

February 8, 1996 LB 689, 966

separate procedure is not needed. With that, I'd ask for support of the bill. Thank you.

PRESIDENT ROBAK: Thank you, Senator. Is there any discussion on the advancement of LB 966? Seeing none, Senator Dierks, to close. Closing is waived. The question before you is the advancement of LB 966. All those in favor vote aye; all those opposed vote nay. Please record.

ASSISTANT CLERK: 26 ayes, 0 nays on the motion to advance the bill.

PRESIDENT ROBAK: LB 966 advances. LB 689.

ASSISTANT CLERK: LB 689 was introduced by Senator Landis. (Read title.) The bill was read for the first time on January 19th of last year, referred to the Banking Committee, they report the bill to General File with no committee amendments.

PRESIDENT ROBAK: The Chair recognizes Senator Landis to open on LB 689.

SENATOR LANDIS: Thank you, Madam President, members of the Legislature. This bill was brought to us by the Department of Insurance and it seeks to change our standard for the approval of extraordinary dividends that are issued by insurance companies. We had a standard in 1991 that we had had for many years, and that said that dividends could be approved only if they exceeded the greater of 10 percent of policyholder surplus, or net gain from operations of life insurance or net income of nonlife insurers. Now, in the last three or four years we've had the accreditation process by the National Association of Insurance Commissioners, and we have revamped our laws. The state of Nebraska did the same thing and we sought enactment of a package of laws which included a change in this standard to the lesser of those two triphammer thresholds, that was passed by us in an attempt to comply with the accreditation program. Since that time the accreditation program has been reviewed and altered, the accreditation program has acknowledged that the greater of standard, which we used for all of our history, until 1991, was appropriate, and that states could revert to that previous standard without jeopardizing their accrediting claims...their accrediting status rather. So, the department