

Now even though the large domestic companies are generally more financially stable, the majority of the examiners' time is spent performing complete financial examinations of these companies. So the big companies like Mutual, and so on and so forth, they are spending the majority of their time on those big companies. The other part of this bill would require an examination once every four years, from three to four years. The purpose of this would give the department more time with their present staff the opportunity to look at the less stable companies more often. It merely gives them that opportunity and authority to do that. I ask for the advancement of LB 299.

PRESIDENT: Senator Higgins, you may have the floor, if you wish.

SENATOR HIGGINS: Thank you, Mr. President. I feel like a voice crying in the wilderness because there is no doubt in my mind that this bill will fly right across the floor, as most insurance bills do. I have no objection to this bill except for on page 6 of the bill, Section 5. It states, "The Department of Insurance shall cause each domestic company to be examined at least once every four years." The current law is three years. They want to change it to four years. When the bill was originally drafted, or the law was originally written, they said they wanted to examine insurance companies every three years to "cause its affairs to be thoroughly inspected and examined, to ascertain its true financial condition, its ability to meet and fulfill its obligations, whether it has complied with the provisions of the law, and all other facts that may be required relating to its business, methods, and management and its dealings with its policyholders." So comes now the Insurance Director asking the Banking Committee to advance this bill and change it from inspection every three years to four years. As I listen to the argument of the Insurance Director, as well as the other proponents, the Insurance Federation of Nebraska and Mutual of Omaha, the Insurance Director said that these big companies take so much time to inspect that if we only had to inspect the biggies once every four years, it would give us more time to go in and look at the smaller, or as they termed it the weaker companies. I would remind you that the largest industrial savings and loan in this state that went belly up was Commonwealth. Yet the purpose of this bill, they say, is to go in and inspect smaller companies more often. But the