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FLOOR DEBATE

March 21, 2005 LB 485, 516

PRESIDENT SHEEHY: LB 516 advances. Next item on the agenda.

CLERK: Mr. President, LB 485, a bill by the Business and Labor Committee. (Read title.) Bill was introduced on January 14, referred to the Business and Labor Committee, advanced to General File. At this time, I have no amendments to the bill.

PRESIDENT SHEEHY: Thank you. Senator Cunningham, you're recognized to open.

SENATOR CUNNINGHAM: Thank you, Mr. Lieutenant Governor and members. The Department of Administrative Services Risk Management Division asked the Business and Labor Committee to introduce LB 485 as the department's annual cleanup bill. In Section 1, the department asks that the State Claims Board be allowed to approve claims up to \$25,000. The current cap of \$5,000 was established back in 1969. There still will need to be a unanimous approval by the board, and claims over \$25,000 will be submitted to the district court. Sections 2 and 3 concern changes that are necessary for the appropriate processing and payment of auto claims against the state. In the past, the state has fully...has been fully insured against auto claims. Claims that were processed as an insurance claim and paid from the Insurance Fund and the insurance contract established in the process and procedures used for the claim. Due to high cost of insurance, the state moved to self-insured status for auto claims. The state is currently self-insured up to \$300,000 for standard auto claims, and self-insured to \$1 million for a pursuit claim. But the language in our statutes...language does not provide a procedure for the processing of any auto insurance claims under a self-insured status. Because these claims are in fact a tort claim, the Department of Administrative Services asked that the statutes be changed to allow for the processing of these auto claims as they currently process as tort claim. So under Section 2, you have clarifying changes to Statute 81-8,224 that permits the department to pay an award or a judgment from the Tort Claim Fund or the Insurance Fund, as is appropriate. Additionally, it inserts new language that whether an award, judgment or costs are covered by insurance or fall within the self-insured retention limits, the claims shall be paid from the State