

Mr. Clerk.

CLERK: 25 ayes, 0 nays, Mr. President, on adoption of the committee amendments.

SPEAKER WITHEM: The committee amendments are adopted. Senator Abboud, to open on your bill.

SENATOR ABOUD: Mr. President and colleagues, LB 178 would make Nebraska a member of the Interstate Insurance Receivership Compact. The bill is the result of a joint effort of the National Conference of Insurance Legislators as well as the Midwest Zone of the National Association of Insurance Commissioners. These two groups have spent a great deal of time working on this particular piece of legislation. It's been years in the process and I was happy this year to be able to introduce it. The bill...there was a bill last year that was introduced before the Banking Committee. It was held by that committee pending further study by NCOIL as well as by the NAIC and it was their belief that this year that was in the form that they would like to see it enacted throughout the country. The purpose of LB 178 is to improve insurance solvency regulation on a multistate basis. It is to provide a more comprehensive protection for consumers whose insurance companies have been found to be insolvent and are in rehabilitation or liquidation. For some years it has been acknowledged that state laws may not have afforded evenhanded protection to all policyholders in different states. Presently some states have different ways of dealing with coverage in who is eligible for the benefits as a result of a company becoming insolvent. The compact provides a fundamental change in the way we deal with these insolvencies by providing more of an even-handed uniform approach of the administration of these insolvencies. By creating the compact, it is composed of one commissioner by each state, duly elected and qualified by the process established in each state. Commission is established, is given the rule-making authority. The first rule to be considered would be uniform provisions, governing insurer, receivership including but not limited to provisions requiring compacting states to implement, execute, administer a fair and equitable method of dealing with the assets of those insurers. The commission would also oversee the administration and operations of the receivership and would be required to monitor receiverships being administered in noncompacting states which may have significant effect upon the compacting states. Commission has authority to act as a