

brought to me by the Aid Association for Lutherans, Fraternal, of which I am a member and my family and I hold life insurance in it. This bill has been worked on with the Insurance Director over the summer. It is a model bill to update the fraternal code in all states. Two of the largest fraternals in Nebraska, the Danish Brotherhood and the Woodmen of the World located in Omaha, testified on the bill. It gives the Insurance Director a little bit more authority, clarifies a lot of what the fraternals can do, and it is a model bill that has not been updated since 1943. The Insurance Director was in and testified in support of it, that it does bring things more into conformity. With that I would ask advancement of 508.

PRESIDENT: Chair recognizes Senator Landis. (Gavel.) We've had a lot of conversation rumbling around here. (Gavel.) Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, while LB 508 makes good sense in large measure, LB 508 also continues an inequitable situation in which fraternal insurance companies do not pay premium tax to the State of Nebraska like other insurance companies. The difficulty is that there is no contribution rate to the State of Nebraska, and insurance companies who compete for business with these kinds of insurance companies do pay those taxes. For those of you who believe in the fair and level playing field of the marketplace, take a look at LB 508 because it is a form of protectionism for certain kinds of insurance companies. There is a rationale for that, that is that these are nonprofit companies who in turn take some of their monies and do charitable good deeds with the money. However, they are large, large, multimillion dollar nonprofit corporations. They fight for business in the marketplace and they enjoy a competitive edge that we endorse in this bill. We change the pricing structure for insurance by permitting some people not to pay premium taxes. As far as I'm concerned the vast majority of this bill can fly. I've got no problems with it. But fraternal insurance companies, which used to be small, little congregation or synod level religious business operations are now national multimillion dollar corporations with a network of agents throughout the United States and are, in my mind, no different than any of the large insurance companies, and should not be treated differently for tax purposes. They are in the insurance business. They should be paying to the State of Nebraska