

March 26, 1981

LB 355

Mr. President, received from the State Claims Board, "All claims processed and paid under the State Tort Claims Act for the period of July 1, '79 to June 3, 1980." We will acknowledge receipt of that report in the Journal and the report will be on file in my office. (See page 1140 of the Legislative Journal.)

SPEAKER MARVEL: Okay, if we may have your attention will you please take your seats so we can proceed with the business of the morning. The first order of business is item #4 which is Select File with a time period of one hour and thirty minutes. After we complete the one hour and thirty minutes we will move to General File priority bills. The first item of business is LB 355.

CLERK: Mr. President, LB 355 was considered by the membership yesterday. At that time the E & R amendments were adopted. There were several amendments considered. I now have pending, Mr. President, a motion to indefinitely postpone the bill and that is offered by Senators Kilgarin and Senator Burrows.

SPEAKER MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Chairman, members of the body, I think at this point we should indefinitely postpone this bill and really there are two basic reasons. The first is, when we are involving national stock companies, if they return dividends as the bill was sold for, it depends merely upon the compassion and the generosity of the stockholders of a stock company. With mutuals generally the money would be returned in the form of dividends but in a stock company, and this covers both, whether it comes back to the State of Nebraska is going to depend solely on the generosity of the stockholders. The other reason is the fact that I have been able to find no assurance that mutuals are run on a basis where there is a classification based on the interest rates charged on this loan fund. Now if they are not classified on this basis, if we put our money, loan it out in the State of Nebraska at 12% and give an additional \$40 per thousand to the national company, it can well be put in the pool and those share equally that have held their state to an interest rate of 8%. If this is the case we should be the very last state to pass a bill where we put the higher interest rates upon our Nebraska constituents. I think you should seriously look at it because I feel that it is going to be a general rip-off of the insurance policy holders in the State of Nebraska to the advantage of a combination of insurance companies and possibly the insurance patrons at other states that can borrow the money at 8%. Thank you.

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