

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

January 28, 1999 LB 260

business in our state. So if you thought you were going to get a lot of money from our companies, we're going to get a bunch of money from your companies. Whose idea was the retaliation laws? Oh, probably the insurance companies. Why? Because it was a way of making sure that they wouldn't get gouged in one state by creating this sort of interweaving network by which, if one party, if one state injures an insurance company, other states will injure that state's insurance company, so that they...it kind of keeps them honest. Well, we've taken that concept of retaliation and we've made it apply to other things. One of them is the countersignature requirement. Insurance agent of another state writes some business in Nebraska. We have a local agent countersign in this state and says it's okay, it's consistent with Nebraska law. Well, probably unnecessary. It's almost a nineteenth century phenomenon. And the fact that we would apply this on a reg...on a retaliatory basis, meaning if your state requires this requirement then we'll require it of you, but if your state doesn't have this requirement then we won't require it of you, is unused, it's out of date, it offers no guarantee of well-being. Everybody agrees it should be repealed. It is repealed. It also says that there will not be retaliation based on fees, obligations and prohibitions under our agents' law. For example, we used to have a provision that said, if your agent fees in another state is very high, then when your people come to our state we'll charge them that high rate as well. Well, we're going to drop that retaliation idea. It's...it's complicated. It forces us to keep aware of 50 other states. It's unnecessary. We have 5,000 agents a year who are late in paying their fees and renewing their licenses, because 3,500 of them are leaving the business; 1,500 are simply careless. We give them 31 days to do so and we give a fee for a renewal amount of money, the reason being we now have the obligation of, like, reinstating the license and a potential for a hearing. It's just too much regulation. What we say is, you got 31 days to renew and you're going to pay a fee to renew. That occurs in the second section of the bill summary that you'll find in your file. In the matter of continuing education, it's quite common for insurance agents to take classes and try to get two licenses at once and, yet, we have a...we have a preclicensing obligation of 24 hours which would be good for both kinds of licenses and that's when you're trying to get a life insurance license and a health and accident insurance