

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office

January 28, 1999 LB 258, 260

discussion? Seeing none, Senator Landis, you may close. Senator Landis waives closing. The question is the advancement to E & R Initial of LB 258. All in favor vote aye; opposed no. Record, please.

CLERK: 30 ayes, 0 nays, Madam President, on the advancement of LB 258.

SENATOR CROSBY: LB 258 advances. LB 260.

CLERK: (LB) 260, introduced by Senator Landis. (Read title.) Bill was introduced on January 11 of this year; referred to the Banking, Commerce, and Insurance Committee; advanced to General File. I have no amendments to the bill, Madam President.

SENATOR CROSBY: Senator Landis, to open on 260.

SENATOR LANDIS: Thank you, Senator Crosby, members of the Legislature. This past summer, the Insurance Department brought in the insurance agents, producers and brokers for an examination of the Insurance Producers Licensing Act to see what could generally be agreed upon between the department and the agents as to ways of updating and improving that statute. Couple of the things that they found were some archaic sections that they delete. One of them is a retaliatory countersignature provision. (Laugh) This occurs in insurance. Because insurance is regulated by the 50 states individually rather than the federal government, it means that there are 50 sets of rules for insurance and it makes it difficult for insurance companies. It also makes it difficult for the business, but, at the same time, it allows the state to have insurance taxes come to us. This is our third largest source of taxes and it gives us control of our domestic industry which, in this state, is pretty considerable, so it's good for us to have state regulation. Well, one of the things that happens in the insurance field is a network of retaliation and it says this; if one state changes the rules, for example, on, let's say, taxing insurance companies and ups their tax, almost all the rest of the states have something called a retaliation section that says, oh, our companies doing business in your state just had their taxes increased; is that right? Well, by that act, we will now automatically raise the taxes on all of your companies doing