

February 28, 1991 LB 237

every company doing business in Nebraska, whether they were a domicile company here or a foreign, we could do it. We would have to expand the scope of our regulation because we are not now doing that. Our current investment code does not contemplate that kind of review but we could undertake it. It would be a new way of doing business in this state and I can't tell you how much it would cost. We didn't do an A bill that contemplated an extensive increase in our regulatory scheme. The bill is really promulgated on the theory of outlining rules for our domestics. But if we wanted to undertake that, we could do it. I can't tell you how much that would cost. I can't tell you how many people that would take. I can't tell you how much of an examination schedule it would do. In state-to-state relationships normally, we control our domestics and we send them out into the world and other states have some assurance, some level of confidence in what we do. We, in turn, allow other states to regulate their domestics and place some confidence in what they do. This provision is sort of an increase of our authority to say, look, you are foreign, you have been red-flagged through our information sharing process as being somewhat suspect. We will go through your investment...

PRESIDENT MOUL: One minute.

SENATOR LANDIS: ...portfolio, and to the extent that that portfolio can be reviewed by our director, we can say that your practices are too liberal and we cannot treat them as admitted assets for the purposes of this state. And in the event you wish to continue to do business here, you need to do A, B, and C to continue to do business in Nebraska. That would be all allowed to us under 237 but it does not affirmatively place for us the burden of reviewing all foreigners. Maybe we should. We never have. The insurance task force didn't contemplate that kind of a major change when they drafted this bill, but it certainly is an option on the table. Senator Warner raises a fair question. Our level of oversight of foreigners will be less than our oversight of domestics. It places us at some disadvantage if another state is not...

PRESIDENT MOUL: Time.

SENATOR LANDIS: ...doing the system as well. That is one of the foibles of state regulation of insurance, that we do have 50 different regulators rather than one regulator, and this is a place where that shortcoming of our current system exists.