

April 14, 1980

LB 924, 940

SPEAKER MARVEL: All those in favor of returning the bill vote aye, opposed vote no. Have you all voted? Record the vote.

CLERK: 25 ayes, 11 nays on the motion to return the bill, Mr. President.

SPEAKER MARVEL: Okay, the bill is returned.

CLERK: The motion now is, Mr. President, to strike the enacting clause.

SPEAKER MARVEL: All those in favor of striking the enacting clause of LB 924 vote aye, opposed vote no. Have you all voted? Record.

CLERK: 25 ayes, 9 nays on the motion to strike the enacting clause.

SPEAKER MARVEL: Okay, the bill is dead. The Clerk will now read on Final Reading LB. . . .

CLERK: Mr. President, Senator Landis moves to return, you have an amendment on it, Senator. 940, I'm sorry.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, I have a motion there which serves as a technical amendment because the language as written is somewhat unclear. Let me use this opportunity to declare the legislative intent of the language that is in the bill at which time I will withdraw the motion. Existing law in Nebraska allows for claimants under a bankruptcy to declare and keep all cash values of life insurance policies. Now, I had sought to close that loophole, a loophole that has been used in the past almost exclusively by well to do claimants in bankruptcy who have used this exemption, I might add, for as much as sixty-eighty thousands of dollars in cash value. To defeat the claims of creditors I might say the proper claims of creditors and retain those assets following a bankruptcy, a language which I asked to be drafted and which was drafted has this intent. The intent is to put a maximum on the cash value that is available under a life insurance policy of \$5,000. It was almost my expectation that this would only occur in those events where the life insurance policy was in the name ofthe beneficiary was either a spouse or a dependent, although I don't think that language survived when it was written into the law. But, the language that is written into 940 is intended to cover cash values for life insurance coverage up to \$5,000 and no more. Because of the way it is written it is possible to then read that to