

LEGISLATIVE BILL 1336

Approved by the Governor March 27, 1972

Introduced by John S. Savage, 10th District

AN ACT to amend sections 44-202 and 44-205.01, Reissue Revised Statutes of Nebraska, 1943, relating to insurance; to provide for additional kinds of business which may be transacted; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 44-202, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-202. (1) Companies may be formed upon the stock or mutual plan to transact any kind of insurance authorized by section 44-201, or upon the assessment plan to transact the kinds of insurance described in subdivisions (1), (3), and (6) thereof, or upon the fraternal plan to transact the kind of insurance described in subdivision (2) thereof. An assessment association may, in addition to the kinds of insurance described in subdivisions (1), (3), and (6) of section 44-201, be authorized to transact any kinds of insurance which a mutual company may transact when such association has accumulated and thereafter at all times maintains the same reserves, surplus, and contingency funds required to be maintained by a mutual company organized to transact the same kinds of insurance.

(2) A domestic company, including a nonprofit hospital service corporation, may, notwithstanding limitations otherwise applicable, and provided it maintains books and records which account for such business, engage directly in any of the following businesses: (a) Rendering investment advice; (b) rendering services related to the functions involved in the operation of its insurance business including, but not limited to, actuarial, loss prevention, marketing and sales, safety engineering, data processing, accounting, claims, appraisal and collection services; (c) acting as administrative agent for a government instrumentality which is performing an insurance function for a health or welfare program; and (d) any other business activity reasonably complementary or supplementary to its insurance business, either to the extent necessarily or properly incidental to the insurance business the company, including a nonprofit hospital service

corporation, is authorized to do in this state or to the extent approved by the Director of Insurance and subject to any limitations he may prescribe for the protection of the interests of the policyholders of the company taking into account the effect of such business on the company's existing insurance business and its surplus, the proposed allocation of the estimated cost of such business, and the risks inherent in such business as well as the relative advantages to the company and its policyholders of conducting such business directly instead of through a subsidiary.

Sec. 2. That section 44-205.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

44-205.01. The articles of incorporation filed pursuant to section 44-205 shall state (1) the corporate name, which shall not so nearly resemble the name of an existing corporation as, in the opinion of the Director of Insurance, will mislead the public or cause confusion; (2) the place in Nebraska where the principal office will be located; (3) the ~~purpose~~ purposes, which shall be restricted to the kind or kinds of insurance to be undertaken, such other kinds of business which it shall be empowered to undertake, and the powers necessary and incidental to carrying out such ~~purpose~~ purposes; and (4) such other particulars as are required or permitted by Chapters 21 and 44 including the mode and manner in which the corporate powers are to be exercised.

Sec. 3. That original sections 44-202 and 44-205.01, Reissue Revised Statutes of Nebraska, 1943, are repealed.