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LB 1119

SENATOR LANDIS: Thank you. Let me tell you that I think there will be three sets of amendments. One will be from the committee adopted at the committee time. Since then, there has been a continuing process of discussion that we've overseen and we will offer a second set of floor amendments. Then I believe Senator Beutler wants to offer an amendment, which I have had a chance to see and think would be fine. I've reviewed it with the Director of Insurance. And I'll give you notice that, in fact, Senator Chambers and I had a conversation about a possible amendment that I think we will give you some notice on but it will come up not in this bill but could quite likely come up in the future. Okay, so let's take these four topics one at a time. First is the committee amendments adopted at the time that the bill reported out. There are advisory organizations that help insurance companies come up with what are appropriate rates. They gather data. They regularize it. As you know, insurance has to do with the pooling of risks and the better data you have the better you are able to set rates. So we have advisory organizations who help them...help insurance companies figure out what their loss cost should be, what they think their downsides will be and what their risks should be and helps them build their rates. We currently have the power to ask for justification by our insurers for the use of these advisory organizations. It's a power we've never made use of. No other state has it. We're basically taking it off the books. We don't think that's a loss of power or oversight because it's really, at this point, a bureaucratic dead letter. However, it is something that we could use in almost a punitive way that no other state could use, and the department has agreed that that could be taken out without any loss of its control and authority. It requires an insurer to provide a perspective insured a written listing of the policy forms, and this clarifies the notification and acknowledgement by a perspective insured regarding the policy provisions that they are going to be subject to. It also specifies that policy form approval requirements of the bill do not apply to policies that are written for individual commercial risks which are headquartered in another state. One of our problems was, what happens when you have companies that do a lot of business across a number of states and they want to write business in Nebraska, in fact, they want to write their policies in Nebraska? Well, the