

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

January 27, 2005 LB 119

California, Illinois, Iowa, New York, Texas, New Jersey, and many other states. Number (10) is the Utilization Review Act clarification. In Section 21, it is amended, the definition sections in the Utilization Review Act, to specify that the act does not apply to automobile medical payments coverage, of uninsured motorist coverage, underinsured motorist coverage, and bodily injury liability coverage. Because there isn't a mechanism for certifying utilization review agents for these lines, the act would not have applied. This is a clarification of that point. Number (11) is Surplus Lines Act, licensee in state records requirement. Section 22 deletes the requirement in the Surplus Line Act, 44-5505, requiring licensees to maintain an office in this state, as this is no longer allowed pursuant to the Gramm-Leach-Bliley Act, and this change is to conform with the statute the Legislature passed in 2002. Number (12) is a Mutual Holding Company Act. Sections 24 and (sic) 26 give Nebraska domiciled mutual holding companies the same authority to engage in merger and acquisition and other investments as insurers or as mutual holding companies that are domiciled in several other states. Number (13) is the Property and Casualty Rate and Form Act. You'll hear it referred to in later discussion as the "file and use act." This is a change in public policy and we will hear discussion on either side, and I think that discussion is warranted and welcome. Sections 27 through 30 would essentially reintroduce the version of LB 1185 from last year that are reflected in the committee's statement, AM2485. What this does is change the process under which the department regulates property and casualty insurance rates for policies sold to personal lines, consumers, such as homeowners and automobile insurance. The process changes the...from a prior approval, under which the rates cannot be charged until they've been approved, to a file and use process, under which can be charged as soon as they're filed with the department. Number (14), Interstate Insurance Policy (sic) Compact: Sections 37 and 38 adopt the Interstate Insurance Product Regulation Compact. If adopted into statute, Nebraska would join the National Association of Insurance Commissioners Interstate Insurance Product Regulation Compact. Let's shorten that to "commission." Under the current regulation...regulatory environment, such state Insurance Department has jurisdiction over the approval of policies issued to insured residing in