

relationships between what would make perfect sense if you were just following sensible business practices. Well, we do it all the time. And, in this case, it's...well, can I, let me make an analogy. We have got some pickle card arrangements around this state, charities who have said, basically, to pickle card management operations, raise money for us. We have got a good charity, we have got a good network but you run the business for us. You sell the pickles and give us the money. And in lots of places that's done above board and legitimately and the charity makes money. Same thing in this situation. What you have got is you have got a company that's up and running, there is some stock, you've got some capital put together, but you may not be long on insurance management operation and you basically have somebody out there that says, I am a skilled business insurance manager, hire me and basically I will run your company. I'm not one of your officers, I'm just your general agent, just assign me all these tasks and I will do them. And in some cases they settle claims for the company and in second...and in other places they do reinsurance for the company, stop loss treaties, and in other situations they do all the underwriting analysis and it's a way for somebody who has got an accumulation of capital and a charter to do business in an insurance company not to have to do the actual management work and those self-contained operations can, in fact, be marketed and purchased and that's what happens.

SENATOR ELMER: Okay, thank you.

SPEAKER BARRETT: Thank you. Any other discussion? Anything further, Senator Landis?

SENATOR LANDIS: Let me close by just making clear for the record with a question that Senator Hall wanted to get to in that line of questioning. This does not outlaw MGAs. It is a sensible, reasonable management decision to make by insurance companies. A number of them use them but, just like practically anything, it can get out of bounds. This is simply a way of having some discipline for these situations and to reduce their understandings to writing and to create in the MGA a fiduciary duty which is, as you know, a level of obligation which is disciplinable at law. And, for that reason, I would ask for the adoption of the amendment.

SPEAKER BARRETT: Thank you. The question is the adoption of the Landis amendment to LB 1136. All in favor vote aye, opposed