

ONE HUNDRED FOURTH LEGISLATURE - SECOND SESSION - 2016
COMMITTEE STATEMENT
LB772

Hearing Date: Tuesday January 26, 2016
Committee On: Banking, Commerce and Insurance
Introducer: Schumacher
One Liner: Provide for group-wide supervisors and international insurance groups as prescribed

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

Vote Results:

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

Verbal Testimony:

Proponents:

Senator Paul Schumacher
Bruce Ramage
John Laughbaum
Thomas Mays
Jan McKenzie
Tad Fraizer

Representing:

Introducer
Nebraska Department of Insurance
AFLAC
Pacific Life Insurance
Nebraska Insurance Federation
American Insurance Association

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB772, introduced on behalf of the Nebraska Department of Insurance, would amend the Insurance Holding Company System Act to address group-wide supervision of international insurance groups. The bill would update Nebraska insurance law to reflect the latest changes to the Insurance Holding Company System Regulatory Model Act adopted by the National Association of Insurance Commissioners (NAIC). The bill would provide, section by section, as follows:

Section 1 would amend section 44-2120 to assign new sections 3 and 4 to the Insurance Holding Company System Act.

Section 2 would amend section 44-2121 to enact definitions. "Group-wide supervisor" would be defined as the chief insurance regulatory official, including the Director of Insurance, who is authorized to conduct group-wide supervision activities of an international insurance group and is from a jurisdiction determined by the director to have sufficient contacts with the international insurance group. An "international insurance group" would be defined as an insurance holding company system determined by the director to be an international insurance group under section 3.

Section 3 would enact a new section to provide that the director may determine whether or not an insurance holding company system is an international insurance group.

Section 4 would enact a new section to provide that the director, in cooperation with other state, federal, and

international regulatory agencies, may identify a group-wide supervisor for an international insurance group in accordance with the provisions of this section. This section would provide that the director may determine that he or she is the appropriate group-wide supervisor, or he or she may acknowledge that a chief insurance regulatory official from another jurisdiction is the appropriate group-wide supervisor.

Section 5 would amend 44-2138, the confidentiality statute of the Insurance Holding Company System Act, to include information subject to section 4.

Section 6 would amend 44-9004 to harmonize a subdivision cross reference to section 44-2121.

Section 7 would provide for repealers of the amendatory sections.

Section 8 would provide for the emergency clause.

Jim Scheer, Chairperson