

February 7, 1991 LB 236

The bill was introduced on January 14 of this year, referred to the Banking Committee for public hearing. The bill was advanced to General File. I do have committee amendments pending by the Banking Committee.

SPEAKER BAACK: Senator Landis, for the committee amendments.

SENATOR LANDIS: Mr. Speaker and members of the Legislature, we had three words that snuck into the bill by mistake in a drafting error and we strike, on page 142, "or transactions occurring." A little technical change. I urge for the adoption of the committee amendment, a bill drafting oversight.

SPEAKER BAACK: Thank you, Senator Landis. Is there any discussion on the committee amendments? Seeing none, Senator Landis, do you wish to close? He waives closing. We will now proceed to vote on the committee amendments for LB 236. All those in favor vote aye, opposed vote no. Have you all voted? Record, Mr. Clerk.

CLERK: 27 ayes, 0 nays, Mr. President, on adoption of the committee amendments.

SPEAKER BAACK: The committee amendments are adopted. We will now proceed to the bill and Senator Landis.

SENATOR LANDIS: Thank you. Mr. Speaker and members of the Legislature, I've told you that these bills form an attempt to draw Nebraska statutes into compliance with the projected models of the National Association of Insurance Commissioners. If there's one bill that is at the heart of the attempt to reach a good level of regulation to ensure solvency, this is the bill. This bill has four major updates of Nebraska law. Now we have law on all of these four areas and we have adopted NAIC models but those models have, because of the increasing intricacy of financing arrangements in the insurance business, had to be updated. And these are the adoption of four model NAIC acts which we currently have on our books. The four critical areas where we need to update our law are in the area of our holding companies and many insurance companies are part of a holding company and there the problem can be the manipulation of money from one part of a holding company to another. Secondly, with respect to credit for reinsurance, which is where an insurance company seeks to get credit for transferring its risks to a reinsurer, what constitutes adequate reinsurance, what