

# One Hundred Fourth Legislature - Second Session - 2016

## Introducer's Statement of Intent

### LB819

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**Chairperson: Senator Jim Scheer**

**Committee: Banking, Commerce and Insurance**

**Date of Hearing: January 26, 2016**

The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:

LB819 is a bill introduced on behalf of the Nebraska Department of Insurance to adopt the Corporate Governance Annual Disclosure Act for insurers. The legislation also would provide governance standards for risk retention groups. Both changes would adopt model laws from the National Association of Insurance Commissioners (NAIC). Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight.

The Corporate Governance Annual Disclosure Act would require all insurers and insurance groups domiciled in this state to provide a confidential disclosure regarding its corporate governance practices by June 1 annually.

LB819 also amends Neb. Rev. Stat. Section 44-4404 of the Risk Retention Act to place into law governance standards for risk retention groups licensed and chartered in this state. Risk Retention groups (RRGs) are companies owned by members with similar insurance needs that pool their risks and are creatures of both state and federal law. Both the Corporate Governance Annual Disclosure Act and the amendment to the Risk Retention Act are accreditation standards for the NAIC.

**Principal Introducer:** \_\_\_\_\_

Senator Brett Lindstrom