

Legislature, this is a priority bill for the Banking, Commerce and Insurance Committee and probably the remaining priority for the Insurance Department. The bill deals with the liquidation of insolvent insurance companies. Presently, we're existing, we're operating under about two sections of law that are about 60 years old, but because all insurance companies have to get their approval from the department, all agents have to get their approval from the department, nobody contests the department when it acts basically without legislative direction in the handling of insolvent companies. As part of the insurance task force of this last summer, everyone agreed we needed to adopt one of the model bills and there is one by the National Association of Insurance Commissioners. LB 319 is basically that model NAIC bill for how Department of Insurance regulates an impaired company, regulates a liquidated...or liquidates a company and takes the process of a company that is impaired and resuscitates it or liquidates it. These amendments are necessary because the model act that we drew from needed to have some meshing amendments to existing state law, and here are the three things that the committee amendments do. First, it makes clear that the bill would apply to HMOs, Legal Service Insurance Corporations, service companies regulated by the Department of Insurance, Prepaid Dental Service Corporations and the like. Secondly, it clarifies that unearned premiums in the hands of an agent at the time of an insolvency will be returned to the policyholder. Third, it makes clear that unclaimed funds in the hands of the liquidator, that's the department, at the time that the liquidator is charged by the court to do its duty, shall be handled pursuant to our existing laws on unclaimed property. I would urge for the adoption of the committee amendments that have been printed in the Journal. Thank you.

SPEAKER BARRETT: Any discussion? If not, the question is the adoption of the committee amendments. Those in favor vote aye, opposed nay. Record.

CLERK: 25 ayes, 0 nays on adoption of the committee amendments.

SPEAKER BARRETT: The committee amendments are adopted.

CLERK: Senator Landis would move to amend the bill, Mr. President.

SPEAKER BARRETT: Senator Landis.