business in this state. The second part of the legislation is a domestic insurer may, upon approval of the Director of Insurance, transfer its domicile to another state in which it is admitted to do business and cease to be a domestic insurer and be admitted to this state if qualified as a foreign insurer. The third part of the bill, it provides that if a domestic insurer transfers its domicile to another state, items which the Director allows, which he allows, such as certificate of authority, agents' appointments, licenses and rates which are in existence at the time of transfer, shall continue in effect if such insurer remains qualified to do business in this state. Thank you, Mr. President.

PRESIDENT: Thank you. Senator Landis, please.

SENATOR LANDIS: Thank you, Mr. Speaker, and members of the Legislature, let me tell you why LB 61 is in here, because it does exactly what Senator Haberman described and there is a good reason to do this. Every now and then an insurance company will decide to change its domicile from one state to another. It can be a Nebraska company that's decide to domicile someplace else, a company that's decided to change its domicile from another state to come into Nebraska, or it can be a company doing business in Nebraska but that is domiciled in New Jersey and decides to move it to New Mexico. Any of those three circumstances can occur. We now license their agents, we review their policies, we approve those and the like. Currently, we do not have a mechanism on our book to simply make that transfer easily on our books without making the company jump through a hoop a second time. Let's say you have now a New Jersey company, you're doing business in Nebraska, you submitted your rates, you submitted your policy forms, they meet Nebraska rules and you are now a domiciled company but doing business as a foreign company in Nebraska and you're down on our books in that way. If you move your domicile from New Jersey to New Mexico