

February 8, 1996 LB 689

supports the proposed amendment in LB 689 as creating a level playing field for domestic insurers operating in a national market. They're confident that our present insurance laws, procedures and practices, including risk-based capital analysis, provide sufficient oversight and safeguards to alleviate financial concerns associated with these extraordinary dividends. In other words, we are returning to the standard that we have historically followed for years and years, and we can do so without disturbing our accreditation status, and without disturbing, in the view of the department, our ability to have sufficient oversight of companies to keep a strong sense of their safety and soundness. I urge the advancement of the department's bill.

PRESIDENT ROBAK: Thank you, Senator Landis. Senator Hartnett.

SENATOR HARTNETT: Madam President, members of the body, Senator Landis, question.

PRESIDENT ROBAK: Senator Landis.

SENATOR HARTNETT: I know that you said that the Insurance Department supported it? They got them as an opponent. I'm looking at...that's with the sheet.

SENATOR LANDIS: Right, let me tell you...

SENATOR HARTNETT: And then what do you mean by extraordinary dividends or distribution? When does something become....

SENATOR LANDIS: When you have, rather than your annualized let's say dividend cycle, when you have made a killing in the marketplace,...

SENATOR HARTNETT: Insurance companies do that? (Laugh.)

SENATOR LANDIS: Can you believe it!

SENATOR HARTNETT: Surprise! (Laugh.)

SENATOR LANDIS: When they get enough money that they could distribute it as a dividend, whether or not it's in their regular cycle, they can, if they have the permission of the department, declare an extraordinary dividend reflecting how