

CLERK: 26 ayes, 0 nays, Mr. President, on adoption of Senator Landis's amendment.

SPEAKER BARRETT: The amendment is adopted. Senator Landis, to the bill as amended.

SENATOR LANDIS: Thank you, Mr. Speaker, members of the Legislature, if you think of the statute books as an instruction guide, something that you open to find out how to do something, the statutes are woefully inadequate, both as far as the Insurance Department is concerned, insurance agents are concerned and insurance companies are concerned in the area of liquidation. There are only a couple of sections on the book. They are very old and they grant a lot of authority to the department but with no indication as to when the definition of an impaired company comes into play, what procedures the department will use. Basically, everybody has said to themselves in decades past, well, it's best that we clean up these messes and we're not going to contest the fact, but the department has been working in blue sky as far as methods that it should follow. LB 319 is a clear rule book to look into, both for the department and insurance agents and insurance companies. It provides for the powers of a liquidator. It provides for definitions for an impaired company. It tells insurance agents what their obligations are during that time. It tells the department its steps that it needs to go through before it goes to court. It tells the court what its standards are. The model language is meant basically to give to the department a clear set of instructions on how and when to liquidate an impaired insurance company, the powers it has, the hearing process it must use, the rights of insurance agents, the rights of insurance companies under these rules and provisions then for this system to link up with the court system should, for some reason, a court challenge be necessary. I would move for the adoption of the bill and its advancement to Select File. Let me point out, by the way, on the committee statement you'll see that the insurance agents are in support, the American Insurance Association is and that this is a critical measure as far as the department is concerned. Bob Lange testified as general counsel in support of the bill. It is a committee priority for BCI this year. Thank you.

SPEAKER BARRETT: Thank you. Discussion. Senator Pirsch.