

February 27, 1991 LB 236

SENATOR HORGAN: That they are not covered by the bill.

SENATOR LANDIS: Right.

SENATOR HORGAN: And your amendment covers them by the bill.

SENATOR LANDIS: And now...it will...that's right. It will cover them. If you don't adopt the amendment, they will not be covered; if you do adopt the amendment, they will be covered.

SENATOR HORGAN: Well, I think, and I must confess to not a great deal of knowledge of this, and not opposition in theory to what you're trying to do. But I do think it's slightly unfair to that particular company, which is family owned, to believe themselves to not be affected by the bill and then here on Select File to be thrown into the bill. And, for that reason simply, I will oppose the amendment.

PRESIDENT MOUL: Thank you, Senator Horgan. Mr. Clerk, do we have an amendment on the desk?

CLERK: Madam President, Senator Landis would move to amend his amendment by including the following provision. "This section shall become operative January 1, 1993."

PRESIDENT MOUL: Senator Landis.

SENATOR LANDIS: Madam President, members of the Legislature, Tim Hall brought me what I thought was a very fair point. This bill has the E clause, and we don't want to throw insurers out of compliance. In answer to Senator Horgan's question, by the way, this would give not only until next January, but the January after, with an intervening legislative session, by the way, as well. But there are terms of office that boards follow through, and this would give the chance to cycle through those boards' normal terms to accomplish the objective of the amendment, and to move towards outside directors in an orderly fashion. It won't require, in that case, any great extreme difficulty, and in that sense solves some of the operationalizing difficulties that might be created by the amendment. The question you want to ask yourself, and it's been an open question throughout this whole time is, are outside directors sensible or not in this setting? I think the body of literature tells us that they do make sense, that they help very much. And, in fact, if there is any situation where the bill