

ONE HUNDRED THIRD LEGISLATURE - FIRST SESSION - 2013
COMMITTEE STATEMENT
LB426

Hearing Date: Monday February 04, 2013
Committee On: Banking, Commerce and Insurance
Introducer: Howard
One Liner: Change provisions relating to fraternal benefit societies

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Campbell, Carlson, Christensen, Crawford, Gloor, Howard, Pirsch, Schumacher

Nay:

Absent:

Present Not Voting:

Proponents:

Senator Sara Howard
Lynn Espeland
Mark Schreier
Bruce Ramge
Jan McKenzie

Representing:

Introducer
Woodmen of the World Life Insurance Society
Woodmen of the World Life Insurance Society
NE Department of Insurance
NE Insurance Federation

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB426 (Howard) would amend 44-6007.02 (definition of health organization), section 44-6008 (definition of insurer), section 44-6009 (definition of negative trend with respect to a life and health insurer), section 44-6015 (risk-based capital reports), and section 44-6016 (company action level event) of the Insurers and Health Organization Risk-Based Capital Act in order to include fraternal benefit societies within the requirements of the act. Currently, fraternal benefit societies are excepted from the act.

The bill would also amend section 44-1090 of the fraternal benefit society statutes which currently provides that if the reserves of a fraternal benefit become impaired, the society may require that each owner pay to the society the owner's equitable proportion of the deficiency. The bill will provide that a domestic society may assess owners only after the assessment is filed with and approved by the Director of Insurance. The bill would provide that the director may prohibit a foreign or alien society that has assessed its owners from issuing new contracts in this state.

Explanation of amendments:

The committee amendments would make one housekeeping change by removing fraternal benefit societies from a current list of entities that are excluded from the definition of an insurer which is subject to the requirements of the Insurers and Health Organizations Risk-Based Capital Act.

Mike Gloor, Chairperson