

February 28, 1996 LB 689, 966

SENATOR COORDSEN: You've heard the motion to advance 966 to E & R for engrossment. All in favor say aye. Opposed no. The bill is advanced. Next item, Mr. Clerk

CLERK: Mr. President, LB 689, no I & J. Senator Landis would move to amend the bill. (See AM3125 on page 792 of the Legislative Journal.)

SENATOR COORDSEN: Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, this is in your Journal on page 792. You'll find it a one-page or two-page memo from the Department of Insurance under the signature of the director, Bob Lange. This is a bill that had to do with the declaration of extraordinary dividends. Basically, the department says that they would like to have notice of that and they want timing of the notice of the company that's about to do that and adding a further requirement of notice of the payment of these extraordinary dividends so they'll know what it is, and secondly, provides a definition for earned surplus. I would move for the adoption of the amendment.

SENATOR COORDSEN: Thank you, Senator Landis. There are no...Senator Beutler.

SENATOR BEUTLER: Senator Landis, I'm sorry, I didn't understand the amendment. Was this a bill or this was ..?

SENATOR COORDSEN: Senator Landis, yes.

SENATOR LANDIS: This is an amendment suggested by the Department of Insurance to a bill. It was not a bill on its own. It is an attempt to refine the idea that was extended from the...from the committee. It says, no domestic insurer shall declare or pay a dividend from any source other than earned surplus. For purposes of this section, earned surplus means an amount equal to the unassigned funds of an insurer as set forth in the most recent annual statement submitted to the director including any surplus arising from unrealized capital gains or revaluation of assets. That's the definition of earned surplus, which is provided. Any dividend in excess of the unassigned funds of an insurer, excluding any surplus arising from unrealized capital shall be deemed an extraordinary dividend and