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LB 95, 247-283

Mr. President, Senator Schmit would like to have a meeting of the Ag Committee underneath the North balcony now if he could, and it is Ag Committee underneath the North balcony with Senator Schmit, immediately if possible.

PRESIDENT: The Legislature will be at ease until Speaker Marvel determines that we will go back.

EASE

PRESIDENT: The Legislature will come to order just for the purpose of the Clerk reading some matters into the record. Mr. Clerk, you may proceed.

CLERK: Mr. President, Senator Clark would like to announce that Senator Goodrich has been selected as vice chairman of the Telecommunications Committee.

Mr. President, new bills. Read LB 247-265 by title as found on pages 205-209 of the Legislative Journal.

Mr. President, your committee on Appropriations gives notice of agency hearings for Monday, January 26, signed by Senator Warner as chairman.

PRESIDENT: The Legislature will continue to stand at ease until approximately 11:15 a.m.

CLERK: Meet in Room 1517 at eleven o'clock? The Executive Board in Room 1517 at eleven o'clock.

PRESIDENT: The Legislature will come back to order. The Clerk has some matters to read in.

CLERK: Mr. President, I have a reference report referring LB 172-205 and rereferring LB 95. (See page 213 of the Legislative Journal.)

Mr. President, I have new bills. (Read by title, LB 266-283 as found on pages 214-218 of the Legislative Journal.) Mr. President, that is all the matters that I have this morning.

PRESIDENT: Any other messages on the desk, Mr. Clerk?

CLERK: No, sir, I have nothing further.

PRESIDENT: In that case the Chair will recognize Speaker Marvel.

SPEAKER MARVEL: I move we adjourn until Monday, January 19, 1981, at 10:00 a.m.

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LB 54, 150, 154, 274,
275, 288, 329, 459

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer by Pastor Roland Hanselmann of Southwood Lutheran here in Lincoln.

PASTOR HANSELMANN: Prayer offered.

PRESIDENT: Roll call.

CLERK: Mr. President, Senator Beutler and Senator Vard Johnson until they arrive. Senator Fitzgerald would like to be excused for the day. Mr. President, Senator Sieck and Pirsch would like to be excused until they arrive.

PRESIDENT: Have you all registered your presence?

CLERK: Mr. President, Senator Labedz would like to be excused until she arrives.

PRESIDENT: Record the presence, Mr. Clerk.

CLERK: Quorum present, Mr. President.

PRESIDENT: Quorum being present, any corrections to the Journal?

CLERK: Mr. President, I have no corrections this morning.

PRESIDENT: The Journal stands correct as published. Are there any messages, reports or announcements?

CLERK: Yes, Mr. President, your committee on Enrollment and Review respectfully reports we have carefully examined LB 150 and recommend that same be placed on Select File with amendments; 288 Select File with amendments; 275 Select File; 459 Select File with amendments; 154 Select File with amendments; 54 Select File, (Signed) Senator Kilgarin, Chair. (See pages 672-673 of the Legislative Journal.)

Mr. President, your committee on Banking whose chairman is Senator DeCamp to whom is referred LB 329 reports the same back to the Legislature as advanced to General File and 274 General File with amendments. (See page 673.)

Mr. President, your committee on Revenue gives notice of executive session for Monday, March 2, from 12:00 until 1:30 p.m., (Signed) Senator Carsten, Chair.

Mr. President, LR 20 and 22 are ready for your signature.

PRESIDENT: While the Legislature is in session and capable

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PRESIDENT: The Chair recognizes Senator Warner on the subject of the withdrawal of the amendments.

SENATOR WARNER: Mr. President, I would withdraw it. I have a substitute amendment that I will offer on Select File.

PRESIDENT: All right, the Warner amendments are withdrawn. Thank you, Senator Warner. We will proceed then, Senator Kahle, with the advance. No further discussion so the question before the House is the advance of LB 198 to E & R Initial. All those in favor vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: 25 ayes, 0 nays, Mr. President, on the motion to advance the bill.

PRESIDENT: Motion carries and LB 198 is advanced to E & R Initial. The next bill is LB 274.

CLERK: Mr. President, LB 274 introduced by the Banking, Commerce and Insurance Committee and signed by its members. (Read title). The bill was read on January 16 of last year, referred to the Banking Committee for public hearing. The bill was advanced to General File, Mr. President. There are committee amendments pending by the Banking Committee.

PRESIDENT: Committee amendments. Senator DeCamp.

SENATOR DeCAMP: Mr. President and members of the Legislature, we are ready to go ahead and I have asked Senator Landis, a member of the committee that has worked somewhat on this bill and has an interest in it, to go ahead and handle the bill.

PRESIDENT: Senator Landis, on the amendments.

SENATOR LANDIS: Mr. Speaker and members of the Legislature, the committee amendments are essentially technical in nature although they affect how the bill is applied, and there are essentially two changes, one adds people to the bill, one deletes people to the bill. Those who are added, and I should say that is premised on their suggestion that they be added to the bill, include people involved with agents and brokers writing life insurance, annuities and variable annuities, agents, brokers and consultants. These people are added to the bill by the committee amendments. Secondly, we changed the term in the exclusion clause which is Section 3, subsection (2), to include credit, accident and health. This is a technical amendment on behalf of the Insurance

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Department to make sure that everyone understands that these people are not covered by the bill. It was the intent of the Insurance Department not to have them covered and this language makes that explicit. Part of the reason for that is that in essence health insurers are primarily Blue Cross-Blue Shield people and as a part of their responsibilities as a Blue Cross-Blue Shield agent those agents already have continuing education responsibility, and it would simply be duplication to require them to comply with the terms of LB 274. With respect to credit life or the like, we are talking about people that are in banks who usually attach these to loans and they are insurance agents per se out working in the field explaining insurance packages to people and who need to be up to date on not only the lines that they sell but the law involved in insurance policies so that they can give adequate answers to people who have problems with insurance and questions about the kinds of coverage that they are agreeing to when they sign a contract for insurance. With that explanation, I would move the adoption of the committee amendments to LB 274.

PRESIDENT: Speaking to the committee amendments. The Chair recognizes Senator Higgins.

SENATOR HIGGINS: Mr. President, and Senators, as a licensed insurance agent, I was originally going to be for this bill because I have run into a number of agents that have sold policies to people and later they found out the policy did not do what they were told only because the agent was ignorant himself of the policy. But now when Senator Landis says that certain insurance companies...insurance agents are going to be exempted, I cannot go for that. Many a person that I know has gone and bought credit life insurance, mortgage life insurance, and not known, had not had it explained to them that when they buy a mortgage life insurance policy as the balance on their home mortgage goes down so does their life insurance. They buy credit life insurance and sometimes these policies are made out that the bankers, the savings and loan or so and so gets paid, they think they are going to get the money. So I have to think either the insurance agents and the company selling this kind of insurance are willfully deceitful and I don't want to think that, or they are actually just ignorant themselves of what they are selling. So I would not support this bill unless it includes every type of insurance and every type of insurance agent. I just don't see why anybody should be kept out of having to be educated and kept abreast of changes in the insurance laws at least every two years. Now if they want to amend the bill and include everybody in it, then I think it would be fair and just bill, but at this point in time I just can't see

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why some people are going to get hurt by the ignorance of agents while others are going to be protected. Thank you, Senators.

PRESIDENT: The Chair recognizes Senator Kahle.

SENATOR KAHLE: Mr. President and members, I am certainly not an expert in the insurance field or any other, for that matter, but we have had some problems in my particular district where policies were sold to particularly the elderly for coverage which they could not use in the local care homes or in the local area, and there has been some awful sorry feelings about that. Now I don't know whether that was neglect by the insurance agent on purpose or not. I understand we talked about this a couple of years ago and had the assurance from the industry itself that they were going to take care of this. But I support the bill as it is that all the agents should be kept up to date. I think even those that work at it full time and try to keep up. It is just like any other profession you just have to keep up or you are behind. So I guess I would agree with Senator Higgins that unless all of them are included I could not support the bill. Thank you.

PRESIDENT: The Chair recognizes Senator Sieck.

SENATOR SIECK: Mr. President and members of the body, I have a question to Senator Landis.

PRESIDENT: Senator Landis, would you respond?

SENATOR LANDIS: Yes, I would.

SENATOR SIECK: I notice that you have excepted the health insurance field. Is there a reason for this, and I would like to know the reason.

SENATOR LANDIS: Yes, there is. There are two reasons. First, the bill is a bill brought to the Banking Committee by insurance agents who voluntarily wish to submit to the obligation of continuing education on behalf of the professionalism of their own forces, and so a number of lines of insurers and insurance agents came to us and asked us for this, but among those were not health agents. So, number one, it does not come from those kinds of insurance agents. They did not ask for this bill. Other kinds of insurance agents did. Secondly, in the health field there is already an ongoing continuing education responsibility imposed on the agent by the parent company and therefore they did not want a dual responsibility to comply with the state since as part of their

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employment they already have an obligation for continuing education.

SENATOR SIECK: Okay, thank you, Dave. If that is the case, why is it not that these other insurance companies cannot do the same thing instead of having a bill coming in to require that all of our insurance agents take a compulsory education course? I have several insurance companies or agents within my district who are a farmers insurance group, and many of these agents have had excellent records yet now we are going to impose upon them an educational philosophy and many of them will have to resign. And I am wondering whether this isn't a tool for some of the larger insurance companies to get rid of these companies and take out some of their competition. Would you have any comments on this? I ask this of Senator Landis.

PRESIDENT: Senator Landis, Senator Sieck had another question, if you would respond. He had another question. Did you get the question?

SENATOR LANDIS: I'm sorry, I didn't hear the question.

PRESIDENT: Senator Sieck has a follow-up question. Senator Sieck, do you want to repeat your question?

SENATOR SIECK: Yes. Senator Higgins said she would like to answer the question. I will just allow her to answer the question for me.

SENATOR LANDIS: All right.

PRESIDENT: All right, Senator Higgins, you can answer the question.

SENATOR HIGGINS: Thank you. For the benefit of everyone, would you repeat the question.

SENATOR SIECK: I am wondering why it is since the health field feels that they have the people that can educate the people, why can't these other companies do the same thing?

SENATOR HIGGINS: Well, they can, but they don't at least not since I have been in the business going back to about '56. One thing I have to say in all honesty, you have made the point and because the insurance agents themselves asked for this bill, I was visiting with a large insurance agency the other day and I asked them how do they feel about this bill. And they said, I think it is a good thing and I said, well, I don't but why do you think it is good? And he says,

Marge, it is going to limit the number of people that are going to get into this business. We have got just too darn many insurance agents today in Omaha, so let's close it down a bit. I have always been opposed to any kind of a thing that tries to keep other people out of private enterprise and as an agent I am sorry I have to say this about my own industry. I was going to support the bill and I was told just a few minutes ago by a lobbyist that it was going to include all companies, all agents, and I thought, well, okay, that's fair enough. But really I think the real purpose of the bill is so that your son is going to have a tougher time to be an agent or your daughter and I just think in a capitalistic country like this everybody ought to have a chance to be what they want.

SENATOR SIECK: Well this is what I am fearful that the bill is doing. It is taking and eliminating some competition, and as I view the small insurance companies that are operating in my district, and I have several of them, I have had no complaints. If I had some complaints, yes, then I would go for something like this. But I really have had no complaints, so I will have to oppose the bill and oppose the amendment.

PRESIDENT: The Chair recognizes Senator Dworak.

SENATOR DWORAK: I just have a question of the Chair. We are not debating the bill, we are talking about the committee amendments, right?

PRESIDENT: That is correct.

SENATOR DWORAK: Okay, I will save my remarks for the bill.

PRESIDENT: Fine. Any further discussion on the committee amendments? Senator Landis, you may close on the committee amendments.

SENATOR LANDIS: Right. Mr. Speaker and members of the Legislature, just to the issues involved in the committee amendments and not the bill itself because I am sure we will have some chance to talk about that in a moment. The exclusions are made clearer. Technical problems are being solved by this language so that we can get on to the merits of the issue of 274 by these amendments. I hope you will adopt them. Essentially again they include lines for insurance agents who sell life insurance, annuities and variable annuities. These are people who have asked to be included in the bill since it was originally drafted and we have made more clear those exclusions that do exist. I would bring out

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what I believe to be the value of the bill in comparison to the arguments given by Senator Higgins. Her argument is essentially if you don't improve each and every line of insurance and each and every insurance agent in the state, you should not then try to strive for greater professionalism by those agents and lines who are presently agreeing to and asking us for continuing education to upgrade themselves and their lines of insurance. If you have, as you have in this case a great many independent insurance agents wishing to upgrade their own education, wishing to improve the professionalism of their occupation, I think we should respond to that, and the technical amendments of the committee make that clearer as does the bill itself. I hope the body will support the committee amendments.

PRESIDENT: The question is the adoption of the committee amendments to LB 274. All those in favor vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: 29 ayes, 3 nays, Mr. President, on adoption of the committee amendments.

PRESIDENT: The motion carries. The committee amendments are adopted. We are now on the bill itself. Any further amendments, Mr. Clerk?

CLERK: I have nothing further on the bill.

PRESIDENT: Senator Landis, do you want to go ahead then and discuss the bill?

SENATOR LANDIS: Let me just explain several of the sections of the bill and talk about its provisions. Section 1 is the purpose. Section 2 are the definitions and who is covered. Section 3 are the exemptions and we just talked about those. We are talking now about a bill that applies to independent brokers and agents, agents in the life insurance area, annuities, variable annuities, and we are not talking about health insurance, credit accident or credit life insurance. The requirements imposed essentially are 6 hours per line of insurance every two years up to a maximum of four lines or in other words a total maximum of 24 hours of education every two years and that would be for an agent who is writing four lines or more of insurance. The education must be approved by the Department of Insurance and as a remarkable step to placate the fears of insurance agents, the Department of Insurance even prior to the passage of LB 274 has prepared and published its proposed rules in the event the rule making authority is granted under 274 to authorize these kinds of examinations. The Insurance Department has already issued a tentative

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draft of rules to show agents what kind of rules they would be enunciating under the authority granted to them by LB 274. Those are commonly available. I have them at my desk in the event you are interested in seeing those. In other words, everybody knows what is coming. Everybody understands what the Department of Insurance's role will be and what they are going to ask the agents of this state to do under the guise of 274. There is an advisory committee that will be working with the Department of Insurance to make sure that the continuing education program is a success and there is a compliance section, Section 7, which requires that a licensee who fails to comply must show cause as to why they failed to comply and if they do not, their license will not be renewed. In part this explains why credit life and credit accident are not covered. The reason...credit life writers are not licensed. Credit accident writers are not licensed by the Insurance Department. Therefore, your compliance mechanism under 274 would not be effective. There is no reason to write a law that has no compliance mechanism to cover these people, and for that reason then the bill does not cover those kinds of individuals. Perhaps you have received, as many other Senators have received, letters by professional agents and their groups, this one under the signature of Neil Miesbach from the Professional Insurance Agents of Nebraska, not only willing to submit but asking for LB 274 as a major part of their legislative package to upgrade their profession. Perhaps you also received this letter from Roger Ketelsen, the Independent Insurance Agents of Nebraska. And one of the best paragraphs explaining their reasons for supporting 274, I quote: "It is interesting to note that the Performance Review and Audit Committee of the Legislature has recommended mandatory continuing education for every profession in the Uniform Licensing Act undergoing sunset review in 1981. The public relies a great deal on the knowledge and advice they receive from their insurance agents just as they rely on other licensed professionals. Up to date information on laws, rules and regulations, new products and other basic information that allows an agent to improve his or her service to clients... what we would expect in continuing education." I might lastly close by pointing out that what we are talking about here are not captive agents of one company where that company could easily impose a requirement of continuing education or provide that continuing education to the agent. But essentially we are talking about professional insurance agents who write multiple lines from multiple companies. These people handle not just the insurance of one company but in order to service their clients better handle the lines of a number of companies and to reach these people it is best to apply a standard approach of continuing education administered by the Department of

Insurance. This law has been looked at for two years by all elements of the insurance field. It has been applied to a number of them at their own request. They all agree to this and they request it not only in their own interest but in the public's interest. For that reason I support the adoption of LB 274 by this body and would move that it be moved to E & R Initial prior to being placed on Select File.

PRESIDENT: The Chair recognizes Senator Higgins.

SENATOR HIGGINS: Thank you, Mr. President and Senators, I have to ask each and every one of you that are in business for yourself if you really believe that the insurance agents across the state want to take the time to go to school for 24 hours to update their knowledge about the business, and if you really believe those that are out west in the small towns want to travel so many hundred miles or however far in order to get that schooling and maybe pay a motel expense, I at one time belonged to the Professional Insurance Agents. Our agency at one time belonged to the Independent Insurance Agents and I am going to tell you people something you don't know about these organizations. The biggies belong to the agency, not your little agents. Unless you are a little agent in a little town, then you might do it to add a little prestige. But in Omaha when you go through the yellow pages and you look at the insurance agencies that belong to the PIA or the Independent Insurance Agents, Nebraska Independent Insurance Agents, these are the multimillion dollar agencies, and these, in fact, they are the ones that want this because it is going to squeeze out the little agents and that is exactly what I was told just last week by one of these biggies that it was a good bill because it is going to keep a lot of people out of our trade. Now I think it is probably a waste of our time to debate this bill any further because I have no question or doubt in my mind with the power of the insurance lobbying that this bill is probably going to pass 35 to 40 votes. You need only look at your insurance industry and all of us know how powerful they are as a lobbying group, probably only the second most powerful in the state. So to save the Legislature time, I think we probably ought to just cease debate and vote on it now and watch the green lights go on. But in my conscience I can't do it. I can't do it to the little people that want to keep their own business. Thank you, Senators. One more thing I forgot, excuse me. Originally when this bill was drafted, Senator Landis, life insurance companies and life insurance agents were not included. They were brought into it because they said, that bill isn't going to fly if we don't put life insurance into it, and that's why life insurance is in it, not

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because they wanted to be.

PRESIDENT: The Chair recognizes Senator Dworak.

SENATOR DWORAK: Mr. President and colleagues, I am inclined to agree a little bit with Senator Higgins that I think that this probably will keep some agents or some people out of the insurance business but I don't think the criteria that she described is necessarily accurate. I don't think it is going to keep necessarily the small people out. I think it is going to keep the incompetent people out, and I am not so sure that isn't a good thing as far as the public is concerned. I think insurance like any other business is a highly technical and professional occupation, and I think an agent needs certain expertise and needs to be certified. Now we have a licensing procedure which is good but I don't think it goes far enough. I personally would probably stand, you know, my personal opinion I would just as soon not have to go to school 24 hours every two years. I would rather just renew my license every year at whatever it costs, a couple bucks, three bucks, five dollars, and continue in business, not necessarily making any effort at all to upgrade my expertise. I think this is a good piece of legislation. I am a little bit uncomfortable with the six hours per line thing but I think that is a minor technicality. I think the overall philosophical approach to the bill is good. I think that we need some kind of continuing education. We ask lawyers, we ask doctors, we check accountants to nurses, to show some kind of evidence of staying current in their field and I see this particular industry is no different. In fact, this industry is dynamic, is as changing as any other industry. We have new exposures every day that people are looking for security again through the mechanism of insurance and with these new exposures and with this complex society we live in we need to be made aware of that. And I think the public when they go to somebody that is licensed by the state has the right, certainly can expect some kind of expertise, some kind of at least minimum competency. Now, you know, I think we all know that tests don't guarantee this. The fact that somebody has graduated from medical school may or may not indicate that person is a good doctor, but certainly without it we have made no effort to try to establish minimum competency, and so I don't see this as extremely prohibitive to anybody that wants to stay in the profession. I don't see it as compulsory, as a mandatory checkoff. There is nothing in here that forces somebody to belong to the Professional Insurance Agents Association or the Big I. If you don't want to belong to the Big I, fine, so be it. There are other ways to get your continuing

education credits other than through Big I or independent agent seminars. I don't see it as nearly as restrictive, nearly as compulsory, nearly as mandatory as all the check-off legislation we have passed this last eight years such as corn and soybean and what have you. So I think the Banking Committee has come forth with...Banking and Insurance Committee has come forth with a basic good package of legislation. I don't think it is going to put anybody out of business that anybody that has a sincere desire to be in and serve the public and I personally strongly urge that this bill be moved along to Select File.

PRESIDENT: The Chair recognizes Senator Nichol.

SENATOR NICHOL: Mr. Chairman and members of the Legislature, I think I know the answer, Senator Landis, but I would like to have it for the record. Insurance companies provide schooling for their own agents and as I understand the bill for the most part these programs, educational questions by insurance companies, would be approved and it would not be necessary for the state to set up a school. Is that correct so far?

SENATOR LANDIS: That is true. The Department of Insurance has the authority to see if those courses offered by an insurance company satisfy the basic requirements. If they do, the completion of those courses, those privately sponsored courses would suffice.

SENATOR NICHOL: Would the state automatically set up a school to handle those who do not attend school provided by insurance companies?

SENATOR LANDIS: No, I don't foresee the Insurance Department getting into the business of sponsoring seminars. There are privately sponsored seminars that are open to independent agents. There are correspondence courses which are available to agents, and there are courses that are sponsored by private companies which are open to agents.

SENATOR NICHOL: What if Senator Higgins would not attend one of those or her companies didn't provide educational courses? Would the state then provide a course for her to study or an examination for her to pass?

SENATOR LANDIS: The state would not provide its own courses. The Insurance Department is not going to go out teaching insurance classes. They are available through the professional organizations. They are available through correspondence schools so that the burden is on the individual

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agent to get that schooling. They have a number of re-sources to go to but none of them include a state supported, tax dollar supported course of education.

SENATOR NICHOL: The fiscal note doesn't provide any money for setting up any courses of any kind? Is that right?

SENATOR LANDIS: No, it is not for classes. There is a fiscal note but it is for the monitoring of the licensees to see whether or not they have completed this training.

SENATOR NICHOL: Do the licensees pay this money to the state to offset the fiscal note, or is that to come out of tax money for the fiscal note?

SENATOR LANDIS: It looks to me to be a cash fund and I can't tell you immediately. Let me take a look at.... (interruption).

SENATOR NICHOL: Would the applicants pay a fee for getting this okayed by the state?

SENATOR LANDIS: I'm sorry, I have the answer to your last question but not this one, and that is the insurance department is a cash agency fund meaning they derive their funds from other than general fund sources and so internally they would take care of that matter through their own cash funds and there wouldn't be general fund tax dollars supporting this program.

SENATOR NICHOL: Yes. That answers my question. Thank you, Senator Landis.

SENATOR LANDIS: You bet.

PRESIDENT: The Chair recognizes Senator Sieck.

SENATOR SIECK: Mr. President and members of the body, I again have a question of Senator Landis.

PRESIDENT: Senator Landis, will you respond?

SENATOR LANDIS: Certainly.

SENATOR SIECK: Do you know what the fee will be, what the cost will be to an individual who has to take this correspondence course or this....do you have any knowledge of this?

SENATOR LANDIS: I do not. I do know that agents have been

going to schools offered by their own companies. I do know that professional insurance groups have been offering these courses in the past and they have been well attended. So there is an ongoing business of insurance education right now. I don't know what the fees are.

SENATOR SIECK: Okay, we have had....did you copy this law after the Oregon law? You did.

SENATOR LANDIS: My knowledge is that this bill was a product of a study by Nebraska agents and the Department of Insurance. They may have modeled it after the Oregon statute but the terms of this law was on the basis of an advisory committee that was working in 1980 that brought us the bill.

SENATOR SIECK: In looking at the records of the Oregon Insurance Department, I found that the cost to the State of Oregon has been \$40,000 to \$50,000 to administer this law. So you were telling me earlier that there would not be any cost to the Department of Insurance for the State of Nebraska, but it has incurred a cost to the State of Oregon, and I also noticed that in Oregon we have eliminated over 4000 insurance agents in that state by this process. And I also want to mention that these small insurance agents out here have been doing a better job than some of the biggies as far as return to the policy holder. I found that in my particular county this mutual insurance company has done an excellent job of paying to the one that had the loss the amount that he was insured for. Where you get to a larger company they start debating and trying to eliminate some of that coverage. We must remember that when we are dealing with a neighbor or with an individual who is known within the area, he is always going to try his level best to do his best job and I think this has been done. So I am sure hesitant to support a bill of this type. I do have a son who does sell insurance. He had to take a license...take a school to get this license and he isn't a bit afraid of this school. It wouldn't bother him a bit, but there are many in that area it would bother considerably. Thank you.

PRESIDENT: The Chair recognizes Senator Haberman.

SENATOR HABERMAN: Mr. President and members of the Legislature, I support the bill. I have a letter from Sutherland, Nebraska which is over two hundred and some miles away from Lincoln and he says he will be glad to come to Lincoln to take any courses he can. This agent supports the bill. He says there are far too many peddlers that are allowed to sell insurance now. He says if a man is not willing to keep abreast of the developments in his industry, then he does not

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deserve to derive an income from it. His name is Patrick W. Thomas of the Thomas Agency in Sutherland. And if this man is willing to take the time and spend the money to help himself and help his industry, I think that we should go ahead and pass this bill and then if Senator Higgins would like to add some amendments to include some other people, that would be her privilege and I would probably support those. So I would suggest that we support 274. Thank you.

PRESIDENT: The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Question.

PRESIDENT: The question has been called for. Do I see five hands? I do. The question is, shall debate cease? All those in favor vote aye, opposed nay. Record the vote.

CLERK: 25 ayes, 0 nays to cease debate, Mr. President.

PRESIDENT: Motion carries. Debate ceases. Senator Landis, you may close on the....

SENATOR LANDIS: Thank you, Mr. Speaker. Just to clarify, I did make a representation on the floor that the Insurance Department would not be getting into the business of offering insurance courses and when I made the statement that there wouldn't be money spent for that purpose, I was making it clear, I hoped, that I was talking about the offering of insurance courses around the state. There will be a monitoring cost of about \$40,000. That will be derived from the normal cash sources of the Department of Insurance which are not general fund appropriations. Just as a listing of the kinds of places where this kind of education can be received, let me read to you from the proposed tentative rule that has already been printed by the Department of Insurance. "Any part of the Insurance Institute of America's program in insurance would qualify. Any part of the American Institute for property and liability underwriters charter property casualty underwriter professional designation program. Any part of the certified insurance counselor program. Any insurance related course which is taught by an accredited college or university might apply. Any insurance related course from an accredited college or university throughout the state. Any course developed or sponsored by an authorized insurer, recognized agents' association, or insurance association or any independent program of instruction which is approved by the director." And those, of course, can include correspondence classes for those who are not close to a center in which one of those courses are

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offered. No one is going to be forced to come to Lincoln for a class. Alternatives exist for someone to study in their home if they do not want to attend perhaps a technical community college course or one of the insurance related courses on the campuses, or one of those courses taught by insurers. LB 274 has strong appeal and support in the insurance companies and businesses and agents, themselves, although not universal, that's true. The vast majority seem to support this notion as we have supported the notion of continuing education in our Performance and Review guidelines that were enunciated in 1981. We said that where our Uniform Licensing Act applies there should be continuing education and that is what the Banking, Commerce and Insurance Committee has seen to it with LB 274 that continuing education is applied to the insurance industry in at least a large number of instances and for a large number of lines. I hope that you will support the bill and vote for LB 274.

PRESIDENT: The motion then is the advance of LB 274 to E & R Initial. All those in favor vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: 28 ayes, 6 nays on the motion to advance the bill, Mr. President.

PRESIDENT: Motion carries and LB 274 is advanced to E & R Initial. The next bill is LB 274A.

CLERK: Mr. President, LB 274A offered by Senator DeCamp. (Read title). Mr. President, Senator DeCamp does have an amendment pending.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President and members of the Legislature, this is just the A bill, the financing bill for the program that the bill you just advanced covers. Now as Senator Landis explained to you, this is not general fund money, it is, however, an A bill. The money, of course, comes from the people involved in the program, so the amendment is necessary because this bill was originally proposed a year ago. It is one year later. We have some change in numbers and so on and so forth. What is the number in it? \$40,000, about, something like that. Well, anyway...it is right in that area and as I say, the money comes from the people themselves. Having made that, I would move adoption of the amendment to LB 274A, and make this additional statement. Relative to the entire program of 274 that

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LB 32, 198, 215, 264, 274, 274A,
347, 413, 431, 465, 664, 848-851

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer by Chaplain.

CHAPLAIN PALMER: Prayer offered.

PRESIDENT: Roll call. Senator Fenger, do you want to hit the button so we can get started? Thank you. Now we will start. Record the presence.

CLERK: There is a quorum present, Mr. President.

PRESIDENT: Quorum being present, are there any corrections to the Journal?

CLERK: I have no corrections, Mr. President.

PRESIDENT: The Journal will stand correct as published. Any messages, reports or announcements?

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and reviewed LB 198 and recommend that same be placed on Select File with amendments; LB 274 Select File with amendments; LB 274A Select File with amendments; LB 413 Select File; LB 32 Select File with amendments; LB 215 Select File with amendments; LB 347 Select File with amendments; LB 465 Select File with amendments; LB 264 Select File with amendments; LB 431 Select File with amendments. Those are all signed by Senator Kilgarin, Chair. (See pages 311 through 316 of the Legislative Journal).

Mr. President, I have a Reference Report referring LB 839 through 847. (See page 316 of the Journal).

Mr. President, communication from the Governor addressed to the Clerk. The Governor has signed LB 664.

PRESIDENT: Ready then for agenda item #4, introduction of new bills, Mr. Clerk. Are there any bills to introduce?

CLERK: Yes, sir, there are.

PRESIDENT: Proceed.

CLERK: Mr. President, new bills. LB 848 offered by the Public Works Committee and signed by its members. (Read title). LB 849 offered by the Public Works Committee and signed by its members. (Read title). LB 850 by the Public Works Committee and signed by its members. (Read title). LB 851 offered by the Public Works Committee and

by about six senators that supported the bill and that is Senator Hefner and VonMinden, Wagner, Chronister, Wesely, DeCamp. Essentially it is just kind of a simple amendment and what it does is just to strike the million dollars to \$250,000. And the Veterans Council supports this and I would urge the adoption of this amendment.

SENATOR CLARK: Is there any further discussion on the amendment? If not, all those in favor vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

SENATOR CLARK: Have you all voted? Record the vote.

CLERK: 27 ayes, 0 nays on adoption of Senator Hefner and Wagner's amendment, Mr. President.

SENATOR CLARK: The amendment is adopted. Is there any further amendments on the bill?

CLERK: I have nothing further on the bill, Mr. President.

SENATOR CLARK: The question before the House then is the advancement of the bill to E & R. Senator Wagner.

SENATOR WAGNER: I would so move, Mr. Chairman.

SENATOR CLARK: Is there any discussion? If not, all those in favor of advancing to E & R vote aye, opposed vote nay.

CLERK: Senator Clark voting yes.

SENATOR CLARK: Record the vote.

CLERK: 30 ayes, 0 nays on the motion to advance the bill, Mr. President.

SENATOR CLARK: The bill is advanced. Senator Haberman, would you like to adjourn us until nine-thirty on the 25th after the Clerk reads in a couple of things.

CLERK: Mr. President, one brief item, Senator Sieck would like to print amendments to LB 274 in the Journal. (See page 392 of the Legislative Journal.)

SENATOR CLARK: That is all we have, go ahead.

SENATOR HABERMAN: Mr. President, I move that we adjourn until 9:30 a.m. on January the 25th.

January 25, 1982

LB 208, 274, 378, 628,
636, 692, 731

SENATOR CLARK: Have you all voted? Have you all voted?
Record the vote.

CLERK: 13 ayes, 26 nays, Mr. President.

SENATOR CLARK: The motion lost. Senator Howard Peterson,
would you like to adjourn us until tomorrow morning at
nine o'clock? The Clerk wants to read something in first.

CLERK: Mr. President, Senator Landis would like to print
amendments to LB 636 in the Legislative Journal. (See pages
408 and 409 of the Journal).

Your committee on Urban Affairs reports LB 692 to General
File with amendments. That is signed by Senator Landis.
(See page 409 of the Journal).

Your committee on Education reports LB 628 to General File
with amendments. (See pages 409 and 410 of the Journal).

I have a Reference Report, Mr. President, referring certain
gubernatorial appointments to standing committees for
confirmation hearings. (See page 411 of the Journal).

I have a hearing notice from Miscellaneous Subjects for
February 11, February 25 and March 4. Hearing notice from
the Education Committee for February 1 and 2.

Senator Remmers would like to print amendments to LB 208.
Senator Remmers to print amendments to 274. (See pages
411 through 274 of the Journal). And Senator Schmit to
LB 731. (See pages 412 through 415 of the Journal).

SENATOR CLARK: Senator Peterson.

SENATOR H. PETERSON: Mr. Speaker, I would move we adjourn
until nine o'clock tomorrow morning.

SENATOR CLARK: You heard the motion. All those in favor
say aye. Opposed nay. We are adjourned until nine o'clock
tomorrow morning.

Edited by


L. M. Benischek

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LB 274, 606, 829, 198

whose Chairman is Senator Cullan, reports LB 606 to General File and LB 829 to General File, both signed by Senator Cullan as Chair.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Senator Kahle.

SENATOR KAHLE: Mr. Speaker.....

SPEAKER MARVEL: 198.

SENATOR KAHLE: Senator Warner had indicated the other day that he had an amendment for 198, and his office called this morning, he is not here, of course, today, and he wants to rewrite that amendment, so I ask that we pass over 198 for the present time.

SPEAKER MARVEL: Any objections? This goes to the passover file. Okay, next, LB 274.

CLERK: Mr. President, there are E & R amendments on 274.

SPEAKER MARVEL: We are adopting E & R amendments to 274. The Chair recognizes Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman, I move that the E & R amendments to LB 274 be adopted.

SPEAKER MARVEL: All those in favor of that motion say aye. Opposed no. The motion is carried. The E & R amendments are adopted.

CLERK: Mr. President, I now have an amendment offered by Senator Sieck that is found on page 392 of the Legislative Journal.

SPEAKER MARVEL: The Chair recognizes Senator Sieck.

SENATOR SIECK: Mr. President and members of the body, I do have an amendment here but Senator Remmers also has an amendment on the same subject and I feel his amendment covers the issue better than the one that I submitted, so I will ask that mine be withdrawn and that we consider Senator Remmers' amendment.

SPEAKER MARVEL: Okay, hearing no objections, so ordered. The amendment is withdrawn.

CLERK: Mr. President, Senator Remmers would now move

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LB 274

to amend the bill and the Remmers amendment is found on page 412 of the Journal.

SPEAKER MARVEL: Okay, Senator Remmers.

SENATOR REMMERS: Mr. Chairman and members of the Legislature, my amendment is very simple, and I think the two handouts that just came out to your desks should illustrate my reason for the amendment. I am simply suggesting that we include the health care insurance agents in this bill. I think 274 is a very good bill. I certainly endorse the idea of continuing education for the agents in the field, but it seems to me that with almost half the complaints coming in the health care... under the health care insurance and the percentage increasing noticeably from 1979 to 1980. We had 39 percent of the problems in 1979. We had 43 percent of the problems in 1980. So it seems to me that if we need any continuing education, we certainly need it in this area. So I would urge this body to adopt this amendment.

SPEAKER MARVEL: The motion before the House is the Remmers amendment to LB 274. Senator Sieck, do you wish to be recognized?

SENATOR SIECK: Yes. Mr. President and members of the body, I will support this amendment even though I do not support the bill as such because I do feel that the insurance companies if they want to have an educational program, they should supply that educational program to their agents. But I was disappointed because the health agencies were the ones that were not fulfilling their duties and the complaints that were coming in to the Department of Insurance proved to me that the health agencies were the ones that were erring even though a lot of the other companies were having a fairly good record. So if we are going to pass a law of this type, I feel that the health agencies should be included in this particular bill, and so I am going to support the amendment for this reason, even though I may not support the whole bill.

SPEAKER MARVEL: Senator Remmers, do you wish to close on the motion?

SENATOR REMMERS: I don't think it is necessary. I believe the amendment is very clear and very simple.

SPEAKER MARVEL: Senator DeCamp, do you wish to be recognized?

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LB 274

SENATOR DeCAMP: Mr. President, members of the Legislature, I was caught completely unawares by this. It may be a good amendment, but would you answer a few questions?

SPEAKER MARVEL: Senator Remmers, do you yield?

SENATOR REMMERS: Yes.

SENATOR DeCAMP: Senator Remmers, it is my recollection we spent approximately two years and then another year or two before that working up the bill in the form it is, and it is my recollection that the controversy, one of the biggest controversies involved this particular area and we left the sickness, accident and health out because of the conflict of Blue Cross, Blue Shield and so on and so forth, and various things. Have you consulted with any of the people that would be dramatically affected by this change because I guess what I am fearful of, unless there is some understanding of what is going on on the bill and the people involved and how it is going to change them, we will quietly adopt this today and then when people discover it about tomorrow or the next day, there will be a hullabaloo on final reading. The bill will either be referred back to committee or something. Have you consulted with the various people are affected?

SENATOR REMMERS: I would say my consulting has been limited.

SENATOR DeCAMP: I am questioning whether this might kill the bill.

SENATOR REMMERS: Well, I would hate to see it do that. I do want 274 and I would hate to see it kill the bill.

SENATOR DeCAMP: Okay, Senator Sieck said he knows something. Senator Sieck, do you have any information?

SENATOR SIECK: Mr. President, John...Senator John....

SENATOR DeCAMP: Yes.

SENATOR SIECK: I did visit with the Blue Cross-Blue Shield and they know what we are doing and they have accepted it, and they told me fine that we have no problems with it. That is what I was told by the lobbyist with Blue Cross-Blue Shield. That was the only agency I did talk to.

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LB 274

SENATOR DeCAMP: Okay, I am going to take the word of everybody and assume it has all been taken care of.

SPEAKER MARVEL: Senator Remmers, do you wish to close on the amendment to LB 274? No closing. All those in favor of the adoption of 274 as explained by Senator Remmers say aye. All those in favor vote aye, opposed vote no. Have you all voted? Record the vote.

CLERK: 27 ayes, 0 nays, Mr. President, on adoption of the Remmers amendment.

SPEAKER MARVEL: The amendment is adopted.

CLERK: Mr. President, Senator Higgins would now move to amend the bill. Page 4 after line 9 insert the following paragraph: The director shall certify written examinations for each course, lecture, seminar or other instructional program approved by him. The examination shall demonstrate that a licensee has attained a minimum level of competence in the areas of study completed. No credit hours will be awarded unless the licensee completes the examination and attains a passing score of 70 percent correct or greater. That is offered by Senator Higgins.

SENATOR HIGGINS: Thank you, Mr. President, Senators, the purpose of this amendment is pretty much self-explanatory. We have come out with a bill out of the Banking and Insurance Committee saying that we want our insurance agents in the State of Nebraska to be well educated and to know what they are talking about when they sell you a homeowners' policy or a liability policy, an automobile policy. Originally they didn't care if the life insurance and the health and accident insurance agents knew what they were talking about, but they have come around now to the fact that the bill wouldn't fly if they didn't include them. I learned this trick from Senator John DeCamp. I knew I would get your attention, John. My amendment simply requires if the people who introduced this bill, the alleged Independent Insurance Agents of Nebraska, the Professional Insurance Agents, both associations which my agency at one time belonged to and dropped, they want to make sure that the people are protected. Now they don't say anything in the bill about where these 24 hours of education are going to be held, in the school, or are they going to be at Atlantic City when we go to a convention? You just go in and sign up and then they send a letter to the Director of Insurance saying, oh, Marge Higgins was there. Yes, she signed up

for the seminar. I will tell you another fallacy in this bill, I mean, now if you are really going to protect your people, your constituents, I sell automobile and homeowners' insurance. I also sell commercial insurance. I don't have to take a course on those though in order to keep my education up. I can take a course on life insurance, which I don't sell, or health and accident, just so I take six hours of education every two years on some field of insurance. So how would you like to know that I have been studying life insurance for two years and I am selling you a fire insurance policy? What have I done to upgrade my own intelligence about life insurance, or rather about fire insurance? This bill is not designed to educate we agents. This bill is designed to put the little agents in the rural areas out of business, and if you don't believe me read the transcript from the hearing on page 36, and page 35 and page 39. If you vote for this amendment of mine, it is going to require that me and every other licensed insurance agent is going to have to take a test and we are going to have to pass it by 70 percent. Now when you vote for that you are probably going to put 80 percent of the insurance agents out of business. They say that we shouldn't have to take a test because we took a test when we were licensed. Senators, as a woman I hate to admit this, I am 50 years old. I have been licensed since 1966. I have never taken any kind of an insurance test to sell any kind of insurance, never. On my own I went to UNO and took a course in insurance, and then I just stepped in and started managing my brother-in-law's insurance agency, and I learned the business by picking the insurance company's brains, the insurance adjuster's brains. Now if I am 50 and I came under the grandfather clause when they finally did decide....excuse me, Senator Stoney, could I have the floor, please....when they did make it a law that we insurance agents have to take a test, I came under the grandfather clause.

SPEAKER MARVEL: Excuse me, excuse me....there is so much noise in this Chamber it is almost impossible to hear the speaker. Will you please give her your attention. Proceed.

SENATOR HIGGINS: They don't have to pay attention, if they would just let me speak. Anyway, Senators, I never took a test to become a licensed agent, and I am 50. Now how many agents are walking around in your small towns that are older than me? They didn't take a test either. So you see, nobody ever really has tested us, nobody really knows how much knowledge I do or I don't have. I haven't

kept up on insurance as I should, but when something comes up that I need to know I go to the companies and by golly their underwriters better know what they are talking about because every time I go to them I send them a letter and I tell them, per your conversation, what you said. If you read the hearing testimony here, you will understand that they are really out to get the little mutual insurance agents, and, you know, they are my biggest competitors. I don't like them, and I don't know why I am standing up here fighting for them because the rural Senators, or the rural population...I am from Omaha, I am not supposed to be for you people, I am supposed to be against you, if you want to believe the fallacy of what you sometimes read in the news media. What I am really standing up here fighting for is the little guy's right to stay in business. Oregon passed this same law which the introducers of this bill, and at the hearing, they said, no, we don't want to run anybody out of business, two years after Oregon passed this bill over two thousand agents went out of business. Now I am telling you, if you vote for my amendment, you are going to put a lot of independent insurance agents in Omaha, in Lincoln, in rural Nebraska out of business because they can't pass the test. I couldn't pass it today. I would have to study quite a bit to pass the test. But if you don't vote for this amendment, and this is where I learned the trick from Senator DeCamp, then you are saying, we really don't care if these insurance agents know what they are selling to the public, we really don't care if they know what they are talking about. This bill was presented by the Professional Insurance Agents and the Independent Insurance Agents because it will get them more members to come to the convention and pay the membership fee so they can spend more money lobbying us, and that is where they are going to give the test, that is where they are going to give the education. It doesn't even say in this bill where you are going to go to take the test, and, furthermore, in the rural areas where you have got these farmers that are selling crop hail insurance part time, and the rest of the time they are farming...they say they can take a correspondence course. Do you think when the Insurance Director writes to them he is going to tell them, you don't have to pass anything. Here is the stuff, just send me a letter back saying you read it, and we are going to say you qualify. There is nothing laid out about how they are going to handle that. Can everybody take a correspondence course? In other words, this is facetious and, you know, it is almost funny. If it weren't for the fact that it is designed to put the small insurance

agents out of business, and anybody that wants to stand up here and say it isn't, I will on closing refer to the page, read you the testimony for the farm mutual insurance companies where they say, it is designed to put our little agents out of business, and those little agents don't mean a thing to Marge Higgins except I feel right is right and wrong is wrong. I think this bill ought to be killed. And if you vote this bill forward, you are hypocrites because you are trying to fool the public and saying, we are trying to protect you but we really aren't. The insurance companies are behind this and these associations that are so hungry for membership. And like I told you before on General File, look and see who belongs to the Independent Agents in Omaha, the same people that are the Knights of Aksarben. This is big business swallowing up little business and they are doing it all the time in Omaha. And it was a big insurance agent that came to me three weeks ago and said, Marge, now that you are in the Legislature, how would you like to sell your agency? And in our visitation, I didn't sell the agency, but in talking to him, I said, what do you think about this bill? He said, it is a Godsend, it will run a hell of a lot of people out of business. Those were his exact words. And he says, we will get rid of the competition, Marge. He just didn't know Marge Higgins thinks competition is a good thing. It is good for the people. So I ask that you adopt this amendment. It is going to make Marge Higgins take a test to prove that she knows what she is talking about when she sells your constituents a policy and at the same time your own insurance agents are going to come down on your neck. The lobbyists out there are going to tell you, don't vote for Higgins' amendment, my God, we don't want anybody to have to prove they know what they are talking about.

SPEAKER MARVEL: You have one minute left.

SENATOR HIGGINS: Thank you, Senators.

SPEAKER MARVEL: Senator Haberman, do you wish to speak to the Higgins amendment?

SENATOR HABERMAN: Mr. President and members of the Legislature, first of all, Senator Higgins, I would never have thought you were 50 years old, I thought you were around 41, 42. Second, Mr. President, I support Senator Higgins' amendment. I am from a small community. I haven't had my insurance agents call me up and say it is a bad bill. They think the bill is all right. And I am sure that the insurance agents in my district will study

and take the test and pass it, unless they call and tell me different. And I have had no flak from them on the bill. I have had support for the bill. So beings as Margie has put everybody in the position, you are damned if you do and you are damned if you don't, I think I will and I am going to vote for her amendment. Thank you, Mr. President.

SPEAKER MARVEL: The Chair recognizes Senator Remmers. Do you want to speak to the Higgins amendment?

SENATOR REMMERS: Yes. Mr. Chairman and members of the Legislature, I think as Senator Higgins has indicated her amendment is an attempt to kill the bill. I oppose the amendment. I think the original bill has many good features in it. I think some of the mandatory requirements that she is asking would kill the bill. I think she has indicated a need for some kind of regulation because she has said that many insurance agents don't know what they are selling. I think it is important that insurance salesmen know what they are selling. I live in a rural area. I have an insurance policy with one of the small mutuals, but I think it is very important that we do have some requirements for continuing education, but I would urge you to vote against Senator Higgins' amendment because it is specifically designed to kill the bill.

SPEAKER MARVEL: Senator Barrett, do you wish to speak to the Higgins amendment?

SENATOR BARRETT: Very briefly, Mr. Chairman. I, too, agree with Senator Remmers that this might be an attempt to kill 274 which in my opinion is totally unnecessary. I do take exception to the fact that there are some who feel that this will run the smalls out of business. I feel that in some 25 years as a licensed insurance agent I do have some feel for this particular subject. I have no problem with the continuing educational hours. Other professions, most professions are now coming to this point. I don't feel that the smalls will be pushed out. The real professional will survive in the insurance business which is as competitive as any I have ever seen. The professional will survive in the years ahead partly because of continuing educational requirements. I urge you to vote against the Higgins amendment. Thank you.

SPEAKER MARVEL: The Chair recognizes Senator Cope. Do you wish to speak to the Higgins amendment?

SENATOR COPE: Yes. Mr. President and members, a question of Senator Higgins.

SPEAKER MARVEL: Senator Higgins, do you yield?

SENATOR HIGGINS: Yes, sir.

SENATOR COPE: Senator Higgins, you say that the education would probably be done in Atlantic City or Reno or some place at a convention. Doesn't it specify... let's see, LB 274 requires, now this is a quote from a letter I received. I haven't checked it in the bill. It says, "LB 274 requires a licensed agent to satisfactorily complete 24 hours in continued education courses approved by the Director of Insurance." Now it seems to me that that has a little bite in it, that it does have restrictions of what this is. It isn't a vacation in Reno.

SENATOR HIGGINS: Senator Cope, the Director of Insurance may approve the courses, but it doesn't say who is going to give those classes and where they are going to be given. Just like Senator Pirsch just came down and pointed out to me now, doctors are required to have so many hours of education every year. They usually get them at medical conventions, and again they can walk into the place where they are giving the seminar, sign their name and walk out, and that is exactly what insurance agents will be able to do at these conventions. If you read the bill, there is nothing there about who is going to give the course, where it is going to be given. It just says, the Director of Insurance will determine what will be in the course.

SENATOR COPE: Well, it is I think impossible. I think that comes in the rules and regulations of the Director of Insurance. You can't put in statute they are to be given at the Holiday Inn at Kearney or exactly what. I think your explanation is a little far fetched there. I think that we should have, as a person who buys insurance, everyone in this room, we need more protection than we are getting at the present time. We let it go. We buy insurance policies. I don't know anything about that policy. I don't try to learn. I take the judgment of the person I am buying from, and they are the ones that I am going to if I have problems, but if they weren't aware of it and didn't know, I am still the fall guy, and I don't like that idea. So right or wrong, I guess I am going to have to vote against your amendment.

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LB 274

SENATOR HIGGINS: Your prerogative, Senator.

SPEAKER MARVEL: The Chair recognizes Senator Koch. Do you wish to speak to the Higgins amendment?

SENATOR KOCH: Thank you, Mr. Speaker. Senator Higgins I think is guilty of a slight exaggeration of the fact. We have had conferences and conventions for years and it's very few people who go to these who are allowed much credit toward the continuing upgrading of the profession. I have good friends right now who are small agents who are going to UNO at that institution that we many times give credibility to and they are engaged in continuing education to better their own profession, and they have been in the insurance business quite a while. So I think that, Senator Higgins, you are providing some information which is slightly exaggerated. All we are saying is if we find the Insurance Director is not approving certain kinds of programs for a person's upgrading of their own profession that I think that is where we should go. But I doubt very seriously that they are going to pick this up at Las Vegas or some other very beautiful place, and occasionally I would admit that people do go to conferences and then may drop in only for the general assembly and then leave, but that is because of some tax loopholes they get. You know that as well as I do, Senator Higgins, they can write that off. But I doubt that very many of them, doctors or anyone else, would qualify for those kinds of credits that are not taken in a formal atmosphere where they can prove indeed that it did improve their ability to deal with the consumer whether it be in medicine or insurance or whatever it might be. So I do not think we should adopt Senator Higgins' amendment.

SPEAKER MARVEL: Senator Higgins, do you wish to close on your amendment?

SENATOR HIGGINS: Yes, Mr. President. First of all, Senator Koch, I have offered this amendment in all honesty. I think you must have misunderstood me when I said I was 50, you must have thought I said I was 15. I don't think anybody here believes that when they go to these conventions and they have seminars that everybody that goes to the convention attends the seminar. I know too many people that go to conventions and sign in for these alleged education classes in order to qualify. I am wondering why when we license real estate agents we make them come to Lincoln to take the test to make sure they are qualified. When we license insurance agents we make them come to Lincoln, take the test, make sure they are

qualified. I am making the point again, Senators, I have never taken a test to sell insurance and I am only 50. Think of the ones that are in their sixties. All of us came under the grandfather clause. So the education, if you really want them to be educated how are you going to know whether they took the course or not if you don't give them a test? Well, I am going to give you the part that I promised. A Mr. Lyle Dokulil testified at the public hearing on this, and you rural senators this is for you because he is telling you what is going to happen in your district, not mine, I could care less. But Mr. Dokulil says, "Mr. Chairman and members of the committee, I am Secretary Treasurer of the Farmers Mutual Insurance Company of Saunders County and of the Nebraska Farmers Mutual Reinsurance Association", and then he goes on to say, "Without these part-time agents producing business the company would not survive in its present form. If LB 274 becomes law, I am certain that many of these agents would simply leave the business and replacing them would be extremely difficult. This would restrict competition and the cost would ultimately be born by the consumer." There is your answer. The State of Oregon passed a continuing education law in August of 1978. At that time Oregon had 10,350 licensed agents subject to the law. By October of 1980 there were only 7,850. This is for you rural senators, and if you think putting one little agent out of business is only one vote, remember he might insure a hundred people. In the first year of the Oregon law 2400 agents' licenses were revoked for failure to comply with the requirements and another 1600 agents simply left the business. Now the cost, and this is 1978. We are four years back. The Oregon Insurance Department estimates that it sent 32,000 pieces of mail during the second year of the law to operate the program and the costs were from \$40 to \$45 thousand per year for all elements of the program. Again, no need has been shown for LB 274 and it is our opinion that mandatory continuing education is not in the public interest, but rather in the interest of those individuals or organizations who are offering continuing education courses. So when you pass this bill, then perhaps some of Senator Koch's teacher friends might jump up and say, hey, I am going to offer a course for \$300 and you can take it from me. Or again, as I say, the Professional Insurance Agents, the Independent Insurance Agents, they may offer the course at the convention, and in this way just by joining their organization, go to the convention and have a whoopee time and you are going to get a certificate that you have completed your 24 hours in two years or six or twelve hours depending on how many lines of

insurance you write. All I am trying to point out, senators, I haven't got a thing to gain by standing up here and defending the small agents in the small towns.

SPEAKER MARVEL: You have one minute.

SENATOR HIGGINS: I am only doing this because I think it is morally right, and you know and I know that if you require someone to take a test, then you have no way of knowing if they learned anything, and isn't it asinine that I am going to sell you an automobile policy, I am going to study life insurance while I am doing it, and that is the facetiousness of it. I urge you to vote your conscience on this amendment, do what the insurance companies want you to do, or do what your constituents want. Remember, if you pass this amendment, Marge Higgins has to take that test, and I am not sure I could pass it. Thank you, Senators.

SPEAKER MARVEL: The motion before the House is the adoption of the Higgins amendment to LB 274. All those in favor vote aye, opposed vote no. Have you all voted? Have you all voted? Have you all voted? Clerk, record the vote.

CLERK: 9 ayes, 21 nays, Mr. President, on the motion to adopt the amendment.

SPEAKER MARVEL: The motion lost.

CLERK: Mr. President, Senator Sieck would move to indefinitely postpone the bill. That would lay it over unless the introducer wishes to take it up today.

SPEAKER MARVEL: Senator DeCamp.

SENATOR DeCAMP: Mr. President, I am not going to...I am going to let him lay it over for a day, and just point out, about three years getting the bill into the form it was a few minutes ago before we starting adopting amendments, and I think everybody ought to find out where the bill is now, what they want in it, and so on and so forth rather than waste another half a dozen hours changing the bill. It was moving along pretty smooth after three years of working on it and I would give a word of caution to lobbyists and special interest groups and that is simply this. This is a short session and when you have got a good thing going, it ain't too bright

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LB 274, 572, 623, 816, 948

to start getting too greedy.

SPEAKER MARVEL: The bill automatically lays over. Now the Clerk has some items on the desk.

CLERK: Mr. President, I have a designation of LB 572 as a priority bill by the Speaker.

Mr. President, reminder that the Judiciary and Banking Committees will be switching hearing rooms today for public hearing.

I have an Attorney General's Opinion addressed to Senator Pirsch, one to Senator Schmit. Both will be inserted in the Journal. (See pages 422 through 427 regarding LBs 948 and 816).

I have public hearing notices from the Urban Affairs Committee for February 10 and 17, and one from Retirement for February 3, and one from Retirement for February 9.

Banking reports LB 623 advanced to General File with amendments, Mr. President.

Mr. President, in addition to that I have a notice of hearing offered by the Ag and Environment Committee. In addition, the Ag and Environment Committee would like to cancel the hearing scheduled for Friday, this coming Friday, January 29. In order to do that, Mr. President, Senator Schmit needs to suspend Rule 3, Section 12, so as to permit the cancellation of the public hearing.

SPEAKER MARVEL: The Chair recognizes Senator Schmit.

SENATOR SCHMIT: Mr. President and members of the Legislature, I would like to move to suspend the rules and cancel that hearing because it is similar to another bill which we have scheduled for a later date, and it will be much more convenient for the individuals who will testify if we hear both bills on the same date. So I would ask you to vote for the rule suspension.

SPEAKER MARVEL: The motion is to suspend the rules to cancel the hearing. Is there any further discussion? All those in favor of Senator Schmit's motion vote aye, opposed vote no. We are talking about 30 votes. Have you all voted? Okay, record the vote.

CLERK: 33 ayes, 0 nays on the motion to suspend the rules and cancel the hearing, Mr. President.

SPEAKER MARVEL: The motion is carried. Other items?

CLERK: No, sir, I am through.

February 5, 1982

PRESIDENT LUEDTKE PRESIDING

PRESIDENT: Prayer this morning by Major John Werner of the Salvation Army here in Lincoln.

MAJOR WERNER: Prayer offered.

PRESIDENT: Roll call. Have you all registered your presence this morning? We're ready.... Record the attendance, Mr. Clerk.

CLERK: There is a quorum present, Mr. President.

PRESIDENT: A quorum being present, are there any corrections to the Journal?

CLERK: I have no corrections, Mr. President.

PRESIDENT: The Journal will stand correct as published. Any messages, reports or announcements?

CLERK: Mr. President, two brief items, LR 210 and 213 are ready for your signature.

PRESIDENT: While the Legislature is in session and capable of doing business I propose to sign and I do sign LR 210 and LR 213. The Legislature will stand at ease for a moment.

EASE

PRESIDENT: We're ready then for the Legislature to come back to order. We will go to agenda item #4, Select File, LB 274.

CLERK: Mr. President, 274 was last considered on January 26th of this year. At that time the E & R amendments were adopted. There was an amendment from Senator Remmers that was adopted. Mr. President, we now have pending a motion from Senator Sieck to indefinitely postpone the bill.

PRESIDENT: The Chair recognizes Senator Sieck.

SENATOR SIECK: Mr. President and members of the body, it is kind of early in the morning for me to be trying to kill a bill but I feel that this bill does not have much merit. I feel that the insurance companies can provide their own education and some of them are providing their own education and why can't all the insurance companies do this? And I think they are. Now visiting with the insurance agents on health I found that they already have a terrific educational

program set up on their own especially some of the special insurance agents and they remain neutral on this particular subject. And I think that they will try to continue to remain neutral if this kill motion fails but they are fearful that this particular bill will now require them to modify their program and maybe would lose some of the things they are actually doing in the regions at the present time. I do agree with Senator Remmers that if we are going to have an educational program that it should be all encompassing and cover every insurance agent instead of picking out a select few. But I also feel that many insurance agents have their own program and why couldn't the other fields also have their educational program under the competitive market with better and more knowledgeable people for their particular trade? I do not feel that we should write a continuing education law when this could be done on a voluntary basis and in some instance it could be very difficult for some agents to come under this law. Senator Higgins required that they pass an examination or a test. At the present time any new agent has to, which is required by law, take this test and pass that test for any insurance in order to get a license so that he has to be knowledgeable in what he is doing. I also realize that there are many agents out there especially in the small companies where they sell one line insurance that would not be able to take this test because they are not knowledgeable with the facets of insurance business even though they are knowledgeable in their particular trade and they have a superior insurance agent that has to go over all the insurance forms that if they do make a mistake it will be corrected. Because again, they are in the competitive market and they have to sell a good product because generally these agents live in the community where they are selling the insurance. I do feel and I kind of have a sneaking suspicion that this bill is earmarked to get rid of the small companies. I know this law was passed in Oregon and eliminated a lot of insurance agents because of it and if that is the gist of the bill, then it is wrong.

PRESIDENT: (Gavel.) It is very noisy in here and Senator Sieck seems to be talking to himself almost. I would like to have you pay some attention to the senator.

SENATOR SIECK: For this reason I do not feel that we need this bill at the present time and I feel it should be killed and I move that we indefinitely postpone this bill.

PRESIDENT: Okay, motion is to indefinitely postpone, right. The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Well, Mr. President, naturally I would

suggest we don't kill the bill and would enlighten the body that if the bill stays alive we now have an amendment that has been agreed upon by the insurance commissioner, by Senator Remmers, by Senator Dworak as I understand, everybody that really has an interest in the bill. I think Senator Barrett is in agreement with it, the Blue Cross-Blue Shield, the various multitudes of different insurance interests that settles the continuing education program in a way that is satisfactory to them all and as I say, I would recommend that you don't kill it, use your own good judgment on it. I will offer the amendment if the bill survives and I hope it will, but I would offer this little bit of rebuttal I guess to Senator Sieck's very well intentioned kill motion and the rebuttal is something like this. His main example is the Oregon experience where thousands of people lost their licenses once they had to go to continuing education. However, an analysis and a check of those that lost their licenses showed very clearly that they should have lost them because most of them had not been in business, had not done anything for fifteen, twenty years. They just hadn't even been selling insurance and the license was kind of a lifetime deal. They didn't even go to the continuing education. They didn't care about it. Additionally the most interesting thing that came out of the Oregon experience was that a very significant percentage of those that lost their licenses were already dead. They had been dead quite a while. So they had very minimal needs for their license to sell insurance, what with their apparent condition of being dead.

PRESIDENT: The Chair recognizes Senator Landis.

SENATOR LANDIS: Mr. Speaker, members of the Legislature, I oppose the kill motion to LB 274. I was in committee and heard this bill. This bill is a consumers' bill. It is for consumers and their protection ultimately that we support LB 274. It is not an economic weapon for some companies to wield against others. This isn't for the purpose of driving people out of business. It lays down a requirement that says if you're interested in selling these kinds of insurance in the competitive marketplace, be prepared to study up and know your business. Be prepared to enter into the marketplace and to sell to the consumer knowing your product, being able to answer the question that they might have, being familiar with the state of the law in this area. Now the argument that we are hearing today as opposed to what we heard the last time around is, this isn't comprehensive enough, it doesn't cover enough people, and if it is good for some it ought to be good for all. There is a character in Greek mythology called Procrustes. Procrustes was a bandit who used to steal people on roads

in Greece and take them home to his house and he would lay them down on his bed and if they were too short he'd put them on the rack and stretch them out and if they were too long he would cut their legs off to match the size of the bed and from this old story we get the term "procrustean" which means to treat different things in the same way. You know that is kind of an inequality as well. Inequality comes from treating different things in the same manner just as it does by treating the same thing in different manners and what we have here is, we have the argument that everybody regardless of the nature of their function, regardless of the nature of their task, be treated in the same way, that there is no rational distinction between groups. The Remmers amendment has drawn a reasonable distinction. It distinguishes between the health agent who is in the competitive marketplace, who is out there selling lines of insurance, bidding against other agents for business and is, in fact, an insurance agent. It distinguishes that person from the bank deposit representative who is there simply as a conduit of a particular piece of business for that particular bank facility and there is no need to draw all of those people together and treat them in the same fashion. Their function is different. Their relationship to the public is different. The reliance of the consumer on those people is different and they can be treated differently and yet still rationally. That is what LB 274 does. It treats the insurance industry in a rational manner and does draw some distinction but those distinctions are grounded in fact, not in imagination and not for the purpose of harpooning some kinds of insurance agents. I support LB 274. I'm against the kill motion. I hope that you will vote for the consumer because the consumer is the one who profits by LB 274.

PRESIDENT: The Chair recognizes Senator Rumery.

SENATOR RUMERY: Mr. President, members of the Legislature, I don't believe we ought to kill this bill. As I understand it some of the opponents have gotten their act together now and I think we ought to give it a chance to work. So let's vote it up or down but let's not kill it.

PRESIDENT: The Chair recognizes Senator Higgins.

SENATOR HIGGINS: Mr. President, Senators, I got in on the tail end of Senator DeCamp's speech this morning about insurance agents in Oregon losing their license because they were dead. I don't think this is the kind of a bill that you correct that situation and I would hope, I pray to God that the Director of Insurance in the State of Nebraska is not issuing licenses to insurance agents who have been dead for some time. Perhaps Oregon doesn't have as astute an insurance director as Nebraska does but this bill in no way is going to affect that one way or the other. The only point I want to make is, this is a wonderful consumers bill. Agents take education courses on types of insurance they don't

even sell. That really is going to help you poor suckers that buy insurance from us agents. I can go out and sell you a life insurance policy and not study it for twenty years and I can study auto insurance policy and never sell that. You look at this bill and you wonder. Can you imagine a bunch of lawyers coming to this Legislature and saying, "Please pass a bill that is going to make us study harder." Can you really believe that insurance agents are behind this bill and saying, "Oh, please, pretty please, make us study more." And yet that is what the proponents would have you believe, "We want more government regulation." I am looking at who is voting for more government regulation. I am looking at who is voting for it and I'll tell you the next time they get up and talk about, "Let's get government out of business," I'm going to have that list. I've had a good time with this bill because we all know it is going to pass and we all know why. But let's not try to tell the news media that's here that this is a consumers' bill. We all know, this is an insurance companies' bill and we all know this is designed to get more members in those insurance agents' organizations that promote the big insurance companies. It isn't going to help the consumer. All it is going to do is put the little agents out of business in the little towns. I could have sold my agency this year for tremendous profit but I didn't but I can sell it any time so I don't have any interest in this bill for myself personally and I'm glad you killed that amendment where you'd have to take a test to prove you learned something in that stupid education course that you're going to take at Atlantic City or in Honolulu because this agent at fifty years of age, I couldn't pass the test. Now Dworak there, he's younger than me. He could pass the test but I'm wondering why us agents that never took a test to be licensed we aren't going to have to pass a test. We never proved that we were capable, none of us, not my age and there is some younger than me that never did. But I think we ought to just cut the debate short and go ahead and get the twenty-five votes up there and then when you go home you can explain it to the poor little agents that don't have a business anymore. Thank you, Senators.

PRESIDENT: Any further discussion on the motion to indefinitely postpone LB 274? Senator Sieck, you may close on your motion. Just a minute, Senator Pirsch came on so I will allow Senator Pirsch to speak and then you may close if there is no other light on. Senator Pirsch.

SENATOR PIRSCH: Thank you, Mr. President and members of the body, this really is more of an observation and than an objection but it never ceases to amaze me how we can come in on sunset review and we've been doing this before and requiring

education for real estate agents and insurance agents and yet when we had 447 or 448, excuse me, the other day and the committee had put on education provisions for doctors and the body refused to accept these. In fact, I don't think really that it was as much contested as insurance agents' education. It appears to me that we are requiring of insurance agents and real estate agents and all these others, education, continuing education and we refuse to accept the education provisions for doctors. I don't really understand that. Not only do we refuse to accept the education provision but we also eliminated the sterile antiseptic conditions. I don't know if someone can explain that to me but it appears to me that I would much rather have my doctor having continuing education than I would my insurance agent. Thank you.

PRESIDENT: The Chair recognizes Senator Goll.

SENATOR GOLL: I would just like to add that I had a conversation last week with a life insurance manager of a rather large company operating in the State of Nebraska. Now it is my understanding that the life insurance industry by law is mandated for a continuing education program and now we are talking about the casualty business so I asked him how it was working out. The one thing he said to me was, he said, "Jim, you want to remember that what you are doing is not for the good agents because they are going to make sure they're continually updated and educated. This type of legislation is for the agents that are not the good agents." And he said, "The program in the life insurance industry is being handled by our industry pretty well and I wouldn't deem it necessarily that successful in this short range of time but I think it is working." So I think we have to remember that the type of legislation we're going to react to who will be not for the good agent but for the bad agent. Thank you, Mr. President.

PRESIDENT: The Chair recognizes Senator Howard Peterson.

SENATOR H. PETERSON: Do you have any more speakers?

PRESIDENT: No, no, sir.

SENATOR H. PETERSON: Then I will sit down. I was going to call the question.

PRESIDENT: Yes, we are, thank you, Senator Peterson. We are ready for the closing by Senator Sieck.

SENATOR SIECK: We had many speakers here say that we do need education, Mr. President and members of the body, and I agree.

They do need education. But this bill says they should attend a school. That doesn't say they are going to get an education. They just have to attend a school and I bet you that those poor agents that you are talking about, they will register for the school and then they will go goof off and there is nothing there that says that they have to continue on to school. All they have to do is register. And I also want you to know that an agent that comes in line has to take a test. He has to be knowledgeable of his insurance and what he is doing and I do feel that this is all that should be required. And I can see where this bill would be abusive and many of our agents which we do think do need the education are still not going to get it. So I move that we kill the bill.

PRESIDENT: The motion is to indefinitely postpone LB 274. All those in favor vote aye, opposed nay. Senator Sieck, you don't want to have any...Okay. Record the vote.

CLERK: 6 ayes, 29 nays, Mr. President, on the motion to indefinitely postpone.

PRESIDENT: The motion fails.

CLERK: Mr. President, Senator DeCamp would now move to amend the bill.

PRESIDENT: The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President, members of the Legislature, Senator Pirsch and Senator Higgins raised, and Senator Sieck, with his kill motion, raised some interesting questions. So I think it is time we have the truth session on LB 274. Now is 274 a good bill or a bad bill? I surely do not know. I will tell you the custom in this body and the custom that we have developed as long as I can remember since I have been here and before that and it goes something like this. Whether it be the podiatrists or the doctors or whatever, CPAs, we say, "Look, you people know your industry as well or better than anybody else. You people are the peers of the other insurance people or doctors, or whatever." Now if you as a group almost overwhelmingly say, look, we've got a problem here, we need this or we don't do that, shouldn't do that, then the Legislature generally speaking is going to listen to you and believe you. We don't all claim to be insurance experts or CPAs or anything else. What we do is pretty much take your word because we know that usually within an industry you have a whole bunch of disagreeing people and if you get them all in agreement, then generally what they've got is something that is good for the consumer and good for the industry. What we try to watch out for in the Legislature

is whether the consumer is being abused in the process. We try to get that balance of upgrading the industry, making it good and making sure the consumer isn't being taken advantage of. So what are we here for now? In the area of insurance we started out with the insurance industry violently divided on this question of education, whether any was needed or not and I repeat again. I don't make a judgment, I don't know. We did finally conclude with both sides essentially or three or four sides essentially agreeing, yes, there are some problems; yes, we do need some monitoring, some supervision, some upgrading, some continuing education because of the rapid changes. Once you acknowledge you've got a problem then you try to find a solution. The solution we reached, even though it isn't loved by the Insurance Department it is accepted by them. They would have probably five or ten times as much. Blue Cross-Blue Shield, the amendment I am going to offer, they have agreed to this because they actually have a stiffer or tougher program as you can...so the Insurance Department agreed that they've got that problem covered. That is what the amendment is here for. The mutuals, they agreed that, yes, there is a problem but this is going to be a burden on us. We tried to write the legislation so they are satisfied. So is the legislation good or bad? I guess it is designed to make the industry police itself, upgrade it in education and to the best of my knowledge I can find nothing that hurts the consumer, quite the contrary I think it will probably long term benefit the consumer. That is why we are pushing the legislation but like on any issue as I have suggested, the real truth is, an industry is listened to very heavily when it comes to matters strictly dealing with the industry. That is what 274 attempts to do.

PRESIDENT: The Chair recognizes Senator Higgins.

SENATOR HIGGINS: Mr. President, Senators, I have to draw your attention to, who are the proponents of this bill? Independent insurance agents of Nebraska, professional insurance agents of Nebraska, Copple Insurance Agency, C.L.U. agent representing Nebraska State Association of Life Underwriters. What was he here to represent them for? He was here to tell them, "Don't put us in that bill." Now this gal took their education courses thirty years ago and I'm going to tell you what you learn when you learn life insurance and have an accident. And if you pay attention you're going to know a lot more about buying life insurance the next time somebody comes up to you and says, hey, hayseed, I got a real deal for you. This is what you learn when you go to school that the insurance companies give you. They give you a book when you are selling life insurance and on the first page is a picture of a happy mommy and daddy and the two little children. And on the next page, and you take these dummies that are buying it step by step because they know they aren't smart enough to get it if you gave it to them straight. And on the next page daddy is out of the picture and that is what you learn. Turn

the page. Scare the living daylight out of them and then show the wife getting married to somebody else after the old man is gone because she hasn't got enough money to support the little children. That is what I learned when I first started selling life insurance. I quit. I couldn't take it. If you can't sell them on fear then look at them and ask them, right in the eye, wouldn't you hate to force your wife into marrying a man she doesn't love just so she would have enough money to feed her children? That is the insurance company's education. What we do on health and accident insurance when they teach us agents how to sell it, and I don't sell that either, so I haven't got an ox to be gored. Get out the book, agent. This time poor daddy is in the hospital and there is not enough money to pay the hospital bill. Then you turn the page and you show Mommy and Daddy and the kids moving out of the house because they didn't have enough health and accident insurance and that is what you learn when you learn from the insurance companies about their policies. What do you learn about what is in those policies? You learn to brush over real fast what isn't covered and that is one thing I pride myself in as an agent and I'd give anybody a list of my clients and they can write them and call them and ask them. We start out with, "This is what isn't covered in your policy." We do that but that isn't the way the game is usually played. We tell them if the policy is going to pay you \$50,000 you got to be hit at three o'clock in the afternoon on a Tuesday or you won't collect that that is the way the policy is written. But I want you to understand when you look at this again, Senators, in all honesty do you really believe these people are crying for you and me to say we want more government regulation? If you really believe that then I guess you really believe that every agent across the State of Nebraska wants the state government coming in and telling them, you take time out of your busy day and you go get some more education even if you go and study on a subject you're not even selling. I would like to ask Senator DeCamp a question. Senator DeCamp, would you yield to a question? Senator DeCamp, would you get the wax out of your ears and yield to a question? If I'm a life insurance agent and I go to school every year and all I study is fire insurance, can you tell me what that education is doing for you as a consumer when I study auto insurance but I'm selling life insurance but I am complying with the law? How have I made myself a better life insurance agent, more knowledgeable?

SENATOR DeCAMP: As far as I know that certainly wouldn't be compliance with the law. What we're trying to do is education in the field where you are being....

SENATOR HIGGINS: I don't read your bill that way, Senator.

It says right in the bill you could take the course in anything you want. It doesn't have to be a line of insurance you're selling. So again, the question is, I'm selling you a life insurance policy. I haven't studied life insurance for thirty years.

SENATOR DeCAMP: Okay, I've got your answer. We know...

SENATOR HIGGINS: And I'm not studying it now.

PRESIDENT: Thirty seconds.

SENATOR DeCAMP: We know that you selling insurance, Marge, wouldn't be dumb enough to study fire insurance if you were selling life insurance or you wouldn't be making much money. So we know that the individual has got at least enough smarts to study that which he is dealing with I would think.

SENATOR HIGGINS: I would think so too but if he just signs his name in at one of those famous conventions he isn't studying anything and you an I know that.

SENATOR DeCAMP: No, these are not conventions.

SENATOR HIGGINS: This is the way it is usually done, John.

PRESIDENT: The Chair recognizes Senator Sieck.

SENATOR SIECK: Mr. President, members of the body, I did put a handout on everyone's desk telling about group insurance, individual health and the amount of complaints that was gathered from the Insurance Department and the percentage and those health insurance that we have eliminated with the draft of the bill was 61%. Those that we wanted to include in the continuing education was only 39% and now we want to take out the Blue Cross-Blue Shield and I don't know which category they fit in but I could imagine it would be group health. There was three hundred and eighty-four complaints and 16% of the total was from Blue Cross-Blue Shield. Now I can't understand why they have to be out. If they've got a good educational program why do they have to be out? They have got one. They are abiding by the law and yet for some reason they want to be out of here and I just can't quite understand that. John, can you....? I've got a question for Senator DeCamp.

PRESIDENT: Senator DeCamp, will you respond?

SENATOR SIECK: Can you explain to me why the Blue Cross-Blue Shield want out of this insurance package, this continuing education bill?

SENATOR DeCAMP: The system that they have now is actually, according to all the people that have been involved in it, actually more stringent and it is a little different system and it is more stringent than the existing one and the Department of Insurance accepts that fact and for that reason they've decided to handle the matter in this way.

SENATOR SIECK: Well then if they've already got a better package of education why do they have to be out of here? I just can't...it doesn't make sense to me. It really doesn't make sense. So I am going to be opposed to this amendment. If we're going to be all encompassed, let's be all encompassed and everybody take this continuing education course. So I am opposing this amendment.

PRESIDENT: The Chair recognizes Senator Barrett.

SENATOR BARRETT: Thank you, Mr. President. A question of Senator DeCamp.

PRESIDENT: Senator DeCamp, will you respond?

SENATOR DeCAMP: Yes, sir.

SENATOR BARRETT: Senator DeCamp, in reading the amendment for a matter of clarification and also for the record, this amendment will eliminate the bank tellers...

SENATOR DeCAMP: That is correct.

SENATOR BARRETT: ...the people in advisory positions, administrative personnel and that sort of thing from the continuing education requirements. Correct?

SENATOR DeCAMP: That is correct.

SENATOR BARRETT: Senator DeCamp, with the amendment which was attached the other day by Senator Remmers the health and accident and the sickness personnel will be added back into the bill. Is that correct?

SENATOR DeCAMP: That is correct.

SENATOR BARRETT: And, finally, Senator DeCamp, the Blue Cross-Blue Shield people are included in the educational requirements. However, they will be allowed to continue their education as an inhouse operation much the same as they have been doing up to the present time.

SENATOR DeCAMP: That is absolutely correct.

SENATOR BARRETT: Thank you. Mr. President and members, I heartily endorse the DeCamp amendment. I have had some problems with this bill up to this time as some of you know. I have visited with all of the groups that have been concerned about it. I think a compromise has been reached. I think in its present form the bill is now an excellent bill. I urge you to adopt the DeCamp amendment and then move the bill as amended. Thank you.

PRESIDENT: The Chair recognizes Senator DeCamp.

SENATOR DeCAMP: Mr. President, let me read precisely....

PRESIDENT: You just as well close because there is no one else.

SENATOR DeCAMP: That is what I am doing, closing...what the amendment I am offering does. The amendment addresses the problem surrounding the differences in licensing law requirements between hospital service corporation agents and other insurance agents as identified by my good friend Senator Barrett. Now the hospital service corporation, Blue Cross-Blue Shield, agents licensing laws as I stated are more comprehensive and include more people than does the general insurance agents licensing law. The amendments that I am offering here attempt to eliminate from the requirements of continuing education those hospital service corporation licensed agents who would generally not even have to be licensed as insurance agents were they agents for a company other than a hospital service corporation. It would exempt those Blue Cross-Blue Shield bank depositor agents who do nothing more than administrative, clerical and referral activities with regard to the hospital service corporation but would not exclude and I repeat, would not exclude, Senator Sieck, those Blue Cross-Blue Shield agents who solicit and accept applications for health insurance. The amendment is satisfactory to Blue Cross-Blue Shield, the independent insurance agents of Nebraska, the professional insurance agents of Nebraska, the Life Underwriters of Nebraska and the Director of the Department of Insurance. I, therefore, recommend that you adopt the amendment and hopefully advance the bill.

PRESIDENT: The motion is the adoption of the DeCamp amendment to LB 274. All those in favor vote aye, opposed nay. Have you all voted? We're voting on the DeCamp amendment to LB 274. Record the vote.

CLERK: 28 ayes, 0 nays, Mr. President, on adoption of Senator DeCamp's amendment.

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PRESIDENT: The motion carried. The DeCamp amendment is adopted. Any further amendments, Mr. Clerk?

CLERK: I have nothing further on the bill, Mr. President.

PRESIDENT: Senator DeCamp. Alright the motion is to advance the bill. Any further discussion? All those in favor of advancing LB 274 signify by saying aye, opposed nay. LB 274 is advanced to E & R for engrossment. The next bill is 274A, Mr. Clerk. The Clerk will read some matters into the record and then we will take up 274A.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports that they have carefully examined and reviewed LB 692 and recommend that same be placed on Select File with amendments; 628 Select File with amendments; 630 Select File with amendments; 728 Select File with amendments, all signed by Senator Kilgarin. (See pages 564-565 of the Legislative Journal.)

Mr. President, your committee on Education whose chairman is Senator Koch to whom is referred LB 650 instructs me to report the same back to the Legislature with the recommendation it be advanced to General File with amendments; LB 652 General File with amendments and LB 817 from the Urban Affairs Committee advanced to General File; LB 727 indefinitely postponed and LB 820 indefinitely postponed. Those are signed by their respective chairmen. (See pages 567-568 of the Legislative Journal.)

Mr. President, I have on 274A an amendment offered by Senator DeCamp to the bill.

PRESIDENT: Alright, Senator DeCamp, we are ready for your amendment to LB 274A.

SENATOR DeCAMP: Mr. President, the amendment is nothing more than the compliance with the new rules brought to me by the representative from the fiscal office or whoever hauls those things out and I put it up there. So we are going to spend the money that we are going to collect, Senator Warner says. In other words you collect money from them and then you spend it.

PRESIDENT: Any discussion on the DeCamp amendment to LB 274A? If not, the question then is the adoption of the DeCamp amendment to LB 274A. All those in favor vote aye, opposed nay. Have you all voted? Record the vote.

CLERK: 25 ayes, 0 nays, Mr. President, on adoption of the DeCamp amendment.

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LB 237, 255, 274, 402, 525,
589, 598, 646, 649, 802,
828, 832

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Prayer by the Reverend Donald Nunnally, Pastor of Calvary United Methodist Church of Lincoln.

REVEREND NUNNALLY: Prayer offered.

SENATOR CLARK PRESIDING

SENATOR CLARK: Have you all recorded your presence? Have you all recorded your presence? The Clerk will record.

CLERK: There is a quorum present, Mr. President.

SENATOR CLARK: Are there any messages, reports or announcements?

CLERK: Mr. President, I have an Attorney General's Opinion addressed to Senator DeCamp regarding a proposed rule and regulation by the Political Accountability and Disclosure Commission. That will be inserted in the Journal. (See pages 597-600 of the Journal).

Mr. President, your committee on Enrollment and Review respectfully reports they have carefully examined and engrossed LB 255 and find the same correctly engrossed; 274, 402, 525, 589, 598, 646 and 649 all correctly engrossed. That is signed by Senator Kilgarin as Chairman. (See pages 600 and 601 of the Journal).

Mr. President, I have a request from Senator Lamb to print resolutions from Chadron State College in the Legislative Journal for ultimate legislative approval. (See pages 601 and 602 of the Journal).

Mr. President, your committee on Public Health and Welfare whose Chairman is Senator Cullan instructs me to report LB 832 advanced to General File with committee amendments attached; 802 indefinitely postponed; and 828 advanced to General File. All signed by Senator Cullan as Chair. (See page 603 of the Legislative Journal).

SENATOR CLARK: We are ready for #4, motions, LB 237 by Senator Wesely to withdraw a bill. Senator Wesely.

SENATOR WESELY: Mr. President and members of the Legislature, the question before the House is the life and death of LB 237, a bill which has served the state well in its brief life. This bill attempts to deal with a very

February 19, 1982

LB 131, 274, 274A

SPEAKER MARVEL: We are now...I am going to have to have the attention of the Legislature or we won't be able to move today at all. We are now ready for Final Reading. (Gavel.) We are ready for Final Reading and I would call to your attention, still don't have the attention of the Legislature. There is a very important item coming up, and if you aren't prepared, then that is your problem. At the bottom of this sheet we indicate that noon is the deadline for priorities, noon for priorities. So I would call this to your attention as we proceed now on approximately two hours of Final Reading. All legislators please return to your seats. Our rules indicate that we cannot begin Final Reading until all Legislators are in their seats. Item #6, Final Reading. Clerk will read. Okay, the Clerk will read.

CLERK: (Read LB 131 on Final Reading.)

SPEAKER MARVEL: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass with the emergency clause attached? Those in favor vote aye, opposed vote no. Have you all voted? Clerk, record the vote.

CLERK: (Record vote read. See page 762, Legislative Journal.) 43 ayes, 0 nays, 4 excused and not voting, 2 present and not voting, Mr. President.

SPEAKER MARVEL: The bill is declared passed with the emergency clause attached. Next, LB 274.

CLERK: (Read LB 274 on Final Reading.)

SPEAKER MARVEL: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass? Those in favor vote aye, opposed vote no. Have you all voted? Clerk, record the vote.

CLERK: (Record vote read. See pages 762 and 763, Legislative Journal.) 41 ayes, 2 nays, 4 excused and not voting, 2 present and not voting, Mr. President.

SPEAKER MARVEL: The bill is declared passed on Final Reading. We now go to LB 274A.

CLERK: (Read LB 274A on Final Reading.)

SPEAKER MARVEL: All provisions of law relative to procedure having been complied with, the question is, shall the bill pass? Those in favor vote aye, opposed vote no. Have you all voted? Record.

February 19, 1982

LB 131, 274, 274A, 287,
314, 402, 440, 454,
589, 646, 649, 904

SPEAKER MARVEL: While the Legislature is in session and capable of transacting business, I am about to sign and do sign LB 131, LB 274, LB 274A, LB 287, LB 314, LB 402, LB 440, LB 454, LB 589. The next order of business is Final Reading on LB 646.

CLERK: (Read LB 646 on Final Reading.)

SPEAKER MARVEL: All provisions of law having been complied with, the question is, shall the bill pass? Those in favor vote aye, opposed vote no. LB 646. Have you all voted? This is voting on Final Reading, LB 646. Have you all voted? Record the vote.

CLERK: (Record vote read. See page 786, Legislative Journal.) 46 ayes, 1 nay, 1 present and not voting, 1 excused and not voting, Mr. President.

SPEAKER MARVEL: The bill is declared passed on Final Reading. Next bill, LB 649.

CLERK: (Read LB 649 on Final Reading.)

SPEAKER MARVEL: All provisions of law having been complied with, the question is, shall the bill pass? Those in favor vote aye, opposed vote no. LB 649 on Final Reading. Record the vote.

CLERK: (Record vote read. See page 787, Legislative Journal.) 45 ayes, 1 nay, 2 present and not voting, 1 excused and not voting, Mr. President.

SPEAKER MARVEL: The bill is declared passed on Final Reading.

CLERK: Mr. President, Senator Cullan would like to have an executive session of the Public Health and Welfare Committee Monday morning at nine o'clock in Room 1019. That is Public Health and Welfare Monday morning, nine o'clock in Room 1019.

Urban Affairs instructs me to report LB 904 indefinitely postponed. That is signed by Senator Landis as Chairman.

SENATOR CLARK PRESIDING

SENATOR CLARK: Senator Beyer, would you like to adjourn us until Monday morning at nine-thirty.

SENATOR BEYER: Mr. Speaker, I move that we be adjourned until Monday morning at nine-thirty.

LR 211, 224
LB 131, 192, 198, 211, 224, 231,
239, 263, 270, 274, 274A, 287,
314, 402, 440, 448, 450, 454,
465, 511, 547, 589, 592, 634,
646, 649, 669A, 672, 827

February 22, 1982

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: The prayer will be delivered by the Reverend Palmer.

REVEREND PALMER: Prayer offered.

SPEAKER MARVEL: Record your presence, please. While we are waiting for a quorum, underneath the South balcony from Scottsbluff, Nebraska, Audrey Towater is the guest of Senator Nichol. She is the one that has that large object there she is working on. I suggest that at your convenience you take a look at it. It is very interesting. Record, Mr. Clerk.

CLERK: There is a quorum present, Mr. President.

SPEAKER MARVEL: The Clerk has got some items to read into the Journal.

CLERK: Mr. President, your committee on Enrollment and Review respectfully reports we have carefully examined and reviewed LB 634 and recommend that same be placed on Select File with amendments; 672 Select File with amendments and LB 827 Select File and 669A Select File, all signed by Senator Kilgarin. (See pages 790-791 of the Journal.)

Your Enrolling Clerk respectfully reports that she has presented to the Governor on February 19 at two-fifty, bills passed on Final Reading that day. (Re: LB 131, 274, 274A, 287, 314, 402, 440, 454 and 589.)

Mr. President, I have communications from the Governor. The first is addressed to the Clerk. (Read communication re: LB 239 as found on page 791 of the Legislative Journal.) The second communication is addressed to the Clerk. (Read re: LB 192, 198, 231, 263, 270, 448, 450, 465, 511, 592, 131, 274, 274A, 287, 314, 402, 454 and 589.)

Mr. President, your committee on Urban Affairs whose chairman is Senator Landis reports LB 904 as indefinitely postponed. That is signed by Senator Landis as Chair.

Senator Schmit would like to print amendments to LB 547 in the Legislative Journal. (See page 792 of the Journal.)

Mr. President, LR 211, 224 and LB 646 and 649 are ready for your signatures.

SPEAKER MARVEL: While the Legislature is in session and capable of transacting business I am about to sign and do sign LR 211, LR 224, engrossed LB 646, LB 649. (See page