

page 1403 of the Legislative Journal.)

SENATOR CROSBY: Senator Landis.

SENATOR LANDIS: Thank you. Madam President, members of the Legislature, you'll find this in your Journal on page 1403. In fact, the very minor changes that you see on the page, actually, are LB 1185, a bill that's on consent calendar and brought to us by the Insurance Department, but the director is hoping we can take action this session on this measure which might not otherwise be heard. This amendment does two things in the area of investments that insurance companies can make. What it does is to revisit the area of mortgage-backed assets. At the time we changed our Investment Code in 1991, these were very new ideas. Since then, the mortgage-backed asset has become a relatively well-accepted and familiar investment tool by insurance companies. The NAIC, the National Insurance Commissioners Group, has recently altered the rating of investments of this nature, and allowing broader use and investment by insurance companies in asset...mortgage-backed assets. The two specific changes, for our purposes, that it lifts the 20 percent maximum that now exists in our law for the use of mortgage-backed assets, and that's in 44-5133, and secondly, it changes the category in which mortgage-backed assets appear in our code. It alters it from Category II to Category I. That, in effect, allows insurance companies to use more of it as an admitted asset. It doesn't stop insurance companies from owning anything. It's just that to comply with the Investment Code is to have the asset treated as an admitted asset and on its balance sheet as far as the state's concerned. We can only count those things which are on the balance sheet and are admitted assets for that purpose. This allows broader use of mortgage-backed assets by insurance companies, and I ask for the indulgence of the Legislature to permit what is otherwise a consent calendar bill brought to us by the Department of Insurance to leap on to 515, if at all possible. Thank you, Madam President.

SENATOR CROSBY: Thank you, Senator Landis. Discussion on the Landis amendment? Senator Preister.

SENATOR PREISTER: Thank you, Honorable President, friends all. Senator Landis, some of the constituency in my district feel that they have invested a more than appropriate amount of their