

**ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016**  
**COMMITTEE STATEMENT**  
**LB758**

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**Hearing Date:** Tuesday January 26, 2016  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Scheer  
**One Liner:** Prohibit limited liability companies from operating as insurers

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

<b>Aye:</b>	7	Senators Campbell, Craighead, Fox, Gloor, Lindstrom, Scheer, Williams
<b>Nay:</b>		
<b>Absent:</b>	1	Senator Schumacher
<b>Present Not Voting:</b>		

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**Verbal Testimony:**

**Proponents:**

Senator Jim Scheer  
Bruce Ramage

**Representing:**

Introducer  
Nebraska Department of Insurance

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB758, introduced on behalf of the Director of Insurance, would prohibit limited liability companies from operating as insurers. The legislation would also prohibit special purpose financial captive insurers from establishing as a limited liability company or partnership. The bill would provide, section by section:

Section 1 would amend section 21-104 of the Nebraska Uniform Limited Liability Company Act to provide that a limited liability company may not operate as an insurer as defined by section 44-103.

Section 2 would amend section 44-8216 of the Captive Insurers Act to eliminate the ability of a special purpose financial captive insurer to be established as a limited liability company or partnership.

A special purpose captive insurer is a domestic captive insurer that provides insurance or reinsurance protection to a counterparty (a domestic life insurer that is the captive insurer's parent or an affiliated entity).

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Jim Scheer, Chairperson