

One Hundred Fourth Legislature - First Session - 2015

Introducer's Statement of Intent

LB600

Chairperson: Senator Burke Harr

Committee: Business and Labor

Date of Hearing: March 02, 2015

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

Under the Workers' Compensation Act, self-insured employers are required to meet specified financial security requirements to ensure that adequate funds are available to pay claims in the event the self-insured employer becomes insolvent. Self-insured employers may satisfy the financial security requirements by either (1) acquiring a security bond or (2) establishing an irrevocable workers' compensation trust agreement.

Self-insured employers electing to establish a trust to satisfy the financial security requirements are limited to investments which are obligations of the United States or its agencies, or which are federally insured, including but not limited to, United States Government Bonds, Certificates of Deposit insured by the FDIC or FSLIC, and repurchase agreements collateralized by United States Government Bonds.

LB 600 would expand the authority to invest funds held in an irrevocable workers' compensation trust to allow for investments in the same manner that insurer's are allowed to invest funds reserved to pay claims under the Insurer's Investment Act.

Principal Introducer: _____

Senator Laura Ebke