

and the most important insurance solvency provisions or the latest and best law or policy in a given area, print it into a model bill, bring in the industry, allow them to critique it, have open public hearings, and then promulgate these model laws for various states to take a look at. Why do we follow this system of the NAIC drawing these model laws, and the rest of us paying attention to it? Well, because unlike the other major financial institutions, insurance is not regulated heavily at the federal level. States do the regulation of insurance, and, therefore, there is no centralized clearinghouse for insurance policy, such as a federal agency, a Congressional hearing, a Congressional staff, that kind of thing. We have formulated a mechanism for developing insurance policy by all of the states using their own commissioners and their staffs, pooling them in the form of the NAIC to draw model bills. Today we take a look at three bills which are suggested to us by the NAIC as models to adopt in an attempt to update Nebraska's code. And by the way, before I go on to the specifics of 233, this whole idea of updating the Nebraska code is part of an agenda of improving state regulation throughout the country. Knowing that Congress is looking at taking over insurance regulation, possibly, the NAIC has drafted a concept, a plan, if you will, for state certification of their abilities to govern and regulate in financial solvency, and it has three parts. First, the NAIC reviews a state for their personnel. Do they have the people, do the people there have the skills to regulate for financial solvency? Secondly, they review for resources. Do they have the computers? Do they have the link-ups? Do they have the database to effectively regulate financial solvency? And, third, the NAIC monitors a state for whether or not its laws are sufficiently up to date to give it the powers necessary to regulate insurance. So far in this country, two states have received NAIC certification, New York and Florida. Nebraska is on the cutting edge. We've already had an examination of our department and we find that we have, first, the personnel component and, secondly, the resources component. The third component, the NAIC has give us a checklist, if you will, of things that need to be done to our law to bring it into that cutting-edge conformity with NAIC model strictures and, basically, the measures today, 233, 234, and 236, are measures which will, if passed, bring us into that kind of standing, with which we expect, then, to receive NAIC certification. We would be the third state in the country to do so. Now let us turn to LE 233. We have a filing and rating system for insurance in this state, had it for a long time. This bill makes a number of