

CLERK: Mr. President, LB 185 offered by Senator Barrett. (Read.) The bill was read on January 12 of this year, referred to Business and Labor for a hearing. The bill was advanced to General File, Mr. President, and I have no amendments to the bill.

SENATOR CLARK: Senator Barrett.

SENATOR BARRETT: Thank you, Mr. President, members, the intent of LB 185 is really quite simple. It sunsets the current provision in law regarding the situation whereby a corporate executive officer owning 25% or more of the stock in that corporation can opt out of Workmen's Compensation coverage. I introduced the bill because I am convinced that there are some gaps out there, some loopholes, which can create a very dangerous situation. Specifically there are health and accident insurance companies, a majority of them I believe including Blue Cross and Blue Shield, which do provide an exclusion to persons who are injured in work related activities who have opted out of Workmen's Compensation coverage. Therefore, an executive officer who has opted out, filed a waiver with the Workmen's Compensation Court may find himself without coverage, no coverage at all in the case of a work related accident. That is essentially the purpose for the bill. Mr. President, I would move the advancement to E & R initial.

SENATOR CLARK: Senator Lamb.

SENATOR LAMB: Mr. President and members, I guess I have some reservations about this bill. First of all, I don't believe that the committee statement really explains the reason behind the bill which in private conversation with Senator Barrett he has explained that to me but it is not really explained that well in the committee statement. I guess the reason I have some interest in this is that a couple of years ago I had a bill which clarified the procedure under which a corporate officer could be excluded from Workmen's Comp and as a result I know that I have constituents out there who are interested in keeping that exclusion. Now as Senator Barrett has explained to me the problem seems to lie in the fact that insurance companies will not insure a corporate officer if he is not also covered by Workmen's Comp. So it seems to me that we are being held hostage by those insurance companies, that the corporate officer should have that option of not being covered if he so decides and if he is willing to accept the consequences of that. That is the way it has been under present law and as I see it, that is the way it should continue. So at this point I am doing some more work on it but I have reservations about this bill because I think when lot of people, a lot of corporate officers out there that are not covered and I don't