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FLOOR DEBATE

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to survive on when you're too old to work, then I would submit to you that this is not a hedge on bankruptcy, but this is in fact good planning. And I would ask your consideration of the amendment before us. Thank you, Mr. President.

SENATOR CUDABACK: Thank you, Senator Redfield. You've heard the opening on AM3401. Mr. Clerk, motion on the desk.

CLERK: Senator Beutler would move to amend with AM3442. (Legislative Journal page 1314.)

SENATOR CUDABACK: Senator Beutler, to open on AM3442.

SENATOR BEUTLER: Senator Cudaback, members of the Legislature, notwithstanding an 8-0 vote in the Banking Committee, this is an amendment that you should take very seriously and give a lot of thought to, a lot of thought, because it represents a dramatic change from what we have been doing in the past. The issue is centered around the question of bankruptcy and what will be exempt and retained by the bankrupt person in the instance where a bankruptcy is filed and processed. And most of the time, in almost all areas of assets, there's a strict limitation on how much can be retained by the bankrupt. There's a small amount for a home. There's a small amount for some spending money. You can keep household furniture to a certain extent. So what the bankrupt is allowed to keep is modest, as it should be, because that same person who is bankrupt, perhaps most often with the best of motivations, but sometimes with careless and reckless motivations, went out and borrowed money from a large number of people, in effect. And most of those people are business people, a great many of them small business people. And to the extent that you exempt something from bankruptcy, you're saying, in effect, that these small business people may well not get paid what they are due and owing. And these small business people also have kids and families and are trying to raise enough money for their retirement accounts. So you have to ask yourself, what really is the justification for taking one type of asset, an insurance policy or an annuity policy, and saying with respect to that asset, we're going to let the bankrupt keep all this, notwithstanding the fact that \$80,000 or \$100,000 or \$200,000 worth of money that should go to small