

February 21, 1991 LB 237

SENATOR BEUTLER: I don't understand what a...I mean it seems to be making a comparison to an obligation having priority equal to or lower than the investment in question. So if it meets that criteria then the insurer can give this investment a category 1 designation I guess, but I don't understand what that standard of comparison is that allows it to give the category 1 designation to this unrated obligation.

SENATOR LANDIS: And, in fact, I can't answer that question for you at this moment. Out of this 74 page bill you found those two lines which I can't interpret for you. I would ask your sufferance to allow us to permit the bill to go to Select File and refine ourselves and instruct both myself and yourself in those and report to the floor in general, and if I could, I'd like the rest of my time now to close. Thank you.

SPEAKER BAACK: You have about three minutes, Senator Landis.

SENATOR LANDIS: Thank you very much. Fair question, and if there are others I'll try to find them out, in fact, I can't recite chapter and verse on every line in the thing. There is a certain amount of deliberative process that allows us to learn as we go. I'll try to find an answer to that question. I hope that the body, on the other hand, thinks that the general direction here is a good one, that moving insurance companies into balanced, diversified, sensible investment practices in legitimate and good returning investments is in the public interest, having a body of policy in one place, chapter and verse that can be gone to both by the insurance companies and by our regulators for clear rules makes sense. And we don't have it now, but we will if we move LB 237. In the event additional questions come up, I'll do my best to answer them on Select File. I do give notice now that there will be three amendments that I will offer on Select File. First, that we will strike the word "unsecured" from the word "obligations" in Section 15. It's a technical change. Secondly, we will clarify how this bill applies to foreign and domestics consistent with my representation in the opening. And, third, I will move to include the provisions of LB 285 which I will put into the Journal and it's now on General File having been reported out unanimously by the Banking, Commerce and Insurance Committee which regulates transactions that officers and directors can make with their companies. It's a solvency based issue and I'll put that in the Journal and I'll offer it on Select File. With that, I ask for the advancement of LB 237.