

LEGISLATIVE BILL 325

Approved by the Governor April 7, 2025

Introduced by Jacobson, 42.

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

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

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

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

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

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

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

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

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

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

(iii) The affidavit described in this subsection may be filed by an insurance corporation any time after the criteria listed in subdivision (a)(ii) of this subsection are met by the insurance corporation. An insurance corporation may file a new affidavit upon the expiration of the five-year period. If at any time during the five-year period the insurance corporation no longer complies with subdivision (a)(ii) of this subsection, the insurance corporation shall (A) provide written notice to the department that specifies the criteria with which the insurance corporation no longer complies and (B) appoint a member of the board of directors of the insurance corporation who is a resident of the State of Nebraska in accordance with subdivision (a)(i) of this subsection within six calendar months after the criteria are no longer met.

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

STATE OF

COUNTY OF

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

Board President or Chairperson

Subscribed, sworn to, and acknowledged before me by, the affiant, and subscribed and sworn to before me by and, witnesses, this day of 20....

(SEAL) (Signed)

(Official capacity of officer)

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

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

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

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

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

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