

PRESIDENT MOUL: Thank you, Senator Abboud. Senator Warner.

SENATOR WARNER: Senator Landis, I would like to ask another couple questions, if I could, please.

SENATOR LANDIS: Sure.

SENATOR WARNER: I have heard you make, or I think you have on the floor, make presentations also that Nebraska would be the third state that was looking at this whole situation. Do you know if the other two states which have enacted the legislation made similar exception you made? It kind of surprises me that all the people who worked on this, at least my impression, representing the Insurance Department and the insurance industry would have overlooked this in their process, and just kind of wrote that in there without considering its consequences, but, particularly, if the other states made these exceptions?

SENATOR LANDIS: We need to distinguish some of the pieces that are out there because you made reference to the certification process of NAIC. That certification process is most closely tied to LB 236, which we sent to Final Reading yesterday. That bill related to holding companies, reinsurance, thank you, risk retention acts, and there is a fourth...I am sorry, what, liquidation, thank you, liquidation and rehabilitation. This package is homegrown and Senator Hall just asked me, isn't there an NAIC model here, aren't there some standards we could use? The investment code for insurance companies does not have a national model, so when the NAIC looks for certification, this bill will not be part of the package. That one actually has been moving in other areas. This bill is our own attempt to draw Nebraska code into the last half of the twentieth century, and while there are a number of states that are interested in this piece of work product, because they are interested in tagging along, it is not a model nor is it drafted consistent with a national model. If I could be permitted to go on a little bit, I hope this is continuing to be valuable, Senator Warner, I would not object if we went back to existing law in this state, although I think you will find it of little comfort to the point of view that you raise. Existing law is 44-316, and it says, "The capital funds of every foreign or alien insurance company shall be invested and kept invested in the same class of securities specified for domestic insurance corporations, sounds good so far, except that securities