

LEGISLATURE OF NEBRASKA
ONE HUNDRED SEVENTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1061

Introduced by Albrecht, 17.

Read first time January 18, 2022

Committee: Banking, Commerce and Insurance

- 1 A BILL FOR AN ACT relating to insurance; to amend section 44-211, Reissue
- 2 Revised Statutes of Nebraska; to change provisions relating to the
- 3 board of directors of an insurance corporation; and to repeal the
- 4 original section.
- 5 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 44-211, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 44-211 (1) The business and affairs of an insurance corporation
4 shall be managed by the incorporators until the first meeting of
5 shareholders or members and then and thereafter by a board of directors
6 elected by the shareholders or members and as otherwise provided by law.
7 The board of directors shall consist of not less than five persons.
8 Except as provided in subsection (2) of this section, at least one
9 director ~~, and one of them~~ shall be a resident of the State of Nebraska.
10 At least one-fifth of the directors of an insurance company, which is not
11 subject to section 44-2135, shall be persons who are not officers or
12 employees of such company. A person convicted of a felony may not be a
13 director, and all directors shall be of good moral character and known
14 professional, administrative, or business ability, such business ability
15 to include a practical knowledge of insurance, finance, or investment. No
16 person shall hold the office of director unless he or she is a
17 policyholder, if the company is a mutual company or assessment
18 association. Unless otherwise provided in the articles of incorporation,
19 the board of directors shall make all bylaws. A director shall discharge
20 his or her duties as a director in accordance with section 21-2,102.

21 (2)(a) The requirement that one member of the board of directors be
22 a resident of the State of Nebraska shall be waived for a period of five
23 years upon the filing of an affidavit with the department. Such affidavit
24 shall state the following:

25 (i) The insurance corporation's principal corporate executive
26 offices are located within the State of Nebraska;

27 (ii) The insurance corporation is publicly traded on a federally
28 governed stock exchange or is a wholly-owned affiliate of such a publicly
29 traded insurance corporation;

30 (iii) The insurance corporation has been domiciled in this state for
31 at least twenty-five years;

1 (iv) The insurance corporation employs more than five hundred
2 employees who are employed in Nebraska and such employees are subject to
3 Nebraska income tax on compensation received from the insurance
4 corporation; and

5 (v) The ultimate controlling person or entity of the insurance
6 corporation has not changed in ten years.

7 (b) An insurance corporation may file a new affidavit upon the
8 expiration of the five-year period.

9 (c) An affidavit filed pursuant to this subsection shall be made
10 before an officer authorized to administer oaths under the laws of this
11 state or under the laws of the state where execution occurs, and
12 evidenced by the officer's certificate, under official seal, and shall be
13 in substantially the following form:

14 THE STATE OF

15 COUNTY OF

16 I,, the president or chairperson of the board of
17 directors of, an insurance corporation domiciled in the
18 State of Nebraska, hereby declare that insurance
19 corporation is an insurance corporation that meets all of the following
20 listed criteria for waiver of the statutory requirement that a member of
21 the insurance corporation's board of directors be a resident of the State
22 of Nebraska:

23 (i) The insurance corporation's principal corporate executive
24 offices are located within the State of Nebraska;

25 (ii) The insurance corporation is publicly traded on a federally
26 governed stock exchange or is a wholly-owned affiliate of such a publicly
27 traded insurance corporation;

28 (iii) The insurance corporation has been domiciled in this state for
29 at least twenty-five years;

30 (iv) The insurance corporation employs more than five hundred
31 employees who are employed in Nebraska and such employees are subject to

1 Nebraska income tax on compensation received from the insurance
2 corporation; and

3 (v) The ultimate controlling person or entity of the insurance
4 corporation has not changed in ten years

5 President or Chairperson of the Board of
6 Directors (Signed)

7 (SEAL) (Signed)

8 (Name and official capacity of officer)

9 (d) For purposes of this section, ultimate controlling person or
10 entity of the insurance corporation is defined by the department in rules
11 and regulations.

12 Sec. 2. Original section 44-211, Reissue Revised Statutes of
13 Nebraska, is repealed.