

SENATOR ELMER: In this particular instance, the local agent had written the insurance, passed it on to the MGA for the transaction that would preclude it...or prelude it going to the company that he represents and then receiving commissions back from the company for the sale and keeping all the commissions and rather than giving them to the local agents. And these contracts or arrangements you're talking about then would address these kinds of matters. Is that true?

SENATOR LANDIS: It would be my hope. I will tell you this as well, that this places them under the licensure of the insurance department and because they would be licensed they would have those same sets of discipline for their behaviors as agents now have under Nebraska law.

SENATOR ELMER: Thank you, Senator Landis. Thank you, Mr. Speaker.

SPEAKER BARRETT: Thank you. Senator Hall. Thank you. Senator Wehrbein.

SENATOR WEHRBEIN: Yes, Mr. President and members, I would like to ask Senator Landis a question.

SPEAKER BARRETT: Senator Landis.

SENATOR LANDIS: Yes.

SENATOR WEHRBEIN: Senator Landis, it struck me why is it necessary to have a law on this? You make good sense. It isn't that I'm not saying that...

SENATOR LANDIS: Sure.

SENATOR WEHRBEIN: ...but it seems to me that a responsible insurance company would not want to allow an MGA to occur on their own. It would seem that it would be in their best interest to have somebody that was responsible and would follow the rules of the company rather than to let them go off on their own. So I wonder why it's necessary for state law to get into this area.

SENATOR LANDIS: You would think that was the case. On the other hand, you know we get into business, these kinds of