

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

February 9, 1999 LB 323

providing that (1) no long-term care insurance policy may be field issued, based on medical or health status; (2) benefit payments made by an insurer may not be recovered by the insurer after the policy has been rescinded; and (3) an insurer may not offer a long-term care policy without an option for nonforfeiture benefit. LB 323 is an effort to provide better protection to the public by bringing law...Nebraska law governing long-term care insurance into the NAIC model legislation. I'd be happy to answer any questions that you may have concerning this. I might mention that the bill did go through Banking, was unanimously advanced to General File. Those in support of it were the AARP, American Council of Life Insurance, the Nebraska Department of Insurance, and also Mutual of Omaha. Be glad to answer any questions.

PRESIDENT MAURSTAD: Thank you, Senator. Mr. Clerk.

CLERK: Mr. President, amendments to the bill. Senator Bourne had an amendment, AM175, but I have a note that he wishes to withdraw. Mr. President, Senator Bourne would move to amend with AM0220. (See amendment on page 485 of the Legislative Journal.)

PRESIDENT MAURSTAD: Chair recognizes Senator Bourne, on AM220.

SENATOR BOURNE: Thank you, Mr. President, members of the body. The section that I...that the amendment deletes is just the last sentence in Section 3, and the related language in subsection (3) on page 4. As Senator Jensen mentioned, LB 323 is an adoption of the NAIC regulations, the National Association of Insurance Commissioners. And as model regulations, of course, states can adopt them or not adopt them, or adopt them in total or in part. The amendment removes the contingent benefit availability. What this is is that part of 323 is that the insured is offered the option to purchase a contingent benefit, which is basically a paid-up life insurance...or, excuse me, a paid-up portion of long-term care insurance. In the event that the insured does not take this optional rider, they will be offered a contingent benefit in the event of a substantial premium increase. The problem with this is that the bill goes a little bit too far. You know, we're trying to encourage people to purchase long-term care insurance. And a