

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL 325

FINAL READING

Introduced by Jacobson, 42.

Read first time January 16, 2025

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to insurance; to amend section 44-211, Reissue
- 2 Revised Statutes of Nebraska; to change provisions relating to
- 3 qualifications and requirements for the board of directors of an
- 4 insurance corporation; and to repeal the original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 44-211, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 44-211 (1) The business and affairs of an insurance corporation
4 shall be managed by the incorporators until the first meeting of
5 shareholders or members and then and thereafter by a board of directors
6 elected by the shareholders or members and as otherwise provided by law.

7 (2)(a)(i) The board of directors shall consist of not less than five
8 persons, and, except as provided in subdivision (a)(ii) of this
9 subsection, one of them shall be a resident of the State of Nebraska.

10 (ii) Subdivision (a)(i) of this subsection shall not apply for a
11 period of five years upon the filing of an affidavit with the department.
12 Such affidavit shall be executed by the president or chairperson of the
13 board of directors of such insurance corporation and affirm that the
14 insurance corporation meets the following criteria:

15 (A) The insurance corporation's principal corporate executive
16 offices are located within the State of Nebraska;

17 (B) The insurance corporation is a publicly traded corporation on a
18 federally governed stock exchange or is a wholly owned affiliate of such
19 a publicly traded corporation;

20 (C) The insurance corporation has been domiciled in the State of
21 Nebraska for at least twenty-five years;

22 (D) The insurance corporation employs more than five hundred
23 employees who are employed in Nebraska and subject to the Nebraska income
24 tax on compensation received from the insurance corporation; and

25 (E) The ultimate controlling entity of the insurance corporation, as
26 defined by the department, has not changed in ten years.

27 (iii) The affidavit described in this subsection may be filed by an
28 insurance corporation any time after the criteria listed in subdivision
29 (a)(ii) of this subsection are met by the insurance corporation. An
30 insurance corporation may file a new affidavit upon the expiration of the
31 five-year period. If at any time during the five-year period the

1 insurance corporation no longer complies with subdivision (a)(ii) of this
2 subsection, the insurance corporation shall (A) provide written notice to
3 the department that specifies the criteria with which the insurance
4 corporation no longer complies and (B) appoint a member of the board of
5 directors of the insurance corporation who is a resident of the State of
6 Nebraska in accordance with subdivision (a)(i) of this subsection within
7 six calendar months after the criteria are no longer met.

8 (iv) The affidavit described in this subsection shall be made before
9 an officer authorized to administer oaths under the laws of this state or
10 under the laws of the state where execution occurs. Such execution shall
11 be evidenced by the officer's certificate under official seal and shall
12 substantially be in the form found in this subdivision.

13 STATE OF

14 COUNTY OF

15 I,, the president or chairperson of the board of
16 directors of, an insurance corporation domiciled in the State
17 of Nebraska, hereby declare that insurance corporation is an
18 insurance corporation that complies with all of the criteria in section
19 44-211 of the Statutes of Nebraska for waiver of the statutory
20 requirement that at least one member of the insurance corporation's board
21 of directors shall be a resident of the State of Nebraska. I further
22 declare that if at any time during the five-year period allowed under
23 section 44-211 the insurance corporation fails to comply with
24 all of the criteria in section 44-211, the insurance corporation will
25 notify the Department of Insurance of such failure and will work to
26 appoint a member of the board of directors who is a resident of the State
27 of Nebraska as required by section 44-211 within six months after such
28 failure.

29 Board President or Chairperson

30 Subscribed, sworn to, and acknowledged before me by, the
31 affiant, and subscribed and sworn to before me by

1 and , witnesses, this day of 20..... .

2 (SEAL) (Signed)

3 (Official capacity of officer)

4 (b) At least one-fifth of the directors of an insurance company,
5 which is not subject to section 44-2135, shall be persons who are not
6 officers or employees of such company.

7 (c) A person convicted of a felony shall ~~may~~ not be a director. ;

8 (d) ~~All and all~~ directors shall be of good moral character and known
9 professional, administrative, or business ability that includes ~~;~~ such
10 ~~business ability to include~~ a practical knowledge of insurance, finance,
11 or investment.

12 (e) If the company is a mutual company or assessment association, no
13 ~~No~~ person shall hold the office of director unless he or she is a
14 policyholder ~~;~~ ~~if the company is a mutual company or assessment~~
15 ~~association.~~

16 (3) Unless otherwise provided in the articles of incorporation, the
17 board of directors shall make all bylaws. A director shall discharge his
18 or her duties as a director in accordance with section 21-2,102.

19 **Sec. 2.** Original section 44-211, Reissue Revised Statutes of
20 Nebraska, is repealed.