



**Hundredth Legislature - First Session - 2007
Committee Statement
LB 188**

Hearing Date: February 13, 2007

Committee On: Banking, Commerce and Insurance

Introducer(s): (Mines)

Title: Eliminate a notice requirement relating to motor vehicle service contracts

Roll Call Vote – Final Committee Action:

- X Advanced to General File
 - Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

- | | | |
|---|---------------------|--|
| 7 | Yes | Senators Pahls, Langemeier, Carlson, Christensen, Hansen, Pankonin, Pirsch |
| | No | |
| 1 | Present, not voting | Senator Gay |
| | Absent | |
-

Proponents:

Senator Mick Mines
Korby Gilbertson
Loy Todd
Tim Meenan
Paul O’Hara

Representing:

Introducer
Property and Casualty Insurers of America
NE New Car & Truck Dealers Association
Service Contract Industry Council
Alliance of Automobile Manufacturers

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 188 (Mines) would amend section 44-3522 of the Motor Vehicle Service Contract Reimbursement Insurance Act to delete provisions that require that a motor vehicle service contract shall contain a notice to be initialed by the purchaser stating that (1) neither the motor vehicle service contract nor the motor vehicle service contract reimbursement policy (that covers the obligations of the motor vehicle service contract provider) is covered by the Nebraska Property and Liability Insurance Guaranty Association and (2) the issuer of the motor vehicle service contract reimbursement insurance policy is not a domestic entity and the Department of

Insurance can give no assurance that the issuer has adequate reserves to cover potential losses. The second part of the notice is not required if the motor vehicle service contract reimbursement insurance policy is issued by a Nebraska domestic insurer.

The bill carries the emergency clause.

Explanation of amendments, if any:

Senator Rich Pahls, Chairperson