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FLOOR DEBATE

January 27, 2005     LB 119

SENATOR CUDABACK:     Thank you, Mr. Clerk.     Next agenda item is LB 119.     Mr. Clerk.

CLERK:     LB 119, introduced by the Banking, Commerce and Insurance Committee and signed by its membership, relates to insurance.     (Read title.)     Bill was introduced, Mr. President, on January 6 of this year, at that time referred to the Banking, Commerce and Insurance Committee.     Bill was advanced to General File.     I have no amendments...I do have committee amendments pending, Mr. President.     (AM0016, Legislative Journal page 309.)

SENATOR CUDABACK:     Thank you, Mr. Clerk.     Senator Mines, as Chairman of the Banking, Commerce and Insurance Committee, you're recognized to open on LB 119.

SENATOR MINES:     Thank you, Mr. President.     For the new colleagues with us today, if you've not had the pleasure of the introduction of the insurance bill, you may settle back and enjoy the show.     (Laugh)     It...much of this is technical.     There are 17 provisions included in LB 119.     And this bill, as mentioned, is being introduced by Banking, Commerce and Insurance Committee at the request of the Nebraska Department of Insurance.     Over the interim, all parties came together--the insurance industry, the Insurance Department, as well as the committee legal counsel--and this is what has been recommended and advanced for your consideration.     I'll take each one of the 17 and give you a little bit more of an explanation of what they do, and I...let me start with number (1).     It's a Pre-Need Act, and under the Burial Pre-Need Act, the department is responsible for oversight of funds held by licensees, who are small funeral homes.     In Sections 1 through 4, they grant the director the authority to fine and suspend licensees, rather than merely revoke their licenses, and that gives the director some alternatives for resolving administrative violations.     Section (2) is a credit for reinsurance.     In Sections 5, 7, 8, 23 through 31, and 36, they all implement a recodification of the credit for reinsurance statutes that set the standards by which the department evaluates the impact of reinsurance on an insurer's insolvency.     There's no substantive change intended, but rather a reorganization of these statutes follow the order set forth in the model act provisions.     Section (3) is separate