

January 20, 1981

LB 389-433

SPEAKER MARVEL: Senator Higgins.

SENATOR HIGGINS: Mr. Chairman and Senator Chambers, I merely want to state the fact that your very presence here and the fact that we are listening to you is a contradiction of your remarks that you do not have freedom. Thank you, Mr. President.

SPEAKER MARVEL: Senator Burrows.

SENATOR BURROWS: Mr. Speaker, members of the body, I would like to request permission we lay over the resolution until the hostages are in the air.

SPEAKER MARVEL: Any objection? If not, so ordered. We will go to item #6 now, introduction of bills.

CLERK: Mr. President, new bills. (Read by title LB 389-432. See pages 271-280 of the Legislative Journal.)

SENATOR CLARK PRESIDING

SENATOR CLARK: Could I have your attention just a moment, please? The AP has reported that the American hostages will fly out of Iran in the next thirty minutes. (applause).

CLERK: (Read by title LB 433. See pages 280-281.)

SENATOR CLARK: Senator Nichol, for what purpose do you arise?

SENATOR NICHOL: Mr. Chairman, members of the Legislature, I wanted to say something but I don't want to say it if we have urgent business to do. This will take about two or three minutes.

SENATOR CLARK: Continue, we don't have any business right now.

SENATOR NICHOL: Okay, Senator Marsh has a bill in having to do with mammals and I wanted to tell you the story of the three mammals if I may. May I do that, sir?

SENATOR CLARK: Go right ahead if it is funny.

SENATOR NICHOL: Well, I don't know about that but once upon a time there were three mammals who lived happily in Mammalary Land. There was a papa mammal that we called Pappy and mama mammal that we called Mama and baby mammal we called Babble and the reason we called baby mammal Babble was because he talked a lot and asked embarrassing questions.

LB 51, 63, 74, 94, 106, 113A, 150, 154,
190, 195, 225, 261, 272, 281, 284A, 351,
409, 418, 421, 426, 466, 229

March 12, 1981

Mr. President, some items to read in, LB 113A by Senator DeCamp. (Read LB 113A for the first time by title.) LB 284A by Senator DeCamp. (Read LB 284A for the first time by title.)

Your Enrolling Clerk respectfully reports that she has on this day presented to the Governor LB 51, 150, 195, 272, 409 and 154.

Your Committee on Education reports 63 indefinitely postponed. (Signed) Senator Koch.

Your Committee on Public Works reports 229 to General File and 94 General File with amendments. (Signed) Senator Kremer.)

Your Committee on Banking reports 421 to General File with amendments. (Signed) Senator DeCamp.

Your Committee on Public Health reports 261 and 466 to General File with amendments.

Mr. President, Senator Nichol would like to print amendments to LB 74 in the Journal. Banking, Commerce and Insurance Committee sets hearing. Senator Koch would like to print amendments to LB 190. Senator Kilgarin asks unanimous consent to be excused tomorrow. I have notice of priority bill designation of the Speaker. Your Committee on Banking, Commerce and Insurance reports 426 to General File with Amendments. (See pages 882 through 896 of the Legislative Journal.)

Mr. President, Senator Schmit would like to have the Ag and Environment Committee tomorrow morning at eight o'clock in Room 1520, Ag and Environment Committee tomorrow morning.

Mr. President, your Committee on Government, Military and Veterans Affairs reports 281 to General File with amendments; LB 351 General File; LB 418 to General File; LB 106 as indefinitely postponed; and LB 225 as indefinitely postponed. Those are all signed by Senator Kahle as Chairman.

Mr. President, the Business and Labor Committee will have an Exec Session at 1:00 p.m. today in Room 1019; Business and Labor at 1:00 p.m. today.

Mr. President, Senator Vard Johnson asks to be excused tomorrow.

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LB 355, 426

SPEAKER MARVEL: Senator Kilgarin.

SENATOR KILGARIN. Thank you. Mr. Speaker and colleagues, I would like to withdraw my name from the kill motion. I would ask Senator Burrows to do the same with regard to the kill motion that we talked yesterday about combining LB 426, Senator Dworak's bill, and Senator Clark's bill, LB 355, and I think once they are combined it will be a little bit easier for me to swallow the whole package. I do still have some questions but I would ask Senator Burrows if he could go along with that and we could combine the two and then go from there.

SPEAKER MARVEL: Go ahead.

SENATOR BURROWS: I will agree to withdraw the kill motion if Senator Kilgarin wants to and we can work on the bill from here.

SPEAKER MARVEL: Okay, if there is no objection, so ordered. What is the next...?

CLERK: Mr. President, I now have a motion from Senator DeCamp to take the contents of LB 426 as amended by the committee and insert them in LB 355 as new sections in the bill.

SENATOR DeCAMP: Mr. President and members of the Legislature, you may recall yesterday when we got tied up and it looked like we were going to spend the rest of the day on this, I suggested that there may be a simple solution that we were all ignoring. We have bills dealing with Chapter 44, with life insurance, different aspects of life insurance, reserves, investments, so on and so forth. LB 426 was a separate major committee bill sponsored by Senator Dworak. The other bill that we have got before us is 355 is, so to speak, the other half of the question, the other side of the issue. They are both national model bills that have been adopted by the various insurance companies across the United States and agents and my thought is by putting them both together now, we avoid repeated hours of debate. We avoid problems of one side mistrusting the other about whether the bill will pass and we get this issue solved and we get on other things. I would urge you to adopt the amendment, advance the bill and go on to other things and I just got a feeling this could be one of our best days if we can process this one and a couple others here coming up and really get the Legislature back on track.

SPEAKER MARVEL: Okay, you have heard the motion. You have heard the discussion. Senator Dworak, do you wish to be recognized?

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LB 355, 426

SENATOR DWORAK: Mr. President and colleagues, I think some comments need to be made for the record. First of all, I would like to thank Senator Kilgarin and Senator Landis for spending about an hour and a half last night in my office with the various sides of this bill, working out this compromise and I think we have reached a compromise. I do want to make a couple of comments that I do think that LB 426 is germane and that it is proper that it be in the same bill with LB 355. The subject matter of both bills relate to insurance and both amend the same chapter of the Nebraska Insurance Code, Chapter 44. The subject matter of both bills relate to life insurance. Both bills relate to life insurance policy provisions. Both bills relate to life insurance contracts and both bills relate to the concept of life insurance reserves. Both bills were drafted from the National Association of Insurance Commissioner Model Acts and both employ the use of variable rates and/or schedules. As a matter of fact, at one time it was contemplated that the two bills be introduced as one package of legislation, however, because of drafting problems with one bill we got delayed and they got split apart. Further refinement in drafting of what now is 426 was evident and I think it was wise and prudent that we took the time early to get a solid, sound, workable piece of legislation which gives us, really puts us in a position to amend 426 into LB 355 at this point. So, I don't believe, in my opinion, there is absolutely no question as to the germaneness of the two bills. So I would urge the adoption of Senator DeCamp's amendment.

SPEAKER MARVEL: Senator Barrett.

SENATOR BARRETT: Mr. Speaker and members, I did not have an opportunity to speak yesterday on the matter so I want to take just a moment this morning to urge support for the DeCamp motion to merge the two bills. I was a little surprised yesterday at the hassling on 355. I was pleased to hear of the agreement to merge 426 and 355. In my humble opinion they are both good bills, both excellent bills and if in this effort there will be an opportunity to move both the bills, I am in full support. I urge the body's support for the motion. Thank you.

SPEAKER MARVEL: Senator Kilgarin.

SENATOR KILGARIN: Thank you. Mr. Speaker and colleagues, I would urge your support for Senator DeCamp's motion to merge these two bills. Since they are germane they do tie together. They reflect upon one another and the way 355 was moving through like a steam roller without 426 was one of the main concerns that I had and was trying to express yesterday. By tying the two together we can see both an advantage and

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what I consider a disadvantage passed at the same time and under the same bill and hopefully 426 then will not get lost in the shuffle as I felt it would. I would urge your support. Thank you.

SPEAKER MARVEL: Okay, the motion is the adoption of the DeCamp amendment. All those in favor of the motion vote aye, opposed vote no. Have you all voted? Record the vote.

CLERK: 26 ayes, 1 nay, Mr. President.

SPEAKER MARVEL: The motion is carried and the amendment is adopted and now there is another amendment on the desk.

CLERK: Mr. President, Senator Hoagland and Senator Kilgarin move to amend: (Read Hoagland-Kilgarin amendment as found on page 1141 of the Legislative Journal.) That is offered by Senators Hoagland and Kilgarin.

SPEAKER MARVEL: Senator Hoagland.

SENATOR HOAGLAND: Mr. Speaker and colleagues...

SPEAKER MARVEL: Excuse me just a minute, (gavel), we are dealing with very difficult and important business and we would appreciate your attention. Go ahead, Senator Hoagland.

SENATOR HOAGLAND: Mr. Speaker and colleagues, we are currently preparing a brief memorandum to distribute which explains the effect of this amendment. I am not sure it is going to be done in time unfortunately. What the amendment does, it amends Section 4 of 355 which indicates that these changes in interest rates can affect existing policies. Now as a philosophical matter I have no problem in the change in interest rates affecting future policies. That is a freedom of contract matter between the insurance company and the new policy holder. Likewise I have no problem with the new interest rate affecting existing policies. That is also a freedom of contract matter providing the existing policy holder is fully understanding and fully knowledgeable of what the change is. Specifically what I am concerned about is the possibility of our getting a small little proxy-like statement in the mail like a lot of us do, small print, little slip saying, please sign and return, and people without really understanding what they are doing are signing and returning a proxy slip and signing away their rights to an 8% interest rate in favor of a 15% interest rate on these loans. Now what this amendment does, if I can find the current version of it, is it adds to Section 4 of the bill on page 5 which says that if the policy holder agrees in writing the new interest rate can go into effect. It adds a sentence and that sentence says, "Any such agreement

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LB 426

SENATOR CLARK: Welcome, Queen Verlyne. Senator Barrett, did you want to...?

SENATOR BARRETT: Mr. Chairman, yes, I'd simply like to reiterate what Senator Vickers has said and may I also repeat that although Verlyne Dannehl lives in Senator Vickers' district, her mailing address is in my district, the 39th. In addition to her fine honor of being Nebraska Pork Queen may I also suggest in case you haven't noticed, she is a very, very fine Page for the Nebraska Unicameral.

SENATOR CLARK: I guess a queen should have two senators so it is all right.

SENATOR BARRETT: I think you're right.

SENATOR CLARK: We will now go to #8 on the agenda, take up LB 387.

CLERK: Mr. President, I have a request from Senator Rumery as introducer to pass over LB 387.

SENATOR CLARK: All right, we'll go to the passover. LB 417, Senator Cullan. Is he here?

CLERK: No, sir, he is excused for the day.

SENATOR CLARK: LB 421.

CLERK: Mr. President, I have a request from Senator DeCamp as chairman of the Banking Committee who introduced the bill to pass over LB 421.

SENATOR CLARK: 421 is passed over. We will go to 261. Same thing?

CLERK: Mr. President...

SENATOR CLARK: That is a Public Health bill. Senator Cullan is not here. We'll pass over that one. #426 by Senator Dworak.

CLERK: Mr. President, LB 426 was a bill introduced by Senator Don Dworak. (Read title.) The bill was first read on January 20, 1981, 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.

SPEAKER MARVEL PRESIDING

SPEAKER MARVEL: Senator Dworak.

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LB 426, 309, 281

SENATOR DWORAK: Mr. Speaker, we took care of the provisions of 426 in another bill last session so I would like to ask unanimous consent to withdraw the bill.

SPEAKER MARVEL: Alright, you need 25 votes and lay over a day. Is that alright with you?

SENATOR DWORAK: I want to withdraw the bill. We don't need the bill. The provisions of 426 and I can't remember the number, was put into the 355 last session and there is no need for LB 426. We passed it.

SPEAKER MARVEL: Senator Dworak, the easiest way to do it, you posed the question to withdraw it. We ask those who are in favor of you withdrawing the bill vote aye and then we're through with it.

SENATOR DWORAK: That's fine.

SPEAKER MARVEL: Okay, the motion before the House is the withdrawal of LB 426. All those in favor of that motion vote aye, opposed vote no. Record the vote.

CLERK: 28 ayes, 0 nays on the motion to withdraw, Mr. President.

SPEAKER MARVEL: The motion is carried, the bill is withdrawn. The next item is LB 281.

CLERK: Mr. President, LB 281 introduced by Senator Chambers. (Read title.) The bill was first read on January 16 of last year, referred to the Government and Military and Veterans Affairs Committee. The bill was advanced to General File. I have no amendments pending, Mr. President.

SPEAKER MARVEL: Senator Chambers.

SENATOR CHAMBERS: Mr. Chairman, this is one of those bills...(mike not working)...pass over. We're doing some work which has not been completed and the bill is not ready to be dealt with at this time.

SPEAKER MARVEL: That's LB 281?

SENATOR CHAMBERS: Yes.

SPEAKER MARVEL: Is there any objection? If not, it is passed over. The next bill is LB 309.

CLERK: Mr. President, LB 309 offered by Senator Wiitala.