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FLOOR DEBATE

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1980s, you may recall that we had a major debacle in one set of our financial institutions, commonly referred to as the Commonwealth failure, and the failure of the whole structure essentially, and none of those...well, those deposits were covered by a fund, but it wasn't the FDIC, and it wasn't an adequate fund. This Legislature actually failed in terms of setting up a structure that included a fund that was adequate to really protect depositors. And all of these institutions failed, essentially the system failed, and a whole bunch of depositors never did get all their money back. I think it was something like 60 or 70 percent, after a long series of years and an inexplicable wait went by. So, when that happened, if I'm remembering correctly, we looked around and we said, okay, what else is not insured here? And I don't remember whether this particular institution was the only one at that particular time in the mid-1980s, or whether there were others. I think there were some others. But the argument was made that they need time to convert; that if we put some strict requirements on them with regard to notice...and there are some strict requirements in there now with regard to notice of depositors when they set up accounts or when they invest their money. But we allowed them to continue to operate. Now, this is back in 1985 or thereabouts. So they've had about 20 years to convert over and get the normal FDIC insurance and apparently they have not done so. Perhaps it was never understood that they would go along that path someday, but I thought that was the understanding. In any event, it is a peculiar situation and it is a peculiar exposure, to some extent, to the depositors of that particular institution. On the other hand, 20 years have passed and they've apparently done a just fine job of protecting their depositors. So that's kind of the situation, but as far as I know, it's the only federal, state...it's the only kind of institution, it's the only institution that takes depositors' money...

PRESIDENT SHEEHY: One minute.

SENATOR BEUTLER: ...that is not now covered by FDIC insurance, and I think it's a very worthwhile subject for some serious conversation. Thank you.